Pennsylvania’s STATE SYSTEM of Higher Education

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Ethics Training

Presented at the PACT 2019 Spring Conference
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Topics

How to Complete the Statement of Financial Interests Form

Avoid Violations of the Gift Ban Executive Order

What to Know About the Code of Conduct Executive Order
State Ethics Commission Statement of Financial Interests (SFI) Form

Applies to Public Officials under the State Public Official and Employee Ethics Act (Ethics Act)
65 Pa. C.S. §§ 1101 et seq.
All members of a State System University’s Council of Trustees are “public officials” under the Ethics Act:

- Covered by the Ethics Act prohibitions and required to file SFI no later than May 1 of each year.

- SFI covers the *previous calendar year*. 
As public officials, SFI is filed with the Ethics Commission

1. Use online electronic filing system, uploads automatically (www.ethics.pa.gov); or

2. File hard copy physically with the Ethics Commission at:
   State Ethics Commission
   Finance Building
   613 North Street, Room 309
   Harrisburg, PA 17120-0400
State Ethics Commission

Web SFI

For forms due in 2019 for calendar year 2018, all public officials required to file with the State Ethics Commission have the option to file this form utilizing either the paper format or electronically via the Commission’s Web-SFI.

In order to function properly, this form requires Internet Explorer 9 and above, Google Chrome, or Mozilla Firefox.

Web Statement Of Financial Interests Form (Online Form)
Web SFI Filing Instructions Manual (PDF)
Statement of Financial Interests

IN ORDER TO FUNCTION PROPERLY, THIS FORM REQUIRES INTERNET EXPLORER 9 AND ABOVE, GOOGLE CHROME, OR MOZILLA FIREFOX.

THIS FORM IS CONSIDERED DEFICIENT IF ANY BLOCK IS NOT COMPLETED OR IF CONFIRMATION OR SIGNATURE IS MISSING.

AFTER SUBMITTING THE FORM, YOU CAN OBTAIN AN OFFICIAL COPY FROM THE STATE ETHICS COMMISSION'S E-LIBRARY AT HTTP://WWW.ETHICSREGULATIONS.STATE.PA.US. YOU MAY ALSO SUPPLY YOUR E-MAIL ADDRESS BELOW FOR AN OFFICIAL COPY TO BE SENT VIA E-MAIL.

PRINTING THIS FORM FROM YOUR WEB BROWSER DOES NOT CONSTITUTE AN OFFICIAL COPY OF YOUR FILING.

THOSE REQUIRED TO FILE FOR MORE THAN ONE POSITION MUST FILE IN ALL FILING LOCATIONS FOR ALL SUCH POSITIONS.

THIS FORM MUST BE COMPLETED AND FILED BY:
A. Candidates - Persons seeking elected state, county and local public offices, including first-time candidates, incumbents seeking re-election, and write-in candidates who do not decline nomination/election within 30 days of official certification of same.
B. Nominees - Persons nominated for public office subject to confirmation.
C. Public Officials - Persons serving as current state/country/local public officials (elected or appointed). The term includes persons serving as alternates/designees. The term excludes members of purely advisory boards.
D. Public Employees - Individuals employed by the Commonwealth or a political subdivision who are responsible for taking or recommending official action of a non-ministerial nature with regard to: contracting or procurement, administering or monitoring grants or subsidies, planning or zoning, inspecting, licensing, regulating or auditing any person; or any other activity where the official action has an economic impact of greater than a de minimis nature on the interests of any person. The term does not include individuals whose activities are limited to teaching.

A former public official or former public employee must file the year after termination of service with the governmental body.
E. Solicitors - Persons elected or appointed to the office of solicitor for political subdivision(s).

Important: Please read all instructions carefully prior to completion of form. To see detailed instructions, hover the cursor over the "(?)" icon in each section or, to view the entire set of instructions in a second browser window, click "here". Any questions may be directed to the State Ethics Commission at (717) 783-1610 or Toll Free at 1-800-932-0983.

This Form is required to be filed pursuant to the provisions of the Public Official and Employee Ethics Act, 65 Pa C.S. § 1101 et seq.

Please check below if you have read and understand the above terms."
01 LAST NAME

02 ADDRESS office (business or governmental) or home

03 STATUS

04 PUBLIC POSITION OR PUBLIC OFFICE (administrator, member, Commissioner, job title, etc.)

05 GOVERNMENTAL ENTITY in which you are/were an Official, Employee, Candidate or Nominee (e.g., dept, agency, authority, borough, board, commission, county, school district, township, etc.)

06 OCCUPATION OR PROFESSION (This may be the same as block 4)

07 YEAR

Information in Blocks 8 - 15 represents disclosure for the calendar year listed here: 20
General Information

02 - Home or Business Address

04 – “Hold”
“X” University Council of Trustee Member

05 – PA State System of Higher Ed

06 – Your Profession (day job)

07 - 2018 (previous calendar year)

*(04/05 “B” can be used to list separate positions for which you may be required to file SFI, one form for multiple positions)*
<table>
<thead>
<tr>
<th>Block</th>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>06</td>
<td>Occupation or Profession</td>
<td>07 Year</td>
</tr>
<tr>
<td>08</td>
<td>Real Estate Interests</td>
<td>If NONE, check this box.</td>
</tr>
<tr>
<td>09</td>
<td>Creditors</td>
<td>If NONE, check this box.</td>
</tr>
<tr>
<td>10</td>
<td>Direct or Indirect Sources of Income</td>
<td>If NONE, check this box.</td>
</tr>
<tr>
<td>11</td>
<td>Gifts</td>
<td>If NONE, check this box.</td>
</tr>
<tr>
<td>12</td>
<td>Transportation, Lodging, Hospitality</td>
<td>If NONE, check this box.</td>
</tr>
<tr>
<td>13</td>
<td>Office, Directorship, or Employment in Any Business</td>
<td>If NONE, check this box.</td>
</tr>
</tbody>
</table>
Disclosures

08 - Real Estate sold/leased to or from the Commonwealth (includes condemnations) or check “NONE”

09 - Name/Address of Creditors and Interest Rate to whom more than $6,500 is owed (exclude mortgage on primary and secondary residence and loans from immediate family) or check “NONE”

10 - Name/Address direct/indirect sources of income more than $1,300 or check “NONE”
Disclosures, cont’d

11 - Name/Address of the source of gifts valued in the aggregate of $250 or more, circumstances and value of gift (exclusions for family and friends, but a lobbyist is never a friend) or check “NONE”

12 - Name/Address of the source and the amount for transportation, lodging, hospitality received in connection with public office when more than $650 in the aggregate or check “NONE”
11 GIFTS (See instructions on page 2) If NONE, check this box.
Source of Gift

Address of Source of Gift

Circumstances (including description) of Gift

Value of Gift

12 TRANSPORTATION, LODGING, HOSPITALITY (See instructions on page 2) If NONE, check this box.
Source (Name and Address)

Value

13 OFFICE, DIRECTORSHIP, OR EMPLOYMENT IN ANY BUSINESS (See instructions on page 2) If NONE, check this box.
Business Entity (Name and Address)

Name:

Address:

Position Held (i.e., officer, director, employee, etc.)

14 FINANCIAL INTEREST IN ANY LEGAL ENTITY IN BUSINESS FOR PROFIT (See instructions on page 2) If NONE, check this box.
Name and Address of Business

Interest Held (i.e., 5%, 10%, etc.)

15 BUSINESS INTERESTS TRANSFERRED TO IMMEDIATE FAMILY MEMBER (See instructions on page 2) If NONE, check this box.
Business (Name and Address)

Transferee (Name and Address)

Interest Held

Relationship

Date Transferred

The undersigned hereby affirms that the foregoing information is true and correct to the best of said person's knowledge, information and belief; said affirmation being made subject to the penalties prescribed by 18 Pa.C.S. §4904 (unsworn falsification to authorities) and the Public Official and Employee Ethics Act, 65 Pa.C.S. §1109(b).

Signature ___________________________ Enter Current Date ____________

THIS FORM IS CONSIDERED DEFICIENT IF ANY BLOCK ABOVE IS NOT COMPLETED. MAKE A COPY FOR YOUR RECORDS.

(3 of 4)
13 - Office directorship or employment in any “business” entity (includes non-profits) or check “NONE”

14 - Financial interest in any business for profit entity where you hold more than 5 percent or check “NONE”

15 - Information regarding transfers of business holdings to members of family or check “NONE”

Sign and Date!
Executive Order 2015-01
Executive Branch Employee Gift Ban

Applies to Employees, Appointees, or Officials of the Executive Branch
Text of the Ban

No employee, appointee or official in the Executive Branch of the Commonwealth may solicit or accept for the personal use of the employee or another, a gift, gratuity, favor, entertainment, hospitality, loan or any other thing of monetary value, including in-kind gifts, from a person who:

1) Is seeking to obtain business from or has financial relations with the Commonwealth.
2) Conducts operations or activities that are regulated by the Commonwealth.
3) Is engaged, either as principal or attorney, in proceedings before the Commonwealth or in court proceedings in which the Commonwealth is an adverse party.
4) Has interests that may be substantially affected by the performance or nonperformance of the official duty of the employee.
Who is an Executive Branch Employee, Appointee, or Official?

For the purposes of this Executive Order, the following State System officials or employees are subject to the gift ban:

• Members of Councils of Trustees
• Members of the Board of Governors who are appointed by the Governor
• University Legal Counsel and the Chief Counsel
How does the Gift Ban apply to Trustees or Board Members?

• The “Gift Ban,” like the Code of Conduct provisions, applies to activities within the scope of the appointment.

• Therefore, when you are not acting as a Trustee the Gift Ban does not apply.
How does this change activities within the scope of the appointment?

- Prior to the “Gift Ban,” the Governor’s Code of Conduct permitted *de minimis* exceptions found in Executive Order 1980-18, Part I, Section 3.

- However, now there are no monetary value exceptions to the Gift Ban.
The Gift Ban has Three Exceptions:

1. The solicitation/acceptance of something of monetary value from a friend, parent, spouse, child or other close relative under circumstances which make it clear that the gift is motivated by that relationship rather than the official position.

2. The acceptance of loans from banks or other financial institutions on customary terms of finance for proper and usual activities, such as home mortgage loans.

3. Participation in widely attended gatherings free of charge when officials have been invited and are acting in furtherance of their official duties, but no food or drink can be accepted without payment at market value.
Appointees May Not Accept:

- Food and refreshment (even of nominal value).
- Unsolicited advertising or promotional material.
- Reimbursement of expenses for travel by a non-Commonwealth entity.
- An award for a meritorious public contribution.
- A voluntary gift of nominal value (mugs, T-shirts, trinkets, etc.).
- A plaque, memento, or gift of nominal value, etc.
May the University:

• Provide a meal or other food of which the trustee may partake?
  Yes

• Pay for, or reimburse, the trustee for official travel?
  Yes

• Provide a trustee an award or item (T-shirt, coffee mug, etc.) of monetary value?
  Yes
May the Foundation:

• Provide food, drink, or otherwise pay for a function at which trustees/governors may participate?
  Yes

May University Vendors do the Same?

• No
• Trustees may not:
  • Accept food or drink provided by vendors to the university.
  • Partake in any food or drink provided by, or paid for by, any current or potential vendor of the Commonwealth, not just the State System.
Other than the University or Foundation, can someone still buy you lunch?

- Yes, as long as you are not acting within the scope of your duties as a trustee.

- **Which “hat” are you wearing?**

When in doubt…

- Ask the Office of Chief Counsel.
- Say, “No thank you.”
- Pay for the item/meal out of your personal funds (obtain a receipt).
  - May submit for reimbursement for appropriate and reimbursable expenditures.
Executive Order 1980-18
Code of Conduct for Appointed Officials and State Employees

Who is Covered?

For the purposes of this Executive Order, the following State System officials or employees are subject to the Code of Conduct:

• Members of Councils of Trustees
• Members of the Board of Governors who are appointed by the Governor
• University Legal Counsel and the Chief Counsel
What does the Code of Conduct Prohibit?

1. **Having an adverse pecuniary interest stemming from:**
   - Direct or indirect engagement in business transactions or private arrangements for profit that derive from official position
   - Participating in contracting activities (negotiating, loaning, permitting, or other activities of value) with or for an entity in which you have a financial or personal interest
What does the Code of Conduct Prohibit?

1. (Cont’d) Having an adverse pecuniary interest stemming from:
   • Holding a pecuniary or ownership interest in an entity regulated under the Pennsylvania Race Horse Development and Gaming Act (with certain exceptions for investments such as mutual funds, defined pension benefit and deferred compensation plans, tuition account plans, and 401(k) plans)
What does the Code of Conduct Prohibit?

2. Representing (whether or not for compensation) the interests or acting as an agent for a private interest
   • in a transaction the State has a direct and substantial interest in AND
   • which could reasonably be expected to result in a conflict of interest
What does the Code of Conduct Prohibit?

3. Soliciting or accepting gifts or favors (Gift Ban)

4. Misusing information obtained from service that is not available to the public for personal gain for self or others

5. Misusing office facilities/equipment for private gain of self or others
What does the Code of Conduct Prohibit?

6. Supplementing income by performing services or receiving compensation from persons or institutions the official regulates or otherwise engaging in conduct inconsistent with the impartial administration of official duties

• Not intended as a prohibition for individuals serving part time on Boards and Commissions from pursuing their usual occupation
What does the Code of Conduct Prohibit?

7. Accepting an honoraria, speaking fee or other valuable consideration or compensation for consultation that draws upon ideas or data derived from official duties

   • Customarily offered honoraria and speaking fees may be designated by the payor for nonprofit, charitable organizations
What does the Code of Conduct Prohibit?

8. Engaging in political activity
   • Includes activity determined by the Secretary of Administration to conflict or interfere with the ability of the official to carry out the duties and functions of the position OR
   • Coercing another person in government service to contribute time, money or services to a political candidate or campaign
What does the Code of Conduct Require?

• Reporting when formally charged with **felony** criminal conduct or non-felony criminal conduct related to **official duties or functions**

• Reporting when formally charged with **non-felony** criminal conduct unrelated related to official duties or functions
  
  • Includes arrests, being named as a defendant in an indictment or information, or having a private complaint approved by a prosecuting authority
How does the Code of Conduct apply to Trustees or Board Members?

• The Code of Conduct provisions apply to activities within the scope of the appointment

• When you are not acting as a Trustee/Governor, the Code of Conduct does not apply (with the exception of reporting formal criminal charges)
When in doubt...

- Review the Code of Conduct
- Call the Office of Chief Counsel