



CECIL COUNTY GOVERNMENT

ETHICS TRAINING

FOR EMPLOYEES

ANNUAL REVIEW OF THIS TRAINING IS MANDATORY FOR ALL EMPLOYEES EXCEPT EMPLOYEES OF THE OFFICES OF THE SHERIFF, CIRCUIT COURT, HEALTH DEPARTMENT, DEPARTMENT OF SOCIAL SERVICES, STATE'S ATTORNEYS' OFFICE, REGISTER OF WILLS, AND CLERK OF THE COURT, WHO ARE SUBJECT TO THE MARYLAND STATE ETHICS LAW AND DISCLOSURE REQUIREMENTS.

CECIL COUNTY ETHICS LAW

- **The Law requires:**
 - ✓ Elected Officials and some employees to disclose financial information to meet the minimum standards of ethical conduct
- **The Law establishes ethical guidelines and standards for County elected officials and employees:**
 - ✓ To assure impartiality and independence of judgment of State officials and employees
 - ✓ To avoid improper influence or the appearance of improper influence
 - ✓ To preserve the trust and confidence of the general public in their government

ETHICS LAWS

Title 5 – Maryland Public Ethics Law

§5–807. (a) ... each county and each municipal corporation shall enact provisions to govern the public ethics of County officials relating to:

- (1) conflicts of interest;
- (2) financial disclosure; and
- (3) lobbying.

Cecil County Code, Chapter 39 – Ethics: *(Adopted October 18, 2011)*

Organization

Article I – General Provisions

- Purpose
- Definitions

Article II – Ethics Commission

Article III – Prohibited Conduct and Interests

Article IV – Financial Disclosure by Elected Officials and Candidates for
County Office

Article V – Financial Disclosure of Employees and Appointed Members of
Boards and Commissions

Article VI – Lobbying

Article VII - Enforcement

CECIL COUNTY ETHICS LAW

CONFLICTS OF INTEREST PROVISIONS

CONFLICTS OF INTEREST

- The Conflict of Interest provisions apply to all County employees and officials
- Includes prohibitions of certain activities, interests, and employment covered in the County Ethics Law



CONFLICTS OF INTEREST: PARTICIPATION RESTRICTIONS

- A County employee or official may not participate in certain matters in which the employee or certain relatives (spouse, parent, child, brother, sister) have a specific interest
- Matters involving business entities in which the employee or certain relatives have employment, contractual, creditor, or potential employment relationships

PARTICIPATION RESTRICTIONS

EXAMPLES

- A Department Head should not participate in the review of contract proposals submitted by a spouse's employer
- A Public Works employee should not be involved in the inspection of work completed by the business that employs a daughter
- A County Government employee should not participate in reviewing a request for funding submitted by a brother, on behalf of the company the brother owns

WHAT IS “PARTICIPATION?”

- Any action taken as part of official duties
- Voting, attending meetings, participating in discussions, supervision of others, review and approval of documents related to the matter at issue
- Participation is very broad

WHAT IF AN EMPLOYEE OR OFFICIAL CANNOT PARTICIPATE IN A MATTER?

- Document the conflict
- Inform other employees or officials of the conflict and non-participation requirement
- Delegate the duties and supervision of others to a person in a parallel position or a supervisor

EXCEPTIONS TO PARTICIPATION PROHIBITIONS

- Express approval by the County Ethics Commission, given in advice format
- Sole person authorized – County Code provision may be a good way to handle this, specific code provisions requiring a specific person to perform the duty
- Minor and ministerial – participation in a purely administrative function is not prohibited, but participation in any matter affecting the outcome of an issue is not minor

SECONDARY EMPLOYMENT & FINANCIAL INTERESTS

- County elected officials and employees may be limited by provisions of the County Ethics Law in terms of their ability to engage in secondary employment or hold certain financial interests
- Secondary employment relates to compensated employment with an entity or non-compensated service involving a fiduciary relationship (such as a Board of Director position at a non-profit



SECONDARY EMPLOYMENT & FINANCIAL INTERESTS (CONTINUED)

Three forms of secondary employment affiliation and certain ownership interests are prohibited:

- Employment or financial interest in an entity regulated by the employee or the employee's governmental unit;
- Employment or financial interest in an entity that is negotiating, or has entered into a contract with, the employee's governmental unit; and
- An employment relationship that would impair the employee's impartiality and independence of judgment.

Failure to report secondary employment is a Group I offense. Continued participation in secondary employment deemed unethical is a Group III offense and may warrant termination.

*For further information, see section HR-002E of the County's
Personnel Policies & Procedures Manual*

SECONDARY EMPLOYMENT & FINANCIAL INTERESTS (CONTINUED)

Examples of Prohibited Financial Interest Restrictions:

- Attributable financial interest in spouse's business that does business with the County jurisdiction;
- Investing in relative's business that does, or is seeking to do, business with the County jurisdiction;
- Buying or owning stock in a vendor's company;
- Owning a personal business that is seeking to do business with the County

Possible solutions:

- Need express approval to hold interests from the County Ethics Commission
- Do not participate in any duties involving the outside entity in your County government position
- No duties related to the County government in your duties at your outside employer
- Divest yourself of outside financial interest or secondary employment

GIFTS

- County employees and officials may not solicit gifts of any kind for themselves;
- County employees and officials may not solicit gifts for a third party from a regulated lobbyist
- County employees and officials may not accept gifts from one who:
 - Is doing or seeking to do business with their agency;
 - Is engaged in activities that are regulated or controlled by their agency;
 - Has financial interests which may be substantially affected in a specific way by the employee or official;
 - Is a lobbyist with respect to matters within the functional jurisdiction of the employee or official
- County employees and officials may not accept any gift that would appear to impair the impartiality and independent judgment of the employee or official



ALLOWABLE EXCEPTIONS TO GIFT PROHIBITIONS

- Unsolicited gifts of nominal value - **\$20 or less**
- Meals & beverages in the presence of the donor
- Reasonable food, lodging, and travel for participation at a speaking engagement
- Ceremonial gifts or awards that have insignificant monetary value
- Gifts of tickets or free admission extended to a **County elected official only** to attend a charitable, cultural or political event, if the purpose of the gift or admission is as a courtesy or ceremony extended to the elected official's office
- A specific gift or class of gifts that the County Ethics Commission exempts, upon a finding in writing that the acceptance of the gifts or class of gifts would not be detrimental to the impartial conduct of the business of the County jurisdiction, and that the gift is purely personal and private in nature
- Gifts from a person related to the official or employee by blood or marriage, or other household member
- Honoraria for speaking or participating in a meeting, provided that the offering of the honorarium is not related in any way to the official's or employee's official position

PROHIBITION AGAINST USE OF PRESTIGE OF OFFICE

- An official or employee may not intentionally use the prestige of the office for one's own private, gain or that of another
- An official or employee may not use County government time, materials, personnel or other resources to benefit oneself or another
- This restriction does not prohibit the performance of usual and customary constituent services by a County elected officials without additional compensation



CONFLICTS OF INTEREST: POST-EMPLOYMENT RESTRICTIONS

- A former employee or official may not assist or represent any one other than the County jurisdiction for compensation in a case, contract or other specific matter involving the County jurisdiction, if that matter is one in which the employee significantly participated as a County government employee or official
- The duration of this restriction relates to the case, contract or specific matter involved
- Until the conclusion of the next regular session (or one year after the elected official leaves office) a former member of the County jurisdiction's legislative body may not assist nor represent another party for compensation in a matter that is the subject of legislative action (lobbying)

POST-EMPLOYMENT RESTRICTIONS EXAMPLES

- Writing the requirements for qualification for a County Government grant and then applying for the grant
- Working as the liaison for a County Government with a vendor on a project, and then accepting a job with the vendor running the same project or contract on the vendor's side
- Participating as a County Government member in a vote and discussion on new building permits and then leaving the Council to lobby for the builder to County Government on the same issue

PROHIBITION AGAINST DISCLOSURE OR USE OF CONFIDENTIAL INFORMATION

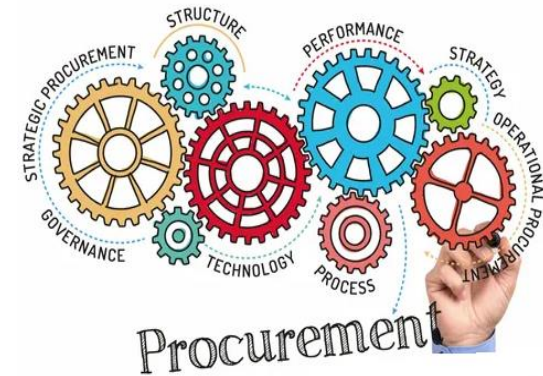
Section 15-507

- An official or employee may not disclose, or use for one's own economic benefit, or that of another, confidential information acquired by reason of one's public position
- Example: An Economic Development official cannot use confidential private business information to speculate in stock or real estate



PROHIBITION AGAINST PARTICIPATION IN PROCUREMENT

- If an individual assists the County jurisdiction in developing specifications for a procurement or other procurement documents, the individual may not bid on the contract or assist or represent another person, directly or indirectly who is submitting a bid or proposal for the procurement
- Even if the official or employee has left County government service, their new employer may not bid on the procurement if that former official or employee assisted in the specifications.



PURPOSES OF THE LOBBYING PROVISIONS

- Disclose to the public who is spending money to influence legislative and/or executive action;
- Strengthen citizens' confidence in the integrity of governmental officials;
- Add transparency to County government

REPORTING REQUIREMENTS

- If the County jurisdiction is required to have lobbying provisions, they must include:
 - A person who provides elected County officials, appointed officials, or employees with food, entertainment, or other gifts exceeding an amount specified in the County law during a period specified in the County law in connection with effort to influence official County actions is required to register as a lobbyist
 - Lobbying registrations must identify the lobbyist, the subject matters on which the lobbyist will lobby, and any other person for whom the lobbyist lobbies, covering a defined period of time specified in County Ethics Law
 - Periodic disclosure is required, including identification of recipients, of food, entertainment, and gifts, to elected County officials, non-elected officials and County employees, from a lobbyist when the cumulative value of the gifts exceeds the amount specified in the County Ethics Law
- County jurisdictions may include other provisions that are substantially similar to the Ethics Law

FINANCIAL DISCLOSURE

- Public disclosure of possible conflicts of interest
- Demonstrate to public that interests are not hidden
- Annual opportunity to review employment and interests
- Allows voters to evaluate the suitability of candidates for office



WHEN ARE FINANCIAL DISCLOSURE STATEMENTS DUE?



- Incumbent County elected officials and employees must file annually by April 30th
- New County officials and employees file within 30 days of taking the position
- County officials and employees terminating County Government service must file a statement within 60 days of termination for the preceding year
- Candidates for County elected office must submit a statement when filing for office, and by April 30th each year thereafter until the election

FINANCIAL DISCLOSURE STATEMENTS ARE AVAILABLE FOR PUBLIC INSPECTION

- County jurisdiction establishes policies and procedures for the availability, review and notification of review of financial disclosure statements



WHAT IS INCLUDED ON A FINANCIAL DISCLOSURE STATEMENT?

- Interests in real property, wherever located
- Interests in corporations, partnerships, stocks (excludes mutual funds)
- Interests in non-corporate businesses that do business with the County jurisdiction
- Gifts
- Offices, directorships, salaried employment or similar interest in businesses that do business with the County jurisdiction (employee, official, or member of immediate family)
- Debts owed to entities doing business with the County jurisdiction
- Information on family members employed by the County jurisdiction
- Information on salaried employment of employee and members of the immediate family

ETHICS LAW VIOLATIONS

POTENTIAL SANCTIONS

- A Cease and Desist order
- A formal reprimand
- Recommendation of censure, removal, or other discipline
- Late fees assessed for delinquent financial disclosure and lobbying forms as established by the County jurisdiction
- For employees: termination, disciplinary action or suspension of compensation pending compliance with an order
- For lobbyists: levy fines and seek to suspend or revoke their ability to lobby
- Request the Circuit Court to:
 - Enforce a Cease and Desist order
 - Set aside certain official action
 - Impose civil fines

