



"WHEREAS, THE PEOPLE OF NORTH CAROLINA ENTRUST PUBLIC POWER TO ELECTED AND APPOINTED OFFICIALS FOR THE PURPOSE OF FURTHERING THE PUBLIC, NOT PRIVATE OR PERSONAL, INTEREST..."  
EXECUTIVE ORDER NO. 127

**W**elcome to the first edition of the *North Carolina Board of Ethics* newsletter. Its mission is to address questions you may have about the Board of Ethics and its work and to provide articles and summaries of advisory opinions that may have an impact on your duties as government servants. The Board of Ethics wants to hear from you as well. The Board seeks your comments, your criticisms, ideas for articles and any other improvements that you believe will help this newsletter deliver meaningful information to its audience. Letters to the Editor are welcome.

## Letter from the Chairman

Most of you are volunteers in a very public and often publicized sector -- North Carolina government. You give your time freely and, through your efforts, government is more responsive and sensitive to the needs of its people. Your work, in and of itself, is of great importance.

Your public volunteerism also brings you under Governor James B. Hunt's Executive Order Number 127, as revised by Executive Order Number 131, which establishes the Board of Ethics. Governor Hunt issued Executive Order Number 127 on January 16, 1998.

On behalf of the Board, I thank you for your patience with the Board as it embarks on an expanded mission. As you may know, the strengthening of the Order this past year resulted in a multitude of letters and forms for each of you to complete. We realize this may have been inconvenient, but we hope the newly constituted Board will make ethics in government an exciting subject that will help you achieve your goals for the citizens of North Carolina.

The Board now provides educational services to help people better understand how their actions may be perceived as giving rise to a conflict, whether one exists or not, and to give helpful advice as to how such perceptions may be avoided.

The Board and its staff are available to provide independent and nonpartisan advice and other assistance regarding ethical issues which arise as you perform your valuable work for the State of North Carolina.

On behalf of the Board, I hope that you will avail yourselves of our services and that you benefit from them.

George F. Bason 

## AN ETHICS QUANDARY

### **HOW BEING THOUGHTFUL CAN BECOME AN ETHICS NIGHTMARE ...**

We all want to be kind and thoughtful. That's why we offer to help our friends and neighbors. Being a member of a community means participating. But what happens if we use our public positions to help a friend get a needed permit or a job in state government?

Have we created an ethical dilemma for ourselves? Maybe.

What's tough about ethics is that more often than not there are no clear-cut answers. It is appropriate to give a friend a recommendation for a job, if the friend is qualified. It is appropriate to ask someone in government to make certain the friend has all the information necessary to file a complete application for a permit and understands the permit process.

But any pressure or perceived pressure can give rise to a conflict of interest. We cannot use our public positions to give friends a more than even break. We have to treat members of the public, friends and foes, equally.

## Inside this Issue

Page 1	Letter from the Chair An Ethics Quandary
Page 2	Frequent Questions Ethics Education Board Information
Page 3	Meet the Board Members
Page 4	Advisory Opinions

## BOARD INFORMATION

### Members:

George F. Bason, Chair Jane F. Finch, Vice-Chair

Rajendra Chhabra Mary Penry Craver

Joe T. Jones Mittie T. Smith

### Staff:

Katherine R. White, Executive Director

Millie Donavant, Administrative Officer

Maureen C. Atta, Administrative Assistant

- Hours: 8:00 a.m – 5:00 p.m.
- Phone: 919/733-2780  
Fax: 919/733-2785

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*Do you have an ethics question or situation? Contact the Board of Ethics to request an ethics advisory opinion at 919/733-2780*

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## ETHICS EDUCATION: TRAINING OPPORTUNITIES

Do you or the members of your board have questions regarding ethics? Would you like assistance developing ethical guidelines for your board? The Ethics Board staff provides free training to public officials and employees. Some of the topics covered include gifts, outside employment, contracting, acting on matters in which family members or business associates have a financial interest, and appearing before your own board or agency.



If your agency or organization would like training for a particular group of officials, employees or the public, please contact the Board at 919/733-2780

to arrange a convenient time and place. Training sessions will focus on the particular issues or situations faced by that group of individuals. All materials will be provided and there is no cost to participants. Just bring your questions.



## *Frequently Asked Questions*

### **DOES BEING RICH OR POOR MAKE ME UNETHICAL? IF NOT, WHY DO I HAVE TO LIST MY ASSETS?**

Several of you have communicated to the Board staff that the questions required to be answered under the Board of Ethics Statement of Economic Interest are unrelated to whether an individual is ethical. Some of you have complained that the Statement constitutes an invasion of privacy.

It is true that financial assets do not give rise to unethical behavior. It is also true that the information on the Statement is a matter of public record and that anyone who seeks access to it may review it.

The disclosure statement is intended to serve several purposes:

- (1) to provide the public with the opportunity to see for themselves the background of their appointed representatives;
- (2) to give the filer an opportunity to review and reflect on assets or activities that may give rise to an appearance of conflict or an actual conflict; and,
- (3) to provide the Board of Ethics an opportunity to raise issues that may simply not have occurred to the filer.

### **WHAT DOES A “POTENTIAL FOR CONFLICT OF INTEREST” MEAN?**

The primary reason for potentials for conflict is that individuals appointed to serve on a board or commission usually have an interest in the subject matter, developed over years of experience in the same or a related field. That experience brings perspective to a board or commission. It also can bring the potential for conflict of interest.

The Board recognizes that some statutes creating boards mandate representation from various sectors. For example, the Marine Fisheries Commission must have members who represent recreational sports fishing, commercial fishing and the sports fishing industry. One member must be a licensed fish dealer or in seafood processing. Each of these members has a potential for conflict of interest. The potential for conflict does not prohibit participation, but it does require increased sensitivity toward consideration of regulations.

Another situation where potentials often arise involves members of licensing boards who regulate their profession. They always will have a potential for conflict because they may find themselves in a situation where they or their partners and associates come before the licensing board. If the member participates, the member is in the position of making a decision which could benefit his or her private interests. If a partner is sanctioned, for example, the income lost from the business could have a negative impact on the member's earnings. In the situation described the potential has grown into a direct conflict.

If an appointee is concerned about the receipt of a potential for conflict of interest, please call the Board offices.

# Meet the Board

## **George F. Bason, Chair**

In addition to his position as Chair of the Board of Ethics, Judge Bason also serves as chairman of the Alcoholic Beverage Control Commission. He is a retired Chief District Court Judge from the Tenth Judicial District which covers Wake County, having served in that capacity from 1968 until his retirement in 1991. From 1953 until his appointment to the bench, he practiced law in Wake County. He received his education in Raleigh Public Schools and at the University of North Carolina. He is a former president of the N.C. Association of District Court Judges and chairman of the N.C. Conference of Chief District Judges. In both volunteer and judicial duties, Judge Bason always has worked to uphold the rights of children to receive better treatment and care. As such, among other awards, he has been named National Juvenile Court Judge of the Year by the National CASA Association and Outstanding Child Advocate.

## **Jane Flowers Finch, Vice Chair**

Ms. Finch is an attorney and board certified mediator. She is a graduate of Peace College, the University of North Carolina at Greensboro and North Carolina Central University School of Law (1978). Previously she was a partner in the Raleigh offices of the New York based law firm of LeBeouf, Lamb, Leiby and MacRae specializing in litigation. LeBeouf's Raleigh office was the successor to Moore, Ragsdale, Liggett, Ray & Foley, P.A., a firm founded by, among others, former Governor Dan K. Moore. After graduation from law school, she served as clerk for the Honorable Harry C. Martin on the North Carolina Court of Appeals.

Ms. Finch was elected and served as a director of the Wake County Bar Association and the Tenth Judicial District Bar. She also served a two year term on the Grievance Committee. She has been a speaker and author at Continuing Legal Education seminars. She is on the Board of Visitors of Peace College and the Board of Directors of the Carolina Ballet.

## **Rajendra S. Chhabra, Member**

Dr. Chhabra is a Board Certified Toxicologist employed as a staff scientist at the National Institute of Environmental Health Sciences, National Institutes of Health, Research Triangle Park. A native of India, Dr. Chhabra received his education in veterinary medicine at Vikram University and his Ph.D. in pharmacology at the University of London. He became a naturalized U.S. citizen in 1977. As a toxicologist, Dr. Chhabra studies environmental chemicals in air, food and water and their adverse effects in laboratory animals. The research is used by the Environmental Protection Agency and the Food and Drug Administration.

## **Mary "Penny" Craver, Member**

Penny Craver has been a probation officer with the North Carolina Department of Correction Division of Community Corrections in the Wilmington area since 1996. Before that time, she served as a resource development specialist with the N.C. Institute for Political Leadership in Wilmington, a non-profit leadership training program that has worked with public officials throughout the state. She was instrumental in opening, and acting as office coordinator, for the Wilmington office for Planned Parenthood of the Capital and Coast.

A 1972 graduate of UNC-Chapel Hill, she has worked for the State of North Carolina in a number of positions, including economic development coordinator for the now Department of Environment and Natural Resources, working with local governments and the federal Housing and Urban Development (HUD). In her role, she worked to provide funding for projects in towns across North Carolina with fewer than 50,000 in population as HUD transferred its authority to the state.

## **Mittie Smith, Member**

Mittie R. Smith, a 1990 graduate of the University of North Carolina Law School, practices law in High Point, concentrating in domestic, criminal and real estate matters. She is originally from Florida, where she graduated in 1967 from Florida A&M University in Tallahassee. After graduation from college, she spent more than a decade working in various social services areas in Chicago, New York, North Carolina and Indiana. Her range of experience as a social worker includes counseling, protective services, and work with the mentally retarded. She is a solo practitioner and has volunteered for the Big Sister program and the American Cancer Society.

## **Joe T. Jones, Member**

Mr. Jones is retired from the United Textile Workers of American AFL-CIO. He is a graduate of North Buncombe High School in Asheville. Immediately before his retirement he served for six years as an AFL-CIO International Vice President. Mr. Jones became involved in union work as a textile worker at the American Enka Corporation in Asheville, which had 3500 union members working for it in 1959. He became a full-time business agent for the plant and then rose to the rank of international representative of the UTWA, traveling for the union throughout the South. He specialized in arbitration and contract negotiations and continues to serve as an arbitration advocate for different unions in North Carolina. He served as Vice President of the N.C. AFL-CIO from 1984 – 1997.