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*"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*

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## Letter from the Chairman

Executive Order 127 directs the Board of Ethics to submit an annual report to the Governor not only on its own activities but also generally on the subject of public disclosure, ethics, and conflicts of interest. This issue of our newsletter focuses primarily on the Board's annual report for the 1999 calendar year.

One of the most significant developments was the dramatic increase in the number of basic ethics education and awareness presentations by our new executive director. From May through December he addressed 68 entities, an increase of nearly 600% over 1998. We hope covered Public Officials will continue to take advantage of the educational opportunities offered by the Board and thereby avoid conflicts of interest or appearances of conflict.

George F. Bason 

## Have you appointed your "Ethics Liaison"?

For all Boards and Commissions covered by Executive Order 127, "each Agency head" (which term includes the chair of each board, commission, or council subject to the Order) must designate an "ethics liaison" who shall maintain active communication with the Board of Ethics on all Agency ethical issues.

The ethics liaison should be alert to possible conflict of interest and appearance of conflict problems and seek advice from the Board of Ethics on how to resolve them. See Section 6(d) of the Order.

In addition, an ethics liaison may ask the Board for a formal "advisory opinion." See Section 4(h).

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## ETHICS EDUCATION:

"HAVE ORDER, WILL TRAVEL"



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 provide basic information about ethical obligations under Executive Order 127 and can be tailored to address particular issues or situations faced by your agency or group.

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## BOARD NEWS

In May, the Board welcomed its new Research Assistant. **Christine Miller** is a Certified Legal Assistant with the National Association of Legal Assistants. She has nine years of paralegal experience in both public and private practice, including four years with the North Carolina Department of Justice. Christine is also a member of the Legal Assistants Division of the North Carolina Bar Association. As the Board's Research Assistant, Christine will work directly with the Administrative Officer (Millie Donavant) and the Executive Director (Perry Newson) on virtually every aspect of the Board's duties, but her primary emphasis will be on evaluation of Statements of Economic Interest, investigation and disposition of complaints, and production of the Board's newsletters. In her spare time, she enjoys riding her Harley, reading, traveling, and attending NASCAR races.

# 1999 ANNUAL REPORT

The following is a summary of the Board's 1999 annual report to the Governor.

## I. BACKGROUND INFORMATION

Governor James B. Hunt, Jr. established the North Carolina Board of Ethics in 1977 by Executive Order Number 1. Every governor has continued it by executive order since that time.

The Board's overall mission is to protect the public interest and maintain the public trust by helping Public Officials and the boards and commissions on which they sit avoid conflicts of interest and appearances of conflict of interest as they perform their public duties. The Board pursues its goals primarily through education, evaluation, and enforcement.

In reestablishing the Board in early 1998, Governor Hunt increased the Board's powers and scope of responsibility in all three areas. For example, the new Order charged the Board with developing and implementing an ethics education and awareness program for covered Public Officials. In addition to producing periodic newsletters and making ethics presentations, the Board issues advisory opinions on prospective ethics questions, including conflict of interest and the appearance of conflict. To identify areas of possible ethical concern, the Board reviews and evaluates statements of economic interest filed by persons subject to the Order to determine whether the financial interests and other information reported reveals an actual or potential conflict of interest. Finally, the Board was given broader powers to investigate complaints and issue sanctions in appropriate cases.

The Board had a staff of three (an Executive Director, Administrative Officer, and a Research Assistant) to assist and oversee over 350 boards and commissions and 2500 actual or prospective appointees and employees.

## II. REPORT ON ACTIVITIES FOR 1999

The Board had three meetings, investigated and resolved three formal complaints, and issued 18 advisory opinions.

Beginning in May 1999, the Board's Executive Director made ethics education and awareness presentations to 68 entities (an increase of nearly 600% over 1998).

Board staff handled numerous telephone inquiries concerning the Order and Statement of Economic Interest filing requirements and general conflict of interest/appearance of conflict issues.

The Board published two newsletters that were mailed to covered Public Officials and other interested persons.

In addition to reviewing supplemental statements of economic interest, Board staff evaluated 497 new statements of economic interest with the following results:

No actual/potential/or appearance of conflict of interest	188
Potential for conflict of interest	134
Actual conflict of interest	0
Appearance of conflict of interest	2
Advisory Boards - no conflict of interest	<u>173</u>
Total New Statements Evaluated:	497

III. OTHER PRINCIPAL STATE AGENCIES AND LEGISLATIVE OFFICIALS WHO ARE VOLUNTARILY SUBJECT TO THE ORDER AND FILE STATEMENTS OF ECONOMIC INTEREST

Section 9 of the Order invites each of the elected heads of the Council of State agencies, the Board of Governors of the University of North Carolina System, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives to voluntarily participate in the Order. Those desirous of participating may specify those appointees and exempt employees who must submit a Statement of Economic Interest for evaluation by the Board of Ethics. All services available to Public Officials under the Order are available to those brought within the coverage of the Order voluntarily.

The Lt. Governor and Speaker of the House of Representatives covered their appointees to boards that are not advisory under the Order. President Pro Tem of the Senate covered his appointees to advisory boards and non-advisory boards under the Order. The Board of Governors of the University of North Carolina System has covered the President and Vice Presidents of the University and the Chancellors and Vice Chancellors of the 16 Constituent Institutions of the University. The State Controller, Executive Director of the Housing Finance Agency, and Director of State Personnel are covered by the Order. Exempt employees in the offices of the Lt. Governor, Attorney General, State Treasurer, and State Superintendent of Public Instruction are covered by the Order. The Commissioner of Agriculture, Commissioner of Labor, State Auditor, Attorney General, Lt. Governor, and State Superintendent of Public Instruction are covered by the Order.

IV. GOALS FOR 2000

In addition to performing its evaluation and enforcement functions according to the Order, the Board will continue to emphasize ethics education and conflict prevention, primarily through education and awareness presentations, periodic newsletters, and advisory opinions.



**Did you forget to file your supplemental Statement of Economic Interest by May 15<sup>th</sup>? If so, please return the appropriate form to the Board as soon as possible!**