Ethics Guidelines for a Tough Economy

As everyone worries about the economy, budget cuts, and possible furloughs, many state employees are looking for ways to supplement their government paychecks. Whether you are planning to take on an extra job or start up your own business from home, here are some ethics guidelines to keep in mind:

First, make sure that your new activity does not create a conflict of interest with your state job. The State Ethics Code prohibits a state employee from going to work for pay for a business that is subject to official action by the employee. Here are some warning flags for possible conflicts of interests that may prohibit your outside employment by a business:

- Do you take any action on behalf of the State affecting the business? For example, do you inspect or regulate the business? Do you issue permits or licenses to the business? Do you enforce laws or administrative rules affecting the business? Do you help resolve complaints or petitions involving the business?

- Is the business a vendor or provider of services to your state agency and do you have any dealings on behalf of your agency with the business? For example, do you procure goods or services from the business? Do you process payments to the business? Do you make referrals to the business? Does the business have a contract with your agency that you oversee?

- Do you have any other dealings with the business on behalf of the State? Do you have reason to believe that you will have dealings with the business on behalf of the State in the future?

Second, be aware that the State Ethics Code prohibits activities by state employees that can lead to apparent or actual influence peddling. If you have an outside job or business, be aware of the following:

- You are prohibited from assisting or representing others for pay on matters before your own state agency. For example, you may not represent a private client or employer in sales negotiations with your own state agency.

- You are prohibited from assisting or representing others for pay on matters that you participated in, or will participate in, as part of your state job. For example, if you were involved in a project as part of your state job, you may not be paid by a private employer to continue to work on the same project.

Third, do not misuse your government position or your government office in connection with any private business activities.

- Do not use your government office or position to promote your private business activities.

- Do not accept additional payment from outside sources for performing your official state duties (unless allowed by law).

- Keep all private business activities out of your state workplace. Do not use state time, equipment, or your state office for private business purposes. Do not use state e-mail for private business purposes. Do not solicit private business transactions with other employees at work. Do not use other state employees to help you with your private business activities at work.
• Do not solicit substantial financial transactions with people or businesses that you inspect or supervise as part of your state job.

If you are thinking about an outside source of income in addition to your government job, check with the Hawaii State Ethics Commission to make sure that your activities do not run afoul of the ethics laws. We are here to help you navigate the requirements of the State Ethics Code during these challenging times.

Please also check with your state agency about any other restrictions that might apply regarding your outside employment or private business activities.

**Gifts Disclosure Statements Due June 30, 2009**

Remember, the deadline to file a gifts disclosure statement with the Hawaii State Ethics Commission is **Tuesday, June 30, 2009**. You must file a gifts disclosure statement for gifts you received between June 1, 2008 and June 1, 2009, if all of the following conditions are met:

• You, your spouse, or your dependent child received from one source any gift or gifts that singly or together were valued at over $200;

• The source of the gift or gifts has interests that may be affected by official action you take; and

• The gift is not exempted from reporting requirements under the Gifts Disclosure Law, HRS section 84-11.5. Please contact the Commission’s office to find out whether a gift must be reported or is exempt from the reporting requirements.

Gifts disclosure statements are public records and are available for inspection at the Commission’s office and on the Commission’s Web site.

**Ethics Quiz**

**Question:** A state agency head received movie passes for every employee in the agency from a vendor. The total value of the movie passes was over $200. The agency head consulted with the Hawaii State Ethics Commission and was advised that the movie passes were a prohibited gift under the State Ethics Code. A week later, the agency head returned all of the movie passes to the vendor. Must the agency head report the movie passes to the Hawaii State Ethics Commission on a gifts disclosure statement?

**Answer:** No. The gifts disclosure law, HRS section 84-11.5, excludes from the gifts reporting requirements gifts that, within thirty days of receipt, are returned to the giver or donated to charity without the donation being claimed as a charitable donation for tax purposes.