

# Ethics and Disclosure of Conflict of Interests Training

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# Conflict of Interest?



# Divided Loyalty

Public *vs* Private Interests



A call for personal  
integrity...

# ETHICS



- “Appointed Officers” of Salt Lake County support, obey and defend the Constitution of the United States, the Constitution of the State of Utah, the laws of the State of Utah, and the ordinances of Salt Lake County, to the best of their abilities and **will always strive to meet the highest ethical standards implicit in their employment and in the furtherance of the best public interest.**
- TAB’s purpose:
  - To work collaboratively with County elected offices, departments and agencies to establish policies, standards, organizational structures and processes that ensure the effective and efficient use of information technology resources to maximize operational efficiency and enable each elected office, department and agency to achieve its information technology goals in the best interests of all County stakeholders.

# CONFLICTS and ETHICS: Who is required to comply?

- All Appointed Officers, which includes those appointed to County Boards whether or not they are compensated must be aware of and abide by:
  - Utah Public Officers' and Employees' Ethics Act §§ 67-16-1 et seq.
  - County Officers and Employee Disclosure Act §§ 17-16a-1 et seq.
  - County Ethics Code County Ordinance 2.07
  - Conflicts of Interest Prohibited County Ordinance 3.16.110
  - Countywide Policy 1430 (Professional Ethics & Conflicts of Interest)
  - Countywide Policy 1006 (Gift Policy)



# DISCLOSURE STATEMENT: What is it and What must be disclosed?

- A Disclosure Statement is a written and sworn document that is filed with the County Council and is a public document.
- Any potential conflict of interest of any member shall be disclosed annually by filing a disclosure statement in accordance with county-wide policies and procedures

# What Constitutes A Conflict of Interest ?



- Involvement in any business entity that is subject to County regulation
- Involvement with a business that does or anticipates doing business with the County
- Any payment received for helping a private person or business in a transaction with the County
- A personal or private interest of any kind which raises any actual or potential conflict of interest with your County duties.



# To Recuse or Not Recuse

## Restricted Conflict

- A direct private financial interest
- Must report annually
- Must disclose publicly to members of the body
- Shall be recused from all discussions, deliberations, decision making or vote regarding that business entity
- Disclosure statement shall be entered in the minutes

## Non-Restricted Conflict

- An interest that may create the appearance of a conflict
- Must report annually
- Shall publicly disclose to members of the body immediately prior to any discussion and/or vote regarding the business entity
- Disclosure statement shall be entered in the minutes

# Further Disclosures

## Compensation for Assistance

- Must disclose the information at least 10 days prior to the date of any agreement with the business or person being assisted and the Board member
- Or at least 10 days before receiving any compensation

## An Interest Creating a Conflict

- Must publicly disclose such interest to the members of the body immediately prior to discussion and/or vote regarding the conflict of interest and the nature of the conflict
- Disclosure shall be entered in the minutes of the meeting

# Hypothetical

- Belle Board member owns a 15% interest in a local software company. She has disclosed this on her yearly disclosure statement.
- The TAB is discussing a proposed ordinance that will govern how software contracts must be drafted to address liability.
- Does Belle have a conflict of interest? What kind?
- What is Belle required to do, if anything?
- Should she be recused from discussions, deliberations or decisions on the matter?
- Would your answers change if TAB was considering a proposal submitted by her software company?

# ARE THERE ANY ACTIONS THAT YOU ARE PROHIBITED FROM?



- YES ! As a board member:
- You are prohibited ...
  - From disclosing confidential information acquired as a board member
  - Using or attempting to use your position on the board to seek special privileges
  - From knowingly, either directly or indirectly, receiving, accepting, seeking or soliciting any gift or loan, which would reasonably be expected to improperly influence the discharge of your public duties



# Potential Penalties

- Removal from Appointment
- Action, Vote or Contract taken in contradiction may be voidable
- Under Utah Public Officers' and Employees' Ethics Act:
  - B misdemeanor up to 2<sup>nd</sup> Felony based on value §67-16-12
- Under County Officers and Employees Disclosure Act:
  - Class A misdemeanor; bribery- 3<sup>rd</sup> Felony \$1000 or less & 2<sup>nd</sup> Felony above \$1000 §17-16a-11
- Under County Ethics Code:
  - Class B misdemeanor



Questions?