

# **Ethics Training**

## **RCW 42.52**

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# Agenda

- Why Important
- Overview of Ethics Board
- Major Subject Areas of the Law
  - ✓ Conflicts of Interest
  - ✓ Outside Employment
  - ✓ Use of University Resources
  - ✓ Gifts

# RCW 42.52 - Ethics In Public Service

## Sections:

- **.020** Activities Incompatible w/ public duties (Conflict of Interest)
- **.030** Financial interests in transactions
- **.040** Assisting in transactions
- **.050** Confidential information
- **.070** Special privileges
- **.080** Employment after public service
- **.110** Compensation for official duties or nonperformance
- **.120** Compensation for outside duties
- **.140** Gifts
- **.160** Use of State resources
- **.180** Use of State resources for political campaigns
- **.220** Universities – Administrative Processes

All of these are re:  
Conflict of Interest



# Why this deserves your attention

- The “Ethics Act” is long & complicated:
  - ✓ written with general, traditional government agencies in mind
  - ✓ applies only to State employees
  - ✓ created to hold us accountable to the Public
- Having a good “internal compass” and common sense is not enough
- Ethics compliance is important to the UW’s success

# Why this deserves your attention

- If you violate the Act, you can be fined, embarrassed, fired or otherwise disciplined
- Regulations, investigation and enforcement are directed at the employee – (Personal Liability)
- University does not ‘stand’ between the employee and the Ethics Board



# Challenges for UW Employees

- The Act doesn't neatly fit the UW's education-research mission and culture
- Medicine, sports, treasury and other activities operate more like businesses than government agencies



# Additional Considerations

## Managers

- Knowingly allowing subordinates to violate ethics laws can subject manager to charges

## Students

- Only State employees are subject to State ethics law
- During work hours students must comply with ethics rules.



# Investigations

## Origin

- Complaints
- Referrals from the State Auditor's Office
- Newspapers, radio, TV

## Investigators

- Ethics Board
- State Auditor's Office
- UW Internal Audit
- UW Human Resources
- UW Supervisor





# Ethics Board Sanctions

- Civil penalty of up to \$5,000 per violation
- Letter of reprimand
- Recommendation to suspend or terminate employment, or prosecution
- Payment of damages
- Payment of investigative costs
- Rescind action taken by the violator

# “Ethics In Public Service Act”

## Core Principles

- No Conflicts of interest for State employees
- Outside Work/ Activity incompatible with Public Duties
- State resources should only be used for official business
- State employees may not receive, accept, take, seek or solicit anything of economic value as a Gift.

# Conflicts of Interest

- Conflict of Interest involves the concepts of benefit and bias
- A State employee may not use their position to secure special privileges or exemptions
- You cannot get “extra” or outside compensation for your official duties
- Post-State employment restrictions are designed to ensure former employees do not obtain an advantage

# Conflicts of Interest – Example #1

Question: I am administrator in the School of Interdisciplinary Arts & Sciences. My husband is a partner in a web design company. I know they do good work and charge reasonable prices. Can I call his company to help update our team's web page?

Answer: No.

- You cannot participate in an agency decision in which you have a financial interest.
- You would be deemed to have a financial interest in your husband's business.

# Conflicts of Interest – Example #2

Question: I am a Lecturer within the School of Business and own a painting company. Can I hire several students from my current summer class to work part-time for me at my painting company?

Answer: No.

- You essentially regulate students in your current class in that you provide credit/grades to them.
- You may however hire students who were in last quarters class.

# Conflicts of Interest – Example #3

Question: I am a Professor and am in charge of a Research Center which conducts specialized research. Can I hire my son/daughter during the summer to work part-time for me in the lab?

Answer: No.

- You essentially benefit from hiring your son/daughter. You can not benefit from a decision you make in the conduct of your position at the UW.
- A colleague may hire your son/daughter for their lab, if they meet all of the position's specifications and you are not involved in the hiring process.

# Outside Work/Post Employment

- Employees may engage in outside work or part-time employment provided that it does not conflict with or negatively impact employees' ability to fulfill their University employment obligations, and that it does not otherwise negatively impact the University.
- Must be pre-approved whether or not work is for compensation.
- You may receive pay, honoraria or expense reimbursement.

# Outside Work/Post Employment

- Legitimate and actually performed
- Not part of your regular University work, or under your supervision
- Cannot assist others with University transactions under your control
- Not for an organization or person from whom the law prohibits receipt of gifts
- Does not result in the unauthorized disclosure of confidential information



# Outside Work/Post Employment

- Advance review and approval of outside work or employment is required whenever the activity relates to or could conflict with the employee's University job responsibilities or status as a University employee (when in doubt, disclose)
- Request for Approval of Outside Work – Professional & Classified Staff - Form 1301
- Faculty - Request for Approval of Outside Work for Compensation - Form from Provost Office
- Faculty – Annually must complete Form 1461

# Outside Work/Post Employment

## Who Approves?

- Pro Staff / Classifies Staff - Immediate supervisor will review and recommend approval/disapproval to the Administrative Unit Head for final review and approval
- Faculty - Dean and Provost must pre-approve

# Outside Work/Post Employment

## Conditions for approval:

- Is not a detriment to University obligations
- Does not affect job performance
- Not in conflict with discharge of employee's official duties
- Done outside employee's normal work schedule (or vacation taken)
- Must clearly identify that employee is not a representative of the University

# Outside Work/Post Employment

If the outside work is for another State agency, all the “Outside Work for Pay” rules apply, plus:

- It must result from an open competition or receive advance approval from the Ethics Board
- A copy of the contract is to be filed with the Ethics Board

# Outside Work/Post Employment

## Employment with the State brings post employment restrictions:

- Contract Restrictions – specific to contracts you were involved with
- Beneficial Interest Restrictions – 2 year restriction on benefitting from actions
- Continuing Restrictions - no end date – related to “influence during public employment”

# Outside Work – Example #1

**Question:** Must I report all my outside work?  
Even with a Charity?

**Answer:** It depends.

- If work is substantial and may conflict with UW work schedule – then I recommend - yes
- If work is unpaid, intermittent, on weekends – then probably no need

# Outside Work – Example #2

**Question:** I am an Assistant Professor and I am working with CoMotion on a technology I wish to commercialize. If I intend to spend time off-site working to start up my new company do I need to report this? Are there any challenges?

**Answer:** Yes and possibly.

- If work is more than one day a week, could be an issue.
- Challenge: If receiving SBIR \$ - could require change in status

# Use of Resources

- Generally, State resources are to be used only for State purposes, not private benefit or gain
- Some limited personal use is allowed if brief and no cost to the agency
- **Zero Tolerance** for using State resources for **campaigning** or to support **non-University business**
- One exception: research employees can make minimal use of University resources



# Use of Resources

You may always use UW resources to

Perform your UW  
job

# Use of Resources

## **de minimis rule:**

Incidental personal use of resources is permitted if:

- brief, infrequent (a few minutes a day)
- creates little or no cost for the State
- is not disruptive to State work
- does not compromise the security or integrity of State property, information or software
- Not for the purpose of conducting outside business or promoting the interest of an outside organization.

# Use of Resources

**You may NEVER use UW resources for:  
(de minimis does not apply here)**

- Conducting an outside business or private employment
- Political use, including lobbying, election campaigning, promoting or opposing a ballot or initiative

# Use of Resources

## Technology Challenges:

- Computers / Cell Phones – owned / purchased by University – **NO SIGNIFICANT PERSONAL USE!**
  - **Where do you draw the line?????????**
- No expectation of privacy, Data on State computers is considered a public record and is not private
- Use of computers leaves a very clear trail of everything, possibly - even after work is deleted

# Use of Resources

## Can't I just Reimburse the University?

- **No**.....it is considered a personal benefit, and can cause an administrative burden to the State.
- Also, even though there may be no incremental cost to the University, use is still considered a gain to the employee, and is an ethics violation.
- In some limited situations, when an employee is working in a remote location, limited personal use may be allowable

# Use of Resources

## Research Employees Exception

- May use their personally assigned University resources (office, telephone and computers) and e-mail to conduct outside work activities related to their research and technology transfer activities.

# Use of Resources – Example #1

Question: Can I use my UW issued computer to surf the web, shop on-line, check facebook or twitter during breaks or when I am not busy at work?

Answer: Generally, no.

- UW computers are provided for UW business use, not personal use.
- However, personal use can occur but must be brief and infrequent and can not interfere with your work.

# Use of Resources – Example #2

Question: I do catering for events on the weekend and occasionally receive a phone call, send an e-mail, or fax a menu to clients. Is this allowable?

Answer: No.

- This would be considered conducting an outside business on state time and is not allowed even if the use of UW resources is brief and infrequent.
- What if I use my cell phone? ..... And I use for UW business – any issues / challenges?



# Use of Resources – Example #3

Question: My Department wants to support a political march on the weekend? Are we allowed to attend? Can we use University resources such as paper, pens, etc. to make signs? Can we wear our UW lab coats?

Answers: Yes and No

- An individual can participate in any activities on the weekend (non-normal UW work hours) as they see fit.
- However, the moment you begin using University resources – pens, paper, e-mail to prepare for the March or communicate with others about the march (i.e. help organize the department to attend – you would be violating the act.
- You can wear lab coats – would be de minimis.

# Gifts

## **Broad Definition of Gift:**

Anything with an economic value for which you have given nothing in return.

## **The General Rule:**

Never accept a gift, gratuity or any thing of value if it could be reasonably expected to influence your judgment or action.

# Gifts - Limitations

## Two Types of Employees:

- Those who DO NOT participate in decisions to acquire goods & services or regulate others
- Those who do (section 4 employees)

**Different rules apply**

# Gifts

## Gifts You May Accept .....

- Informational materials, promo items of nominal value, and others
- Items up to value of \$50 from a single source in a calendar year
- Items you may accept that exceed \$50
  - Unsolicited flowers, plants
- Items exempt from definition of 'gift'
  - Item from friend or family
  - Item exchanged with co-worker, and others

**All Possible if Section 4 DOES NOT Apply to You**

# Gifts

**Stricter rules apply to employees who participate in decisions to acquire goods and services or regulate those others (section 4 employees)**

‘Participate’ means to take part personally and substantially through approval, disapproval, decision, recommendation, the rendering of advice, investigation or otherwise.

# Gifts

## Gifts You May Accept if Section 4 DOES Apply to You

- Gifts from friends and family NOT intended to influence you or the University;
- Awards/prizes in recognition of academic or scientific achievement;
- Promo items of nominal value;
- Food & beverages at hosted receptions related to your official duties.

# Gifts

**The rules about free food and beverage are complex, but here are a few tips:**

- All employees (even “section 4”), can generally accept free food and beverage at hosted receptions related to the employee's official duties or at civic, charitable, governmental and community events.
- But that wouldn't cover a “sit-down meal” ...
- Non-section 4 employees can usually accept a “sit-down meal” if it is related to the employee's official duties – limited volume/value.

# Gifts

- Also...

The value of gifts given to an **employee's family** shall be attributed to the employee for the purpose of determining whether the limit has been exceeded, unless an independent business, family or social relationship exists between the donor and the family member.



# Gifts – Example #1

Question: My office recently hosted a group of visitors from an software company. They later sent us a thank you gift for doing a nice job (tickets / golf balls, etc.). Can we keep them?

Answer: It depends.

- If the gift is for official UW use, no problem.
- If the gift was for individuals, they may accept it if the value is under \$50.
- Of course, for any employee that has a “Section 4” relationship to the giver, only a few kinds of small gifts may be accepted (tickets is not one of them).

# Gifts – Example #2

Question: You attend a product demonstration at vendor's new offices, she offers you coffee. Can you accept it?

Answer: Yes

- All employees (even “section 4”), can generally accept free food and beverage which is generally offered to all employees and guests at a vendor's office.
- What if they want to take you to the afternoon Mariner game after the demonstration?
  - No. Section 4 cannot receive gifts from vendors.

# Gifts – Example #3

Question: You attend a national conference at a hotel, Workday sponsors dinner for all attendees. Can you accept it? What if Workday sponsors a dinner in a nearby restaurant?

Answer: Yes ..... and No.

- All employees (even “section 4”), can generally accept meals as part of a conference program.
- But that wouldn’t cover a “**sit-down meal**” away from the conference which may be open to all or limited groups at the conference and not part of the conference program.

**If you don't want your mother to  
read about it in tomorrow's  
Seattle Times...**

**Don't do it**

# Resources

If you have a question on WA Ethics Law, call Internal Audit – we are a resource to be used by all.

- UW Internal Audit  
(206) 543-4028 , <http://f2.washington.edu/audit>

# Resources

- UW

APS 47.02 Personal Use of University Facilities, Computers & Equipment by UW Employees  
<http://www.washington.edu/admin/rules/APS/47.02.html>

APS 47.03 Outside Consulting & Part-time Employment by Professional or Classified Staff  
<http://www.washington.edu/admin/rules/APS/47.03.html>

Human Resources  
<http://www.washington.edu/admin/hr/>

- Executive Ethics Board

<http://ethics.wa.gov>

- Training materials
- FAQs
- Newsletter