

PENNSYLVANIA PUBLIC OFFICIAL AND EMPLOYEE ETHICS ACT



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INTRODUCTION

The Pennsylvania State Ethics Commission’s core mission and guiding principle is that public office is a public trust and that any effort to realize personal financial gain through one’s public office other than compensation provided by law is a violation of that trust. The Pennsylvania Public Official and Employee Ethics Act, Act 170 of 1978, became effective on January 1, 1979, and in subsequent years was amended and reenacted in 1989, codified in 1998, and amended in 2006. Throughout its history, the Ethics Commission has remained ever vigilant and steadfast in its mission of ensuring the public’s confidence in state and local government.

The Ethics Commission is an independent state agency charged with the responsibility of enforcing the Ethics Act. The Ethics Act applies to elected and appointed public officials and public employees. Candidates and nominees for public office are also subject to certain provisions of the Ethics Act. The Ethics Commission’s responsibilities under the Ethics Act include rendering advisory opinions regarding the Ethics Act, enforcing the Ethics Act as it relates to the filing of Statement of Financial Interests forms, investigating alleged violations of the Ethics Act, and issuing decisions in relation to such investigations.

Pursuant to the Lobbying Disclosure Law, 65 Pa.C.S. § 13A01 et seq., the Commission has duties involving enforcement of the reporting requirements of the law, investigations of Lobbying Law violations, and the issuance of advisory opinions regarding the Lobbying Disclosure Law.

The Ethics Commission holds additional responsibilities pursuant to the Pennsylvania Race Horse Development and Gaming Act, 4 Pa.C.S. § 1101 et seq, and Act 16 of 2016, known also as the Medical Marijuana Act. Under both, the Commission is charged with generating a public listing of all state, county, municipal, and other government positions meeting the definitions of the terms “public official” or “executive-level public employee” as set forth in the Act(s), as well as issuing “Determinations” specific to the Gaming Act and Medical Marijuana Act.

Also, in 2016, pursuant to Act 114 of 2016, the Commission was assigned additional responsibilities of publishing a list of all employment positions within the State Horse Racing Commission with duties that would subject those individuals to “revolving door/post-termination” restrictions, as well as making determinations whether individuals would be subject to the “revolving door/post-termination” restrictions.

Through the interpretation and enforcement of the Ethics Act and its responsibilities under the Gaming Act, the Medical Marijuana Act, Act 114 of 2016 and the Lobbying Disclosure Law, the Ethics Commission strives to strengthen the faith and confidence of the citizens of the Commonwealth in their government.

PENNSYLVANIA PUBLIC OFFICIAL AND EMPLOYEE ETHICS ACT

65 Pa.C.S. §1101 et seq.

Section

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§ 1101. Short title of chapter

This chapter shall be known and may be cited as the Public Official and Employee Ethics Act.

§ 1101.1. Purpose

- (a) **Declarations.**—The Legislature hereby declares that public office is a public trust and that any effort to realize personal financial gain through public office other than compensation provided

by law is a violation of that trust. In order to strengthen the faith and confidence of the people of this Commonwealth in their government, the Legislature further declares that the people have a right to be assured that the financial interests of holders of or nominees or candidates for public office do not conflict with the public trust. Because public confidence in government can best be sustained by assuring the people of the impartiality and honesty of public officials, this chapter shall be liberally construed to promote complete financial disclosure as specified in this chapter. Furthermore, it is recognized that clear guidelines are needed in order to guide public officials and employees in their actions. Thus, the General Assembly by this chapter intends to define as clearly as possible those areas which represent conflict with the public trust.

- (b) **Recognition.**—It is recognized that many public officials, including most local officials and members of the General Assembly, are citizen-officials who bring to their public office the knowledge and concerns of ordinary citizens and taxpayers. They should not be discouraged from maintaining their contacts with their community through their occupations and professions. Thus, in order to foster maximum compliance with its terms, this chapter shall be administered in a manner that emphasizes guidance to public officials and public employees regarding the ethical standards established by this chapter.
- (c) **Legislative intent.**—It is the intent of the General Assembly that this chapter be administered by an independent commission composed of members who are cognizant of the responsibilities and burdens of public officials and employees and who have demonstrated an interest in promoting public confidence in government.

§ 1102. Definitions

The following words and phrases when used in this chapter shall have, unless the context clearly indicates otherwise, the meanings given to them in this section: **“Advice.”** Any directive of the chief counsel of

the State Ethics Commission issued under section 1107(11) (relating to powers and duties of Commission) and based exclusively on prior Commission opinions, this chapter, regulations promulgated pursuant to this chapter and court opinions which interpret this chapter.

“Aggregate.” The total of all gifts received from a single source as provided in section 1105(b)(6) (relating to Statement of Financial Interests).

“Authority of office or employment.” The actual power provided by law, the exercise of which is necessary to the performance of duties and responsibilities unique to a particular public office or position of public employment.

“Business.” Any corporation, partnership, sole proprietorship, firm, enterprise, franchise, association, organization, self-employed individual, holding company, joint stock company, receivership, trust or any legal entity organized for profit.

“Business with which he is associated.” Any business in which the person or a member of the person’s immediate family is a director, officer, owner, employee or has a financial interest.

“Candidate.” Any individual who seeks nomination or election to public office by vote of the electorate, other than a judge of elections, inspector of elections or official of a political party, whether or not such individual is nominated or elected. An individual shall be deemed to be seeking nomination or election to such office if he has:

- (1) received a contribution or made an expenditure or given his consent for any other person or committee to receive a contribution or make an expenditure for the purpose of influencing his nomination or election to such office, whether or not the individual has announced the specific office for which he will seek nomination or election at the time the contribution is received or the expenditure is made; or
- (2) taken the action necessary under the laws of this Commonwealth to qualify himself for nomination or election to such office.

The term shall include individuals nominated or elected as write-in candidates unless they resign such nomination or elected office within 30 days of having been nominated or elected.

“Commission.” The State Ethics Commission.

“Confidential information.” Information not obtainable from reviewing a public document or from making inquiry to a publicly available source of information.

“Conflict” or “conflict of interest.” Use by a public official or public employee of the authority of his office or employment or any confidential information received through his holding public office or employment for the private pecuniary benefit of himself, a member of his immediate family or a business with which he or a member of his immediate family is associated. The term does not include an action having a de minimis economic impact or which affects to the same degree a class consisting of the general public or a subclass consisting of an industry, occupation or other group which includes the public official or public employee, a member of his immediate family or a business with which he or a member of his immediate family is associated.

“Contract.” An agreement or arrangement for the acquisition, use or disposal by the Commonwealth or a political subdivision of consulting or other services or of supplies, materials, equipment, land or other personal or real property. The term shall not mean an agreement or arrangement between the State or political subdivision as one party and a public official or public employee as the other party, concerning his expense, reimbursement, salary, wage, retirement or other benefit, tenure or other matters in consideration of his current public employment with the Commonwealth or a political subdivision.

“De minimis economic impact.” An economic consequence which has an insignificant effect.

“Executive-level State employee.” The Governor, Lieutenant Governor, cabinet members, deputy secretaries, the Governor’s office staff, any State employee with discretionary powers which may affect the outcome of a State agency’s decision in relation

to a private corporation or business or any employee who by virtue of his job function could influence the outcome of such a decision.

“Financial interest.” Any financial interest in a legal entity engaged in business for profit which comprises more than 5% of the equity of the business or more than 5% of the assets of the economic interest in indebtedness.

“Findings report.” An initial report containing findings of fact as determined by the State Ethics Commission’s investigation but not containing any conclusions of law or any determination of whether there has been a violation of law.

“Frivolous complaint.” A complaint filed in a grossly negligent manner without basis in law or fact.

“Gift.” As defined in section 13A03 (relating to definitions).

“Governmental body.” Any department, authority, commission, committee, council, board, bureau, division, service, office, officer, administration, legislative body or other establishment in the executive, legislative or judicial branch of a state, a nation or a political subdivision thereof or any agency performing a governmental function.

“Governmental body with which a public official or public employee is or has been associated.” The governmental body within State government or a political subdivision by which the public official or employee is or has been employed or to which the public official or employee is or has been appointed or elected and subdivisions and offices within that governmental body.

“Honorarium.” Payment made in recognition of published works, appearances, speeches and presentations and which is not intended as consideration for the value of such services which are nonpublic occupational or professional in nature. The term does not include tokens presented or provided which are of de minimis economic impact.

“Hospitality.” As defined in section 13A03 (relating to definitions).

“Immediate family.” A parent, spouse, child, brother or sister.

“Income.” Any money or thing of value received or to be received as a claim on future services or in recognition of services rendered in the past, whether in the form of a payment, fee, salary, expense, allowance, forbearance, forgiveness, interest, dividend, royalty, rent, capital gain, reward, severance payment, proceeds from the sale of a financial interest in a corporation, professional corporation, partnership or other entity resulting from termination or withdrawal therefrom upon assumption of public office or employment or any other form of recompense or any combination thereof. The term refers to gross income and includes prize winnings and tax-exempt income. The term does not include gifts, governmentally mandated payments or benefits, retirement, pension or annuity payments funded totally by contributions of the public official or employee, or miscellaneous, incidental income of minor dependent children.

“Indirect interest in real estate.” Any business entity the assets of which are 80% or more in real property.

“Ministerial action.” An action that a person performs in a prescribed manner in obedience to the mandate of legal authority, without regard to or the exercise of the person’s own judgment as to the desirability of the action being taken.

“Nominee.” Any person whose name has been submitted to a public official or governmental body vested with the power to finally confirm or reject proposed appointments to public office or employment.

“Nonministerial actions.” An action in which the person exercises his own judgment as to the desirability of the action taken.

“Opinion.” A directive of the State Ethics Commission issued pursuant to section 1107(10) (relating to powers and duties of Commission) setting forth a public official’s or public employee’s duties under this chapter.

“Order.” A directive of the State Ethics Commission issued pursuant to section 1107(13) (relating to powers and duties of Commission) at the conclusion of an investigation which contains findings of fact, conclusions of law and penalties.

“Person.” A business, governmental body, individual, corporation, union, association, firm, partnership, committee, club or other organization or group of persons.

“Political contribution.” Any advance, conveyance, deposit, distribution, transfer of funds, loan, payment, pledge, purchase of a ticket to a testimonial or similar fund-raising affair, or subscription of money or anything of value, except volunteer services, in connection with a political campaign, and any contract, agreement, promise or other obligations, whether or not legally enforceable, to make a political contribution.

“Political subdivision.” Any county, city, borough, incorporated town, township, school district, vocational school, county institution district, and any authority, entity or body organized by the aforementioned.

“Public employee.” Any individual employed by the Commonwealth or a political subdivision who is responsible for taking or recommending official action of a nonministerial nature with regard to:

- (1) contracting or procurement;
- (2) administering or monitoring grants or subsidies;
- (3) planning or zoning;
- (4) inspecting, licensing, regulating or auditing any person; or
- (5) any other activity where the official action has an economic impact of greater than a de minimis nature on the interests of any person.

The term shall not include individuals who are employed by this Commonwealth or any political subdivision thereof in teaching as distinguished from administrative duties.

“Public official.” Any person elected by the public or elected or appointed by a governmental body or an appointed official in the executive, legislative or judicial branch of this Commonwealth or any political subdivision thereof, provided that it shall not include members of advisory boards that have no authority to expend public funds other than reimbursement for personal expense or to otherwise exercise the power of the State or any political subdivision thereof.

“Represent.” To act on behalf of any other person in any activity which includes, but is not limited to, the following: personal appearances, negotiations, lobbying and submitting bid or contract proposals which are signed by or contain the name of a former public official or public employee.

“Solicitor.” A person elected or appointed to the office of solicitor for the political subdivision.

“Source.” Any person who is a provider of an item reportable under section 1105 (relating to Statement of Financial Interests).

“State consultant.” A person who, as an independent contractor, performs professional, scientific, technical or advisory service for an agency of this Commonwealth, and who receives a fee, honorarium or similar compensation for such services. A State consultant is not an executive-level employee.

§ 1103. Restricted activities

- (a) **Conflict of interest.**—No public official or public employee shall engage in conduct that constitutes a conflict of interest.
- (b) **Seeking improper influence.**—No person shall offer or give to a public official, public employee or nominee or candidate for public office or a member of his immediate family or a business with which he is associated, anything of monetary value, including a gift, loan, political contribution, reward or promise of future employment based on the offeror’s or donor’s understanding that the vote, official action or judgment of the public official or public employee or nominee or candidate for public office would be influenced thereby.
- (c) **Accepting improper influence.**—No public official, public employee or nominee or candidate for public office shall solicit or accept anything of monetary value, including a gift, loan, political contribution, reward or promise of future employment, based on any understanding of that public official, public employee or nominee that the vote, official action or judgment of the public official or public employee or nominee or candidate for public office would be influenced thereby.

- (d) **Honorarium.**—No public official or public employee shall accept an honorarium.
- (e) **Contingent and severance payments.**—
 - (1) No person shall solicit or accept a severance payment or anything of monetary value contingent upon the assumption or acceptance of public office or employment.
 - (2) This subsection shall not prohibit:
 - (i) Payments received pursuant to an employment agreement in existence prior to the time a person becomes a candidate or is notified by a member of a transition team, a search committee or a person with appointive power that he is under consideration for public office or makes application for public employment.
 - (ii) Receipt of a salary, fees, severance payment or proceeds resulting from the sale of a person's interest in a corporation, professional corporation, partnership or other entity resulting from termination or withdrawal therefrom upon the assumption or acceptance of public office or employment.
 - (3) Payments made or received pursuant to paragraph (2)(i) and (ii) shall not be based on the agreement, written or otherwise, that the vote or official action of the prospective public official or employee would be influenced thereby.
- (f) **Contract.**—No public official or public employee or his spouse or child or any business in which the person or his spouse or child is associated shall enter into any contract valued at \$500 or more with the governmental body with which the public official or public employee is associated or any subcontract valued at \$500 or more with any person who has been awarded a contract with the governmental body with which the public official or public employee is associated, unless the contract has been awarded through an open

and public process, including prior public notice and subsequent public disclosure of all proposals considered and contracts awarded. In such a case, the public official or public employee shall not have any supervisory or overall responsibility for the implementation or administration of the contract. Any contract or subcontract made in violation of this subsection shall be voidable by a court of competent jurisdiction if the suit is commenced within 90 days of the making of the contract or subcontract.

- (g) **Former official or employee.**—No former public official or public employee shall represent a person, with promised or actual compensation, on any matter before the governmental body with which he has been associated for one year after he leaves that body.
- (h) **Misuse of statement of financial interest.**—No person shall use for any commercial purpose information copied from statements of financial interests required by this chapter or from lists compiled from such statements.
- (i) **Former executive-level employee.**—No former executive-level State employee may for a period of two years from the time that he terminates employment with this Commonwealth be employed by, receive compensation from, assist or act in a representative capacity for a business or corporation that he actively participated in recruiting to this Commonwealth or that he actively participated in inducing to open a new plant, facility or branch in this Commonwealth or that he actively participated in inducing to expand an existent plant or facility within this Commonwealth, provided that the above prohibition shall be invoked only when the recruitment or inducement is accomplished by a grant or loan of money or a promise of a grant or loan of money from the Commonwealth to the business or corporation recruited or induced to expand.
- (j) **Voting conflict.**—Where voting conflicts are not otherwise addressed by the Constitution of Pennsylvania or by any law, rule, regulation, order

or ordinance, the following procedure shall be employed. Any public official or public employee who in the discharge of his official duties would be required to vote on a matter that would result in a conflict of interest shall abstain from voting and, prior to the vote being taken, publicly announce and disclose the nature of his interest as a public record in a written memorandum filed with the person responsible for recording the minutes of the meeting at which the vote is taken, provided that whenever a governing body would be unable to take any action on a matter before it because the number of members of the body required to abstain from voting under the provisions of this section makes the majority or other legally required vote of approval unattainable, then such members shall be permitted to vote if disclosures are made as otherwise provided herein. In the case of a three-member governing body of a political subdivision, where one member has abstained from voting as a result of a conflict of interest and the remaining two members of the governing body have cast opposing votes, the member who has abstained shall be permitted to vote to break the tie vote if disclosure is made as otherwise provided herein.

§ 1104. Statement of Financial Interests required to be filed

- (a) **Public official or public employee.**—Each public official of the Commonwealth shall file a Statement of Financial Interests for the preceding calendar year with the Commission no later than May 1 of each year that he holds such a position and of the year after he leaves such a position. Each public employee and public official of the Commonwealth shall file a Statement of Financial Interests for the preceding calendar year with the department, agency, body or bureau in which he is employed or to which he is appointed or elected no later than May 1 of each year that he holds such a position and of the year after he leaves such a position. Any other public employee or public official shall file a Statement of Financial Interests with the governing authority of the

political subdivision by which he is employed or within which he is appointed or elected no later than May 1 of each year that he holds such a position and of the year after he leaves such a position. Persons who are full-time or part-time solicitors for political subdivisions are required to file under this section.

(b) **Candidate.**—

- (1) Any candidate for a State-level public office shall file a Statement of Financial Interests for the preceding calendar year with the Commission on or before the last day for filing a petition to appear on the ballot for election. A copy of the Statement of Financial Interests shall also be appended to such petition.
- (2) Any candidate for county-level or local office shall file a Statement of Financial Interests for the preceding calendar year with the governing authority of the political subdivision in which he is a candidate on or before the last day for filing a petition to appear on the ballot for election. A copy of the Statement of Financial Interests shall also be appended to such petition.
- (3) No petition to appear on the ballot for election shall be accepted by the respective State or local election officials unless the petition has appended thereto a Statement of Financial Interests as set forth in paragraphs (1) and (2). Failure to file the statement in accordance with the provisions of this chapter shall, in addition to any other penalties provided, be a fatal defect to a petition to appear on the ballot.

- (c) **Nominee.**—Each State-level nominee for public office shall file a Statement of Financial Interests for the preceding calendar year with the Commission and with the official or body that is vested with the power of confirmation at least ten days before the official or body shall approve or reject the nomination. Each nominee for a county-level or local office shall file a Statement of Financial Interests for the preceding calendar

year with the governing authority of the political subdivision in which he or she is a nominee and, if different, with the official or body that is vested with the power of confirmation at least ten days before the official or body shall approve or reject the nomination.

- (d) **Failure to file required statement.**—No public official shall be allowed to take the oath of office or enter or continue upon his duties, nor shall he receive compensation from public funds, unless he has filed a Statement of Financial Interests as required by this chapter.
- (e) **Public inspection and copying.**—All statements of financial interests filed pursuant to the provisions of this chapter shall be made available for public inspection and copying during regular office hours, and copying facilities shall be made available at a charge not to exceed actual cost.

§ 1105. Statement of Financial Interests

- (a) **Form.**—The Statement of Financial Interests filed pursuant to this chapter shall be on a form prescribed by the Commission. All information requested on the statement shall be provided to the best of the knowledge, information and belief of the person required to file and shall be signed under oath or equivalent affirmation.
- (b) **Required information.**—The statement shall include the following information for the prior calendar year with regard to the person required to file the statement:
 - (1) Name, address and public position.
 - (2) Occupation or profession.
 - (3) Any direct or indirect interest in any real estate which was sold or leased to the Commonwealth, any of its agencies or political subdivisions or purchased or leased from the Commonwealth, any of its agencies or political subdivisions or which was the subject of any condemnation proceedings by the Commonwealth, any of its agencies or political subdivisions.
 - (4) The name and address of each creditor to

whom is owed in excess of \$6,500 and the interest rate thereon. However, loans or credit extended between members of the immediate family and mortgages securing real property which is the principal or secondary residence of the person filing shall not be included.

- (5) The name and address of any direct or indirect source of income totaling in the aggregate \$1,300 or more. However, this provision shall not be construed to require the divulgence of confidential information protected by statute or existing professional codes of ethics or common law privileges.
- (6) The name and address of the source and the amount of any gift or gifts valued in the aggregate at \$250 or more and the circumstances of each gift. This paragraph shall not apply to a gift or gifts received from a spouse, parent, parent by marriage, sibling, child, grandchild, other family member or friend when the circumstances make it clear that the motivation for the action was a personal or family relationship. However, for the purposes of this paragraph, the term “friend” shall not include a registered lobbyist or an employee of a registered lobbyist.
- (7) The name and address of the source and the amount of any payment for or reimbursement of actual expenses for transportation and lodging or hospitality received in connection with public office or employment where such actual expenses for transportation and lodging or hospitality exceed \$650 in an aggregate amount per year. This paragraph shall not apply to expenses reimbursed by a governmental body or to expenses reimbursed by an organization or association of public officials or employees of political subdivisions which the public official or employee serves in an official capacity.
- (8) Any office, directorship or employment of any nature whatsoever in any business entity.
- (9) Any financial interest in any legal entity

engaged in business for profit.

- (10) The identity of any financial interest in a business with which the reporting person is or has been associated in the preceding calendar year which has been transferred to a member of the reporting person's immediate family.
- (c) **Reporting amounts.**—Except where an amount is required to be reported pursuant to subsection (b)(6) and (7), the Statement of Financial Interests need not include specific amounts for the items required to be listed.
- (d) **Cost-of-living adjustments.**—On a biennial basis the Commission shall review the dollar amounts set forth in this section and may increase these amounts to such rates as are deemed reasonable for assuring appropriate disclosure. The Commission shall publish any such adjusted threshold amounts in the *Pennsylvania Bulletin*.

§ 1106. State Ethics Commission

- (a) **Continuation of Commission.**—The State Ethics Commission established under the act of October 4, 1978 (P.L. 883, No.170), referred to as the Public Official and Employee Ethics Law, is continued and shall be composed of seven members. The President pro tempore of the Senate, the Minority Leader of the Senate, the Speaker of the House and the Minority Leader of the House shall each appoint one member. Three members shall be appointed by the Governor without confirmation. No more than two of the members appointed by the Governor shall be of the same political party. No appointee shall have served as an officer in a political party for one year prior to his appointment.
- (b) **Term of service.**—Members of the Commission shall serve for terms of three years, except that members shall continue to serve until their successors are appointed and qualified.
- (c) **Maximum number of terms.**—No member shall be appointed to more than two full three-year terms on the Commission.

- (d) **Prohibited activities.**—No individual while a member or employee of the Commission shall:
- (1) hold or campaign for any other public office;
 - (2) hold office in any political party or political committee;
 - (3) actively participate in or contribute to any political campaign;
 - (4) directly or indirectly attempt to influence any decision by a governmental body, other than a court of law or as a representative of the Commission on a matter within the jurisdiction of the Commission; or
 - (5) be employed by the Commonwealth or a political subdivision in any other capacity, whether or not for compensation.
- (e) **Vacancy.**—A majority of the Commission by resolution shall declare vacant the position on the Commission of any member who takes part in activities prohibited by subsection (d). An individual appointed to fill a vacancy occurring other than by the expiration of a term of office shall be appointed for the unexpired term of the member he succeeds and is eligible for appointment to two full three-year terms thereafter. Any vacancy occurring on the Commission shall be filled within 30 days in the manner in which that position was originally filled.
- (f) **Election of chairman and vice chairman.**—The Commission shall elect a chairman and a vice chairman. The vice chairman shall act as chairman in the absence of the chairman or in the event of a vacancy in that position.
- (g) **Quorum.**—Four members of the Commission shall constitute a quorum and except as provided in section 1108(g) (relating to investigations by Commission), the votes of a majority of the members present are required for any action or recommendation of the Commission. The chairman or any four members of the Commission may call a meeting provided that advance written notice is mailed to each member and to any person who requests notice of such meetings.

- (h) **Compensation.**—Members of the Commission shall be compensated at a rate of \$250 per day and shall receive reimbursement for their actual and necessary expenses while performing the business of the Commission.
- (i) **Staff.**—The Commission shall employ an executive director, a chief counsel and such other staff as are necessary to carry out its duties pursuant to this chapter. The executive director shall be responsible for the administrative operations of the Commission and shall perform such other duties as may be delegated or assigned to him by the Commission, except that the Commission shall not delegate the making of regulations to the executive director. The chief counsel shall be the chief legal officer of the Commission. The Commission may obtain the services of experts and consultants as necessary to carry out its duties pursuant to this chapter. The State Treasurer and the Attorney General shall make available to the Commission such personnel, facilities and other assistance as the Commission may request.
- (j) **Regulations.**—The Commission shall develop regulations that provide for a code of conduct to govern the activities and ethical standards of its members, which code shall subject the members of the Commission to no less than is required for public officials or public employees under this chapter.

§ 1107. Powers and duties of Commission

In addition to other powers and duties prescribed by law, the Commission shall:

- (1) Prescribe and publish rules and regulations to carry out the provisions of this chapter.
- (2) Prescribe forms for statements and reports required to be filed by this chapter and furnish such forms to persons required to file such statements and reports.
- (3) Prepare and publish guidelines setting forth recommended uniform methods of accounting and reporting for use by persons required to file statements and reports by this chapter.

- (4) Accept and file any information voluntarily supplied that exceeds the requirements of this chapter.
- (5) Inspect Statements of Financial Interests which have been filed in order to ascertain whether any reporting person has failed to file such a statement or has filed a deficient statement. If, upon inspection, it is determined that a reporting person has failed to file a Statement of Financial Interests or that any statement which has been filed fails to conform with the requirements of section 1105 (relating to Statement of Financial Interests), then the Commission shall in writing notify the person. Such notice shall state in detail the deficiency and the penalties for failure to file or for filing a deficient Statement of Financial Interests.
- (6) Provide that statements and reports filed with the Commission be made available for public inspection and copying during regular office hours and provide that copying facilities be made available at a charge not to exceed actual cost and advise other State and local agencies of the provisions of this paragraph.
- (7) Compile and maintain an index of all reports and statements filed with the Commission to facilitate public access to such reports and statements and instruct other State and local agencies which receive and file financial interest statements in the maintenance of systems which facilitate public access to such statements.
- (8) Prepare and publish annual summaries of statements and reports filed with the Commission.
- (9) Preserve statements and reports filed with the Commission for a period of five years from date of receipt and advise other State and local agencies which receive and store financial interest statements to preserve such statements for a period of five years from date of receipt.

- (10) Issue to any person upon such person's request or to the appointing authority or employer of that person upon the request of such appointing authority or employer an opinion with respect to such person's duties under this chapter. The Commission shall, within 14 days, either issue the opinion or advise the person who made the request whether an opinion will be issued. No person who acts in good faith on an opinion issued to him by the Commission shall be subject to criminal or civil penalties for so acting, provided that the material facts are as stated in the opinion request. The Commission's opinions shall be public records and may from time to time be published. The person requesting the opinion may, however, require that the opinion shall contain such deletions and changes as shall be necessary to protect the identity of the persons involved.
- (11) Provide written advice to any person or the appointing authority or employer of such person, upon their request with respect to such person's duties under this chapter. Such advice shall be provided within 21 working days of the request, provided that the time may be extended for good cause. It shall be a complete defense in any enforcement proceeding initiated by the Commission, and evidence of good faith conduct in any other civil or criminal proceeding, if the requester, at least 21 working days prior to the alleged violation, requested written advice from the Commission in good faith, disclosed truthfully all the material facts and committed the acts complained of either in reliance on the advice or because of the failure of the Commission to provide advice within 21 days of the request or such later extended time. The person requesting the advice may, however, require that the advice shall contain such deletions and changes as shall be necessary to protect the identity of the persons involved.
- (12) Initiate an inquiry, pursuant to section 1108(a) (relating to investigations by Commission), where a complaint has not been filed but where there is a reasonable belief that a conflict may exist.
- (13) Issue findings, reports and orders relating to investigations initiated pursuant to section 1108, which set forth the alleged violation, findings of fact and conclusions of law. An order may include recommendations to law enforcement officials. Any order resulting from a finding that a public official or public employee has obtained a financial gain in violation of this chapter may require the restitution plus interest of that gain to the appropriate governmental body. The Commission or the Office of Attorney General shall have standing to apply to the Commonwealth Court to seek enforcement of an order requiring such restitution. This restitution requirement shall be in addition to any other penalties provided for in this chapter.
- (14) Hold hearings, take testimony, issue subpoenas and compel the attendance of witnesses.
- (15) Make recommendations to law enforcement officials either for criminal prosecution or dismissal of charges arising out of violations of this chapter.
- (16) Prepare and publish special reports, educational materials, and technical studies to further the purposes of this chapter.
- (17) Prepare and publish, prior to June 1 of each year, an annual report summarizing the activities of the Commission.
- (18) Transmit, free of charge, copies of each order, advice and opinion which has become a matter of public record quarterly to the law library of each county, one public library in each county, the State Library, the State Senate Library, each authority appointing Commission members under this chapter, the Pennsylvania Association of County Commissioners, the Pennsylvania Associa-

tion of Boroughs, the Pennsylvania State Association of Township Supervisors, the Pennsylvania State Association of Township Commissioners, the Pennsylvania School Boards Association and the Pennsylvania League of Cities.

- (19) Hold at least two public hearings each year, of which at least one shall be held in Harrisburg and at least one shall be held in a location other than Harrisburg, to seek input from persons and organizations who represent any individual subject to the provisions of this chapter and from other interested parties.

§ 1108. Investigations by Commission

- (a) **Preliminary inquiry.**—Upon a complaint signed under penalty of perjury by any person or upon its own motion, the Commission, through its executive director, shall conduct a preliminary inquiry into any alleged violation of this chapter. The Commission shall keep information, records and proceedings relating to a preliminary inquiry confidential. The Commission shall, however, have the authority to refer the case to law enforcement officials during a preliminary inquiry or anytime thereafter without providing notice to the subject of the inquiry. The Commission shall complete its preliminary inquiry within 60 days of its initiation.
- (b) **Termination of preliminary inquiry.**—If a preliminary inquiry fails to establish reason to believe that this chapter has been violated, the Commission shall terminate the inquiry and so notify the complainant and the person who had been the subject of the inquiry. If the Commission determines that a complaint is frivolous, it shall so state.
- (c) **Initiation of investigation.**—If a preliminary inquiry establishes reason to believe that this chapter has been violated, the Commission may, through its executive director, initiate an investigation to determine if there has been a violation. The Commission shall keep information, records

and proceedings relating to an investigation confidential until a final determination is made, except as otherwise provided in subsection (g). No investigation may be commenced until the person who is the subject of the investigation has been notified and provided a general statement of the alleged violation or violations of this chapter and other applicable statutes with respect to such investigation. Service of notice is complete upon mailing which shall be by certified or registered mail. The Commission shall notify the complainant within 72 hours of the commencement of an investigation, and, thereafter, the Commission shall advise the complainant and the person who is the subject of the investigation of the status of the investigation at least every 90 days until the investigation is terminated. The Commission shall, within 180 days of the initiation of an investigation, either terminate the investigation pursuant to subsection (d) or issue a findings report pursuant to subsection (e). Upon a showing by the executive director of the need for extension of this period, the Commission may extend an investigation for up to two 90-day periods, provided that each 90-day extension shall be approved by a majority vote of members present. In no event shall a findings report be issued later than 360 days after initiation of an investigation.

- (d) **Termination of investigation.**—If an investigation conducted under this chapter indicates that no violation has been committed, the Commission shall immediately terminate the investigation and send written notice of such determination to the complainant and the person who was the subject of the investigation.
- (e) **Findings report.**—The Commission, upon the completion of an investigation, shall issue a findings report to the subject of the investigation setting forth the pertinent findings of fact. The subject shall have the right to respond to said findings and to request an evidentiary hearing on said matter. The Commission shall grant any request for a hearing. Said hearing shall be held in Harrisburg or, at the request of the subject, in

either Philadelphia or Pittsburgh. Any response to the findings report must either admit or deny by corresponding number and letter the pertinent facts set forth. The subject of the investigation shall have access to any evidence intended to be used by the Commission at the hearing and any exculpatory evidence developed by the Commission in the course of its investigation. Matters not specifically denied in the response shall be deemed admitted. The response must be filed within 30 days of the issuance of the findings report unless the time period is extended by the Commission for good cause shown. Hearings conducted upon request shall be instituted within 45 days after the filing of the response.

- (f) **Final Order.**—Within 30 days of the receipt by the Commission of the hearing record, or, if no hearing is to be held, within 30 days of the receipt by the Commission of the response to the findings report, the Commission shall issue an order which shall be final. Upon receipt of a final order, the subject shall have the right to file a petition for reconsideration in accordance with the regulations of the Commission.
- (g) **Procedure for hearing.**—Hearings conducted pursuant to this section shall be closed to the public unless the subject requests an open hearing. Any person who appears before the Commission shall have all of the due process rights, privileges and responsibilities of a party or witness appearing before an administrative agency of this Commonwealth. All witnesses summoned for such hearings shall receive reimbursement for reasonable expenses in accordance with 42 Pa.C.S. § 5903 (relating to compensation and expenses of witnesses). At the conclusion of a hearing concerning an alleged violation and in a timely manner, the Commission shall deliberate on the evidence and determine whether there has been a violation of this chapter. At least four members of the Commission present at a meeting must find a violation by clear and convincing proof. The names of the members finding a violation and the names of those dissenting

and abstaining shall be listed in the order. The determination of the Commission, in the form of a final order and findings of fact, shall be a matter of public record.

- h) **Availability of final Orders, files and records.**—Orders which become final in accordance with the provisions of this section shall be available as public documents, but the files and records of the Commission relating to the case shall remain confidential.
- i) **Appeal.**—Any person aggrieved by an opinion or order which becomes final in accordance with the provisions of this chapter who has direct interest in such opinion or order shall have the right to appeal therefrom in accordance with law and general rules.
- j) **Retaliation prohibited.**—No public official or public employee shall discharge any official or employee or change his official rank, grade or compensation or deny him a promotion or threaten to do so for filing a complaint with or providing information to the Commission or testifying in any Commission proceeding. No member of the Commission and no employee of the Commission shall discharge any employee of the Commission or change his official rank, grade or compensation or threaten to do so for providing any information about the internal operations of the Commission, not required by law to be kept secret, to any legislator or legislative staff member or testifying in any legislative proceeding.
- k) **Confidentiality.**—As a general rule, no person shall disclose or acknowledge, to any other person, any information relating to a complaint, preliminary inquiry, investigation, hearing or petition for reconsideration which is before the Commission. However, a person may disclose or acknowledge to another person matters held confidential in accordance with this subsection when the matters pertain to any of the following:
 - (1) final orders of the Commission as provided in subsection (h);
 - (2) hearings conducted in public pursuant to subsection (g);

- (3) for the purpose of seeking advice of legal counsel;
 - (4) filing an appeal from a Commission order;
 - (5) communicating with the Commission or its staff, in the course of a preliminary inquiry, investigation, hearing or petition for reconsideration by the Commission;
 - (6) consulting with a law enforcement official or agency for the purpose of initiating, participating in or responding to an investigation or prosecution by the law enforcement official or agency;
 - (7) testifying under oath before a governmental body or a similar body of the United States of America;
 - (8) any information, records or proceedings relating to a complaint, preliminary inquiry, investigation, hearing or petition for reconsideration which the person is the subject of; or
 - (9) such other exceptions as the Commission by regulation may direct.
- (l) **Frivolous complaints and wrongful disclosure.**—If a public official or public employee has reason to believe the complaint is frivolous as defined by this chapter, or without probable cause and made primarily for a purpose other than that of reporting a violation of this chapter, or a person publicly disclosed or caused to be disclosed that a complaint against the public official or public employee has been filed with the Commission, the public official or public employee shall notify the Commission and the Commission, through its executive director, shall conduct an investigation.
- (m) **Limitation of time.**—The Commission may conduct an investigation within five years after the alleged occurrence of any violation of this chapter.

§ 1109. Penalties

- (a) **Restricted activities violation.**—Any person who violates the provisions of section 1103(a), (b) and (c) (relating to restricted activities) commits a

felony and shall, upon conviction, be sentenced to pay a fine of not more than \$10,000 or to imprisonment for not more than five years, or both.

- (b) **Financial interests statement violation.**—Any person who violates the provisions of section 1103(d) through (j), 1104 (relating to Statement of Financial Interests required to be filed) or 1105(a) (relating to Statement of Financial Interests) commits a misdemeanor and shall, upon conviction, be sentenced to pay a fine of not more than \$1,000 or to imprisonment for not more than one year, or both.
- (c) **Treble damages.**—Any person who obtains financial gain from violating any provision of this chapter, in addition to any other penalty provided by law, shall pay a sum of money equal to three times the amount of the financial gain resulting from such violation into the State Treasury or the treasury of the political subdivision. Treble damages shall not be assessed against a person who acted in good faith reliance on the advice of legal counsel.
- (d) **Impeachment and disciplinary action.**—The penalties prescribed in this chapter do not limit the power of either house of the Legislature to discipline its own members or impeach a public official and do not limit the power of agencies or commissions to discipline officials or employees.
- (e) **Other violations of chapter.**—Any person who violates the confidentiality of a Commission proceeding pursuant to section 1108 (relating to investigations by Commission) commits a misdemeanor and shall, upon conviction, be sentenced to pay a fine of not more than \$1,000 or to imprisonment for not more than one year, or both. Any person who engages in retaliatory activity proscribed by section 1108(j) commits a misdemeanor and, in addition to any other penalty provided by law, shall, upon conviction, be sentenced to pay a fine of not more than \$1,000 or to imprisonment for not more than one year, or both. Any person who willfully affirms or swears falsely in regard to any material matter

before a Commission proceeding pursuant to section 1108 commits a felony and shall, upon conviction, be sentenced to pay a fine of not more than \$5,000 or to imprisonment for not more than five years, or both.

- (f) **Civil penalty.**—In addition to any other civil remedy or criminal penalty provided for in this chapter, the Commission may, after notice has been served in accordance with section 1107(5) (relating to powers and duties of Commission) and upon a majority vote of its members, levy a civil penalty upon any person subject to this chapter who fails to file a Statement of Financial Interests in a timely manner or who files a deficient Statement of Financial Interests, at a rate of not more than \$25 for each day such statement remains delinquent or deficient. The maximum penalty payable under this paragraph is \$250.
- (g) **Reliance on solicitor’s opinion.**—A public official of a political subdivision who acts in good faith reliance on a written, nonconfidential opinion of the solicitor of the political subdivision or upon an opinion of the solicitor of the political subdivision, publicly stated at an open meeting of the political subdivision and recorded in the official minutes of the meeting, shall not be subject to the penalties provided for in subsections (a) and (b) nor for the treble damages provided for in subsection (c). However, this subsection shall not apply in situations where the solicitor’s opinion has been rendered under duress or where the parties seeking and rendering the solicitor’s opinion have colluded to purposefully commit a violation of this chapter.

§ 1110. Wrongful use of chapter

- (a) **Liability.**—A person who signs a complaint alleging a violation of this chapter against another is subject to liability for wrongful use of this chapter if:
- (1) the complaint was frivolous, as defined by this chapter, or without probable cause and made primarily for a purpose other than that of reporting a violation of this chapter; or

- (2) he publicly disclosed or caused to be disclosed that a complaint against a person had been filed with the Commission.

- b) **Probable cause.**—A person who signs a complaint alleging a violation of this chapter has probable cause for doing so if he reasonably believes in the existence of the facts upon which the claim is based and either:
- (1) reasonably believes that under those facts the complaint may be valid under this chapter; or
 - (2) believes to this effect in reliance upon the advice of counsel, sought in good faith and given after full disclosure of all relevant facts within his knowledge and information.
- c) **Commission procedures.**—When the Commission determines that a complainant has violated the provisions set forth in subsection (a), the Commission, upon receiving a written request from the subject of the complaint, shall provide the name and address of the complainant to said subject. If the Commission determines that a complainant has not violated the provisions of subsection (a), the Commission shall notify the subject accordingly. The subject shall have the right to appeal the Commission’s determination, and the Commission shall schedule an appeal hearing. The subject shall show cause why the complainant violated the provisions of this section. If the Commission grants the appeal, the Commission shall immediately release the complainant’s name and address to the subject. If the Commission denies the appeal, it shall present evidence why the complainant’s name and address shall not be released.
- d) **Damages.**—When the essential elements of an action brought pursuant to this section have been established, the plaintiff is entitled to recover for the following:
- (1) The harm to his reputation by a defamatory matter alleged as the basis of the proceeding.
 - (2) The expenses, including any reasonable attorney fees, that he has reasonably incurred in proceedings before the Commission.

- (3) Any specific pecuniary loss that has resulted from the proceedings.
- (4) Any emotional distress that has been caused by the proceedings.
- (5) Any punitive damages according to law in appropriate cases.

§ 1111. Supplemental provisions

Any governmental body may adopt requirements to supplement this chapter, provided that no such requirements shall in any way be less restrictive than the chapter.

§ 1112. Conflict of law

Except as otherwise provided in Chapter 13 (relating to lobby regulation and disclosure), if the provisions of this chapter conflict with any other statute, ordinance, regulation or rule, the provisions of this chapter shall control.

§ 1113. Severability

If any provision of this chapter or the application thereof to any person or circumstance is held invalid, the validity of the remainder of this chapter and the application of such provisions to other persons and circumstances shall not be affected thereby.

FREQUENTLY ASKED QUESTIONS

Powers and Duties:

- Q: Can the State Ethics Commission file criminal charges and/or can it remove a public official/public employee from office?*
- A: Although violations of the Ethics Act may be charged as a criminal violation of law, only the District Attorney or Attorney General may file criminal violations of the Ethics Act. The Commission is empowered to find administrative violations of the Ethics Act, order restitution and treble penalties, and can recommend or refer any matter for prosecution by law enforcement. The Ethics Act does not provide authority for the Commission to remove an individual from their office or employment—even after a finding of a violation of the Ethics Act.

Q: Does the Commission investigate violations of the Sunshine Act?

A: No. The Commission does not have jurisdiction over the Sunshine Act. Questions and concerns about violations of the Sunshine Act (65 Pa.C.S. §§ 701–716) should be directed to the county district attorney.

Q: Does the State Ethics Commission have jurisdiction over judicial officers or judicial employees?

A: No. The Supreme Court of Pennsylvania has exclusive jurisdiction over judicial officers and judicial employees. See also *L.J.S. v. State Ethics Commission*, 744 A.2d 798 (Pa. Cmwlth. 2000); Billotte, Opinion 00-005.

Statement of Financial Interests (SFI):

Q: Can I file my Statement of Financial Interests (SFI) online instead of filling out a paper form?

A: Yes. Your Statement of Financial Interests can be filed online at the State Ethics Commission's Website as follows: <http://www.ethics.pa.gov>. All Filers will need to submit a paper version and/or a copy of their electronically filed form to all required filing locations if it is other than the State Ethics Commission.

Q: Which sections of the Statement of Financial Interests (SFI) are most often incomplete, requiring the form to be returned to the filer for correction?

A: There are two sections that are frequently left blank. **Block 5 (Governmental Entity)** and **Block 7 (Year)**. **Block 5** refers to the **name** of the Entity where the filer currently serves or, if a candidate, intends to serve as a Public Official/Public Employee. The most frequent Government Entities names usually include the following: department, agency, authority, borough, board, commission, county, school district, township, etc. **Block 7 (year)** is the calendar year for which the filer is filing the form. For example, if the form is being completed in the calendar year 2018, block 7 should read “2017” and all information in blocks 8 through 15 should represent financial interests for calendar year 2017.

Q: *What creditors are required to be reported in Block 9 (Creditors) of the Statement of Financial Interests (SFI)?*

A: This block contains the name and address of **any** creditor and the interest rate of any debt over \$6,500.00 regardless of whether such debt is held solely by you or jointly by you and any other individual (including your spouse) where each obligor is fully responsible for the obligation. A joint obligation with other persons, for which the filer is responsible only for a proportional share that is less than the reporting threshold, is not required to be reported. Car loans, school loans, credit cards, personal loans and lines of credit must be listed on the form if the balance owed was in excess of \$6,500.00 at any time during the calendar year. **Do not report** a mortgage or equity loan on your home (or secondary home) or loans/credit **between** you and your spouse, child, parent or sibling. If you do not have ANY reportable creditor, then check the box next to "NONE".

Q: *What Direct or Indirect Sources of Income must be reported in Block 10 of the Statement of Financial Interests (SFI)?*

A: List the name and address of each source of \$1,300.00 or more of gross income regardless of whether such income is received solely by you or jointly by you and another individual, such as a spouse. "Income" includes any money or thing of value received or to be received as a claim on future services or in recognition of services rendered in the past, whether in the form of a payment, fee, salary, expense, allowance, forbearance, forgiveness, interest, dividend, royalty, rent, capital gain, reward, severance payment, proceeds from the sale of a financial interest in a corporation, professional corporation, partnership or other entity resulting from termination/withdrawal therefrom upon assumption of public office or employment or any other form of recompense or combination thereof. The term refers to gross income; it includes prize winnings and tax-exempt income but does not include gifts, governmentally mandated payments or benefits,

retirement, pension or annuity payments funded totally by contributions of the public official or employee, or miscellaneous, incidental income of minor dependent children. Some examples follow: 1) if you receive monthly pension payments of \$1,300.00 or more, where the employer has contributed in whole or in part to your pension, or if you own a 401K account that has generated dividends, distributions or capital gains totaling in the aggregate of \$1,300.00 or more, you must list it here; 2) if you sell a property and you have capital gains from that property, and each source is \$1,300.00 or more, you must list it here; and 3) if, for example, you are a doctor or lawyer and you receive income from multiple individual clients in an amount of greater than \$1,300.00, you should list the name and address of your firm or office, not the individual clients.

An inheritance received from a family member is not considered "income" for purposes of financial disclosure under the Ethics Act unless the inheritance would be expressly designated as a payment for, or in recognition of, services.

An inheritance received from a family member would ordinarily be considered a gift that would not have to be disclosed on the Statement of Financial Interests as per Section 1105(b)(6) of the Ethics Act.

If you do not have ANY reportable source of income, then check the box next to "NONE."

Q: *What must be reported in Block 13 (Office, Directorship or Employment in any business) of the Statement of Financial Interests (SFI) form?*

A: This block focuses solely on your status as an officer, director or employee, regardless of income. List the name and address of the business entity for any office that you hold (for example, President, Vice President, Secretary, Treasurer), any directorship that you hold (through service on a governing board such as a board of directors), and any employment that you have in any capacity whatsoever, as to any business entity. For example, if you are employed by a business, you should list the name of the business and list your position as

“employee.” Additionally, if you serve as a member of a nonprofit board, such as a community group or organization, even though you may receive no compensation for this position, you would be considered an office holder, and would report your position here.

Q: *Regarding the Statement of Financial Interests (SFI) Form filing for Candidates running for office, who, when and where should they file?*

A: **Candidates for Statewide offices, which include State Senate, State House, Supreme Court, Superior Court, Common Pleas Court, Traffic Court, Municipal Court and Commonwealth Court:** The original copy of the SFI form must be filed with the State Ethics Commission, and a copy must be appended to the nomination petition when filed with the State Bureau of Elections. This must be completed on or before the last day for filing a petition to appear on the Ballot for Election.

For Constables/Deputy Constables: The original copy must be filed with the State Ethics Commission, and a copy must be appended to the nomination petition when filed with the County Board of Elections. This must be completed on or before the last day for filing a petition to appear on the Ballot for Election.

For Countywide, City, Borough, Township or Municipality candidates (home rule charter): The original copy must be filed with the Clerk/Secretary in the Municipality in which you are a candidate, and a copy must be appended to the nomination petition when filed with the County Board of Elections. This must be completed on or before the last day for filing a petition to appear on the Ballot for Election.

For Magisterial District Judges candidates: The original copy must be filed with the County in which the Magisterial District is located, and a copy must be appended to the nomination petition when filed with the County Board of Elections. This must be completed on or before the last day for filing a petition to appear on the Ballot for Election.

For School Director candidates: The original copy must be filed in the School District where you are a candidate, and a copy must be appended to your nomination petition when filed with the County Board of Elections. This must be completed on or before the last day for filing a petition to appear on the Ballot for Election.

For Announced Write-ins, Unannounced Write-in Winners of Nominations, and Unannounced Write-in Winners of Elections: For state office, file with the State Ethics Commission. For county or local office, file with the governing authority of the political subdivision. No additional copy is required to be filed. This must be completed within 30 days of official certification of having been nominated or elected unless such person declines the nomination or office within that time frame.

Q: *Must a school district employee with duties that include recommending equipment purchases file Statements of Financial Interests (SFIs) pursuant to the Ethics Act, or is the filing requirement only limited to school directors, superintendents and solicitors?*

A: Yes. Although **school directors, superintendents and solicitors** certainly are subject to the filing requirement—as would be assistant superintendents, school business managers, and principals—the filing requirement is not limited to **only** these positions.

Because status as a public employee is determined based upon duties and authority rather than job titles, and because positions and duties may vary greatly from one school district to another, it is not feasible to create one listing of all school district positions subject to the filing requirement. Rather, the duties and authority of each position must be considered to determine status as a public employee.

An employee with duties including recommending equipment purchases would typically fall within the definition of “public employee” and would be subject to the requirements for filing Statements of Financial Interests.

Q: *Is a judge who is a candidate for election to a judicial seat required to file the Statement of Financial Interests (SFI) form as a candidate under Section 1104(b) of the Ethics Act?*

A: Yes. Members of the judiciary who are candidates in a judicial election are required to file Statements of Financial Interests in conformance with Section 1104(b) of the Ethics Act.

Conflicts of Interest:

Q: *What are the restrictions regarding contracting for Public Employees and Public Officials?*

A: The restrictions for contracting are set forth in Section 1103(f) of the Ethics Act which prohibits a public official/public employee or his/her spouse, child, or any business the official/employee, spouse or child is associated with, from entering into a contract (or subcontract) valued at \$500 or more with the governmental body of the public official/employee unless the contract has been awarded through an open and public process. An open and public process is not necessarily competitive bidding, but at a minimum includes prior public notice and subsequent public disclosure of all proposals considered and contracts awarded.

Q: *What does the 1-year “Revolving Door” provision of the Ethics Act prohibit?*

A: Section 1103(g) of the Ethics Act (Revolving Door) prohibits a former public official/public employee from representing a person (including themselves) for compensation before the official/employee’s former governmental body for one year after the official/employee leaves service. The terms “person” and “represent” are broadly defined and would include a former employee returning as an independent contractor. Caution should be taken when one considers leaving public service and engaging in any business ventures with a former governmental entity.

Q: *Are there any exceptions allowing a public official with a conflict of interest under the Ethics Act to vote despite the conflict?*

A: There are two voting conflict exceptions in Section 1103(j) of the Ethics Act. The exception for breaking a tie vote despite a conflict of interest is available exclusively to members of three-member governing bodies who first abstain and disclose their conflicts as required by Section 1103(j) of the Ethics Act. See, *Pavlovic*, Opinion 02-005. Therefore, the Section 1103(j) exception for breaking a tie vote despite a conflict of interest would not be applicable for a board containing more than three members. The other voting conflict exception is not limited to a three-member governing body but requires that the following conditions be met: (1) the board must be unable to take any action on the matter before it because the number of members required to abstain from voting under the provisions of the Ethics Act makes the majority or other legally required vote of approval unattainable; and (2) prior to voting, such members with conflicts under the Ethics Act must disclose their conflicts as required by Section 1103(j). When both of these conditions are met, such that the exception is applicable, the exception allows for voting only—it does not permit other forms of participation, such as discussing the matter that is the subject of the vote. *Klutzaritz*, Order 1078; *Pavlovic*, supra.

Q: *What is a conflict of interest under the Ethics Act?*

A: Under the Ethics Act, a conflict of interest exists when a person uses the authority of their public office/employment or confidential information received through their public office/employment, which is used for the private pecuniary benefit of the public official/public employee himself, any member of his immediate family, or a business with which he or a member of his immediate family is associated. 65 Pa.C.S. §§ 1102, 1103(a). The term “business with which he is associated” is defined as “Any business in which the person or a member of the person’s immediate family is a director, officer, owner, and employee or has a financial interest.” 65 Pa.C.S. § 1102.

Ethics Act:

Q: *How do I file an Ethics complaint or a Lobbying complaint with the Commission?*

A: Complaint forms are available at the Pennsylvania State Ethics Commission website: <http://www.ethics.pa.gov>. Upon access to the Website, click on the link entitled "Forms." There is a separate PDF form and instructions for an Ethics complaint versus a Lobbying complaint. Paper forms are also available upon request from the State Ethics Commission. The complaint should state the name, job or office held by the subject of the complaint, and a description of the facts which are alleged to constitute a violation of either the Ethics Act or the Lobbying Disclosure Law. Complaints must be sworn before a notary public.

Q: *If a public official/public employee violates the Ethics Act, can he "undo" the violation through remedial measures?*

A: The Commission has held that "remedial measures," such as to rescind a prior vote, DO NOT "undo" or negate a violation if such has occurred, but may be considered as mitigating circumstances when the Commission considers the imposition of an appropriate penalty or referral for criminal prosecution.

Q: *Who may request an Advice/Opinion from the State Ethics Commission?*

A: Under the Ethics Act, anyone who is subject to the Ethics Act may request an advisory about his or her own obligations. An advisory may also be requested by the authorized representative of such person or by the appointing authority or employer of such person.

Under the Lobbying Disclosure Law, a lobbyist, lobbying firm, principal, the Pennsylvania Department of State, a State employee, or the Disciplinary Board of the Supreme Court of Pennsylvania may request an advisory regarding compliance with the Lobbying Disclosure Law. An advisory may also be requested by the authorized representative of the aforesaid individuals or entities.

Q: *How does one request an Advice/Opinion from the Commission?*

A: All requests must be in writing. Requests should be addressed as follows: State Ethics Commission, Attention: Legal Division, Finance Building, 613 North Street, Room 309, Harrisburg, PA 17120-0400. At a minimum, the following information should be provided:

- Name, address and telephone number of the subject of the request and if different, the name, address and telephone number of the person initiating the request.
- Where applicable, the name of the governmental body with which the subject serves and the name or title of such person's public office or position.
- If the requester is the appointing authority, employer or authorized representative of the subject of the request, the nature of such relationship.
- Where applicable, the nature of duties of the subject's office or job. Include an organization chart, bylaws of the organization, if available, and a job description.
- List the material facts and circumstances surrounding the request.

Q: *How is the request for an Advice/Opinion processed by the Commission, and will the Advice or Opinion be made public?*

A: The Commission will advise within 14 days whether an Advice or Opinion may be issued. An Advice is issued by the Commission's Chief Counsel where Commission precedent, court cases, the Ethics Act, the Lobbying Disclosure Law, and/or Regulations provide the basis upon which to render such Advice. An Advice can usually be issued to a person within 21 working days of the Commission's receipt of the request. In some cases, however, the time may be extended. An Advice may be appealed to the full Commission.

If an Opinion will be issued by the Commission

members, the requestor will be advised of the date, time, and place of the Commission meeting, at which the Opinion will be considered. The requestor may attend this meeting and make a presentation.

Q: *What is the effect of an Advice/Opinion once issued by the Commission?*

A: No person who acts in good faith on an Opinion that was issued to him by the Commission will be the subject of either criminal or civil penalties for acting in conformity with the language of the Opinion, provided that he truthfully disclosed all material facts in the Opinion requested.

An Advice issued by the Commission's Chief Counsel is a complete defense in any enforcement proceeding initiated by the Commission and if followed, is considered evidence of good faith conduct in any other civil or criminal proceeding.

Lobbying Disclosure Law:

Q: *What are the Commission's duties and responsibilities under the Lobbying Disclosure Law?*

A: The Commission is authorized to issue advisory opinions, as well as to conduct investigations and enforcement actions in relation to violations of the Lobbying Disclosure Law.

Gaming Act:

Q: *What are the Commission's duties and responsibilities under the Gaming Act?*

A: Pursuant to the Gaming Act, the Commission is responsible for: (1) making determinations as to whether certain individuals employed by the Gaming Control Board or independent contractors of the Board would be subject to certain "revolving-door" provisions within the Gaming Act; (2) biennially publishing a listing of all state, county, municipal and other government positions meeting the definitions of the terms "public official" or "executive-level public employees" set forth in the Gaming Act; and (3) determining whether deadlines should be extended concerning enumerated individuals' requirement to divest themselves of financial interests prohibited

from holding under the Gaming Act.

Medical Marijuana Act:

Q: *What are the Commission's duties and responsibilities under the Medical Marijuana Act?*

A: Pursuant to Section 2101.1 of the Medical Marijuana Act, the Commission now has responsibilities for: (1) issuing determinations as to whether particular persons would be subject to restrictions regarding holding a financial interest in, or being employed by, a medical marijuana organization or a holding company, affiliate, intermediary or subsidiary thereof; and (2) biennially publishing a listing of all State, county, municipal and other government positions meeting the applicable definitions of the terms "public official" or "executive-level public employee," which are two of the categories of persons subject to the aforesaid restrictions.

Act 114 of 2016:

Q: *What are the Commission's duties and responsibilities under Act 114 of 2016?*

A: Pursuant to Act 114 of 2016, pertaining to employees of the State Horse Racing Commission, the Commission has responsibilities for: (1) biennially publishing a list of all employment positions within the State Horse Racing Commission with duties that would subject the individuals in those positions to the "revolving door/post-termination" restrictions at (3 Pa.C.S. § 9311(b)(6)(xiv)); and (2) making a determination, upon request, as to whether a particular individual/person would be subject to the "revolving door/post-termination" restriction at 3 Pa.C.S. § 9311(b)(6)(xiv).

KEY WORD INDEX

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| Compensation | |
| Failure to file required statement | Ethics Act, Section 1104(d) |
| Former executive-level employee | Ethics Act, Section 1103(i) |
| Former official or employee | Ethics Act, Section 1103(g) |
| Prohibited Activities | Ethics Act, Section 1106(d)(5) |
| Public Officials | Ethics Act, Section 1101.1(a) |
| Commissioners | Ethics Act, Section 1106(h) |

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| Retaliation | Ethics Act, Section 1108(j) |
| Witnesses | Ethics Act, Section 1108(g) |
| Confidentiality | Ethics Act, Section 1108(k) |
| Violations of Chapter | Ethics Act, Section 1108(e) |
| Conflict of Interest | |
| Definition | Ethics Act, Section 1102 |
| Restricted Activities | Ethics Act, Section 1103(a) |
| Voting | Ethics Act, Section 1103(j) |
| Contracting | Ethics Act, Section 1103(f) |
| Definition | Ethics Act, Section 1102 |
| Gifts | |
| Prohibitions | |
| Acceptance | Ethics Act, Section 1103(c) |
| Influence | Ethics Act, Section 1103(b) |
| Reporting Thresholds | Ethics Act, Section 1105(6) |
| Honorariums | |
| Definition | Ethics Act, Section 1102 |
| Restricted Activities | Ethics Act, Section 1103(d) |
| Immediate Family | |
| Definition | Ethics Act, Section 1102 |
| Seeking Improper Influence | Ethics Act, Section 1103(b) |
| Statement of Financial Interests Disclosure | Ethics Act, Section 1105(4)(10) |
| Investigations | |
| Full | Ethics Act, Section 1108(c) |
| Preliminary | Ethics Act, Section 1108(a) |
| Penalties | |
| Restricted Activities | Ethics Act, Section 1109(a) |
| Statement of Financial Interests | Ethics Act, Section 1109(b) |
| Revolving Door | Ethics Act, Section 1103(g) |
| Severance Payments | Ethics Act, Section 1103(e) |
| Solicitors | |
| Definition | Ethics Act, Section 1102 |
| Statement of Financial Interests Filing Requirement | Ethics Act, Section 1104(a) |
| Reliance on Solicitor's Opinion | Ethics Act, Section 1109(g) |
| Statement of Financial Interests | |
| Failure to File | Ethics Act, Section 1104(d) |
| Filing Requirement for Public Official or Public Employee | Ethics Act, Section 1104(a) |
| Filing Requirement for State-Level Public Office Candidate | Ethics Act, Section 1104(b) |
| Filing Requirement for State-Level Public Office Nominee | Ethics Act, Section 1104(c) |
| Required Information | Ethics Act, Section 1105(b) |
| Reporting Amounts | Ethics Act, Section 1105(d) |
| Statute of Limitations | Ethics Act, Section 1108(m) |
| Three-Member Board | Ethics Act, Section 1103(j) |
| Voting Conflicts | Ethics Act, Section 1103(j) |
| Wrongful Acts | |
| Frivolous Complaint | Ethics Act, Section 1108(l) |
| Retaliation | Ethics Act, Section 1108(j) |