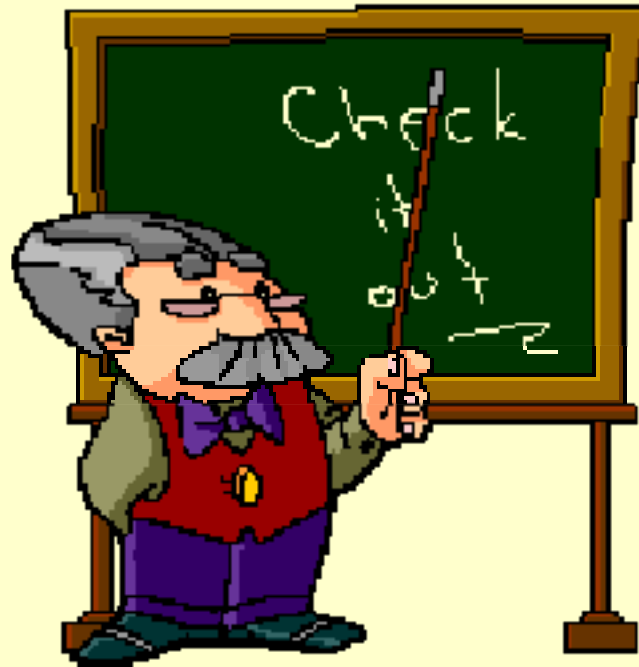


# Let's Take a Look at the Ethics Rules.

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April 3, 2006

Gifts, Favors, Services,  
Entertainment, Food, Drink,  
and Honoraria

42 IAC 1-5-1

## 42 IAC 1-5-1



Sec. 6. (a) You may not knowingly

- Solicit
- Accept, or
- Receive any of the previously mentioned

From a person who has a business relationship with your agency, or is seeking to influence you in your official actions

# Business Relationship

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**A. Dealings an agency has with a person seeking, obtaining, establishing, maintaining, or implementing:**

(1) a pecuniary interest in a contract or purchase with an agency; or

(2) a license or permit requiring the exercise of judgment or discretion by the agency.

**B. Relationship a lobbyist or unregistered lobbyist has with an agency.**

## 42 IAC 1-5-2



**Persons** having a business relationship with an agency **may not** provide any gifts, meals, or similar items to state employees.

# Gift Rule – Exclusions



There are exceptions to the gift rule, which are listed here:

- Gifts, favors, services, entertainment, food, or drink from public agencies or public institutions.

# Gift Rule – Exclusions



- Food or drink consumed at a public meeting to which at least twenty-five (25) individuals are invited. A meeting will be considered public if:
  - (A) the event is a reception or other gathering for public officials that is not arranged to solicit government procurement of goods or services;
  - (B) the employee is giving a speech or participating in a presentation in the employee's official capacity; or
  - (C) the meeting has a formal educational program that the employee is attending to assist him or her in performing official duties.

# Gift Rule – Exclusions



- Mementos or souvenirs of nominal value.
- Food or drink consumed by an employee during negotiations or other activities related to an Indiana Economic Development Corporation economic development project.

# Gift Rule – Exclusions



Gifts, favors, services, entertainment, food, or drinks from relatives and ongoing social relationships:

- not deducted as a business expense
- the gift giver is not seeking to influence an action by an employee in his or her official capacity.

# Gift Rule – Exclusions



- Political contributions subject to IC 3-9-2 that are reported in accordance with applicable law.
- Nominal refreshments offered to a state employee conducting official state business while he or she is at a workplace of a person who has a business relationship or seeks to influence official action with the employee's agency.
- Discount and other promotional programs approved and made available to state employees through the Indiana State Personnel Department or the Indiana Department of Administration.

# Gift Waiver



State agencies can make exceptions to the gift rule when consistent with the public interest.

Such exceptions must be made in writing and sent to the Commission with an explanation why the exception is consistent with the public interest.

# Honorarium

42 IAC 1-5-3

# Honorarium



**Means payment for:**

- A speech
- An appearance. or
- An article.

**Note:** This rule does not apply to special state appointees.

# Honorarium

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- If the speech, appearance, or article is part of your official duties – you **May Not** accept payment for any of the previously mentioned.
- You may not accept an honorarium from a person who has a business relationship with your agency or who seeks to influence an official action with your agency. However, an honorarium may be accepted on behalf of the state.
- However, you may accept reimbursement for your travel expenses, if you are not being reimbursed by your agency.

# Political Activity Rule

42 IAC 1-5-4

# Political Activity



- You may **not** engage in political activity while on duty or acting in an official capacity.
- You may **not** solicit political contributions from persons having a business relationship with your agency.
- If you are a supervisor, you may **not** solicit political contributions from employees you supervise.



## 42 IAC 1-5-4



The heads of all state agencies and instrumentalities of the executive department, including all bodies corporate and politic, and all employees or special state appointees with purchasing or procurement authority on behalf of the State, shall not solicit political contributions on behalf of any candidate for public office, unless that individual is a candidate for public office himself or herself.

# Nepotism Law

IC 4-15-7-1

# Nepotism



**You are not permitted to employ or supervise certain relatives.  
Those relatives are:**

- Father, Mother
- Son, Daughter
- Brother, Sister
- Uncle, Aunt
- Husband, Wife
- Son-in-law, Daughter-in-law
- Nephew, Niece

**Note:** These relatives may work in the same agency but may not supervise one another.



# Prohibitions

# Prohibitions



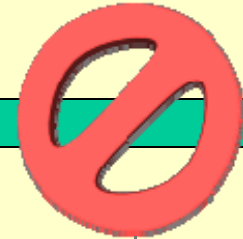
- You may not receive extra compensation for doing your state job. (42 IAC-1-5-8)
- You may not pay or offer to pay any state officer, employee or special state appointee for doing their state duties. (42 IAC 1-5-9 sec. 9)
- You may not benefit from information of a confidential nature. (42 IAC 1-5-10)
- You may not divulge information of a confidential nature.( 42 IAC 1-5-11)

# Prohibitions



- A state officer, employee or special state appointee shall not make use of state materials, funds, property, personnel, facilities, or equipment for any purpose other than for official state business unless the use is expressly permitted by general written agency, departmental, or institutional policy or regulation, considering the cost and the benefit by such use. (42 IAC 1-5-12)

# Prohibitions



- A state officer, employee or special state appointee shall not engage in, or direct others to engage in work other than the performance of official duties during working hours, except as permitted by general written agency, departmental, or institutional policy or regulation. (42 IAC 1-5-13)

# Limited Use of State Resources

Check with your supervisor to see what your agency's policy is regarding limited use of state resources.



## Fact Sensitive Laws

- Moonlighting
- Post-Employment Restriction
- Conflicts of Financial Interest

# Fact Sensitive Laws

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The following rules are fact sensitive and need to be addressed on a case by case basis. Please contact your Ethics Officer or the State Ethics Commission, if you think you may have a conflict.

- Moonlighting
- Post-Employment Restriction
- Conflicts of Financial Interest

# Moonlighting IC 4-2-6-5.5



**You may not take a second job involving compensation of substantial value:**

- If your responsibilities would be incompatible with your state duties, or
- If recusal from certain state duties would impair your ability to perform your other state duties, or
- If you are required to reveal information of a confidential nature.

# Moonlighting IC 4-2-6-5.5



You may not use or attempt to use your official position to secure unwarranted privileges or exceptions that are:

- Of substantial value and
- Not available to other similarly situated individuals.

# Proof of No Violation

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- You may get a written Advisory Opinion by
- the Ethics Commission
- Your appointing authority
- Your ethics officer

# **Leaving State Government After January 10, 2005**

If you leave state government, check with your Ethics Officer or the Ethics Commission to see if you will be affected by the Post-Employment Restrictions.



# Post-Employment Restrictions

## IC 4-2-6-11

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Restrictions apply to former state officers, employees and special state appointees who have worked on a particular matter, such as a contract, and wish to work for the contractor.

Post-employment restrictions also affect former state officers, employees and special state appointees who have made a regulatory or licensing decision over an employer for whom they wish to work.

**Note:** Some restrictions do not apply to special state appointees who serve only as a member of an advisory board.

# Waivers

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- State officers and appointing authorities may waive the application of the post-employment restriction in individual cases when consistent with the public trust.

# Conflicts of Financial Interest

IC 4-2-6-9



# Conflicts of Financial Interest

A state officer, employee, or special state appointee may not participate in any decision or vote if that individual has knowledge that any of the following has a financial interest in the outcome of the matter:

- a. The state officer, employee, or special state appointee.
- b. A member of the immediate family of the state officer, employee, or special state appointee.



# Conflicts of Financial Interest

- c. A business organization in which the state officer, employee, or special state appointee is serving as an officer, director, trustee, partner, or employee; or
  
- d. Any person or organization with whom the state officer, employee, or special state appointee is negotiating, or has an arrangement concerning, prospective employment.



# Conflicts of Financial Interests

A state officer, employee, or special state appointee may not knowingly have a direct or indirect financial interest in a contract made by any agency.

**This prohibition does not apply if:**

- a. the contract is made after public notice or, where applicable, through competitive bidding;
- b. the state officer, employee, or special state appointee files with the State Ethics Commission a statement making full disclosure of all related financial interests in the contract;



# Conflicts of Financial Interest

c. the contract can be performed without compromising the performance of the official duties and responsibilities of the state officer, employee, or special state appointee; and

d. in the case of a contract for professional services, the appointing authority of the contracting agency makes and files a written certification with the State Ethics Commission that no other state officer, employee, or special state appointee of the agency is available to perform those services as a part of their regular duties.

## Helpful Information

- Getting an Advisory Opinion
- Sanctions for Violations of Rules
- Whistleblower's Law
- Retaliation

# Advisory Opinion

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**To get an advisory opinion from the Ethics Commission:**



- Send your question in writing to the Commission. Online requests can be made at: [Request for Advice](#)
- Appear before the Commission at its next monthly meeting
- The Commission will interpret the rules that apply to your situation.
- The decision regarding your question will be in writing and is binding on the Commission

# Sanctions

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**For ethics violations, the Commission may take any of the following actions:**

- (1) Impose a civil penalty
- (2) Cancel a contract.

# Sanctions



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- (3) Bar a person from entering into a contract with an agency for state officer a period specified by the commission.
  - (4) Order restitution or disgorgement.
  - (5) Reprimand, suspend, or terminate an employee or a special state appointee.
  - (6) Reprimand or recommend the impeachment of a state officer

# Sanctions



(7) Bar a person from future state employment as an employee or future appointment as a special state appointee.

(8) Revoke a license or permit issued by an agency.

(9) Bar a person from obtaining a license or permit issued by an agency.

(10) Revoke the registration of a person registered as a lobbyist

(11) Bar a person from future lobbying activity with a state officer or agency.

# Whistleblower's Law

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**Employees who file complaints with the Commission, or provide information to the Commission, or testify at a Commission proceeding are protected from retaliation and may not:**

- Be dismissed.
- Be transferred.
- Be reassigned.
- Be denied promotion.
- Be demoted.
- Have salary increases/benefits withheld.

# Retaliation IC 4-2-6-13

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Anyone who retaliates against such an employee commits a Class A misdemeanor.

Remember, ethics is part of every  
state employee's job.



# Need Advice?

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If you have a specific question regarding an ethics situation, you may ask your question online by going to [www.in.gov/ethics](http://www.in.gov/ethics) and clicking on [Request for Advice](#).

Your question will be answered by email.



# What's Next

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1. Take the Post-test.

2. Make sure you complete and submit the evaluation form.

3. Print out your certificate of completion and place it in your personnel file.

**NOTE:** Ethics training every two years by state employees is mandatory. By submitting the evaluation form, your agency can keep track of when you'll need your next refresher.