

Title: Conflict of Interest and Ethics in Public Service	Number: 2.1.2
Contact Person's Title: Human Resources Director	Sponsoring Division: Human Resources Division
Phone Number: (360) 704-5730	References: <ul style="list-style-type: none"> • RCW <u>42.52</u>, Ethics in Public Service • WAC <u>292</u>, Ethics in Public Service
Effective Date: October 1, 2016	
Approved: Vikki Smith Director	
Applies to: All Employees, Volunteers, and Interns	

Purpose

Ethics laws are designed to protect state employees from conflicts of interest or from engaging in activities where their interests or loyalties could be divided or may be questioned.

Revenue has a unique responsibility towards Washington citizens. As a regulatory agency that administers taxes for the state, Revenue must conduct its business according to the highest ethical standards of service. This means always being good stewards of public resources and preventing conflicts of interest or avoiding situations that could appear to be a conflict of interest.

This policy does not cover every ethical situation; therefore employees are expected to use good judgment. Employees should ask their supervisor or the Human Resources Director (Agency Ethics Advisor) when faced with a specific ethical situation.

Complying with Ethics Laws

Employees must review the following ethics-related policies:

- Administrative Policy 1.2.8, *State Employee Whistleblower Act*.
- Administrative Policy 2.1.4, *Political Activity*.
- Administrative Policy 2.8.2, *Employing Relatives or Household Members*.
- Administrative Policy 2.8.4, *Outside Business Activities and Employment (paid and volunteer)*.
- Administrative Policy 4.1.1, *Using State Resources, Equipment and Facilities*.
- Administrative Policy 4.1.5, *Fundraising*.
- Administrative Policy 4.2.1, *Reporting Known or Suspected Loss of Public Funds or Property or Illegal Activity*.
- Administrative Policy 6.4.4, *Using IT Resources*.
- Administrative Policy 7.1.1, *Protecting Confidential Information*.

Tools that provide additional ethics information and guidance may be found on Revenue's Ethics website and the Washington State Executive Ethics Board.

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Representing Revenue

As a regulatory agency, it is critical that employees strengthen public confidence in the integrity of state government by demonstrating the highest standards of personal integrity, fairness, honesty, and compliance with laws, rules, and Revenue policy.

All employees are required to perform their duties and responsibilities in a way that maintain these standards. Employees should act with respect, concern, courtesy and responsiveness when carrying out their duties.

It is expected that employees will accurately represent their:

- Position responsibilities.
- Professional credentials.
- Educational credentials.

Use of professional or educational credentials on business cards requires completion of Request for Professional Designation on Business Cards form. It is incumbent upon each employee to ensure the accuracy of their credentials. Any false or misleading representation of professional or educational credentials as a representative of Revenue could result in disciplinary action.

Complying with Ethics Laws and Policies

Employees are expected to be familiar with state ethics laws, rules and other related policies and act in a manner that is consistent with these laws, rules and policies.

Compliance with the ethics requirements is an individual responsibility. Maintaining a working knowledge of the requirements will help ensure proper and ethical actions. Employees are required to ensure that their conduct and behavior is compliant with these core ethical principles:

Objectivity	Place the public's interest before any private interest or outside obligation.
Selflessness	Do not take actions or make decisions in the performance of their position in order to gain financial or other benefits for themselves, their family, friends, or other outside individuals or organizations.
Stewardship	Conserve state resources and funds against misuse, fraud and abuse.
Transparency	Practice open and accountable government. Be as open as possible about decisions and actions, while protecting confidential information.
Integrity	Do not place yourself under any financial or other obligation to outside individuals or organizations that might influence you in the performance of your official duties.

Prohibited Activities

Employees are prohibited from:

- Engaging in any employment, business or professional activity that would represent a conflict of interest.
- Using their official position for special privileges.
- Soliciting gifts.
- Accepting most gifts.
- Bidding on Revenue's Unclaimed Property auction items.

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- Using or creating the appearance of using the employee's position for personal gain, benefit, or advantage of the employee or others.
- Using state resources or employee work time for private benefit or gain of the employee or any other person except as allowed under Administrative Policy 4.1.1, Using State Resources, Equipment and Facilities.

Using Official Position

Employees may not accept special privileges. Employees must not use a state position to secure special privileges or exemptions for his/herself or for a spouse, child, parent, or other person (RCW 42.52.070).

Doing Business with Taxpayers

State law prohibits state employees from using their positions to obtain something of value. Because nearly all businesses are taxpayers and employees deal with these businesses in the course of everyday life, Revenue employees must be especially sensitive to potential conflicts.

Business transactions involving a taxpayer and an employee, the spouse of an employee or an immediate family member of the employee, must be handled in the same way as those not employed by Revenue. For example, prohibited activities include an employee:

- Knowingly accepting preferential treatment from a taxpayer within the normal course of their official duties whether during work or non-work hours.
- Representing themselves in any private dealing as a Revenue employee for gain or benefit.

Beneficial Interest in Transactions Involving the State

Employees may not have a beneficial interest, directly or indirectly, in a contract, sale, lease, purchase or grant that is made by, through, or is under their supervision. Beneficial interest means the right to enjoy profit, benefit, or advantage from a contract, sale, lease, purchase or grant.

Prohibited Gifts, Gratuities and Items of Value

Revenue is a regulatory agency. Employees are prohibited from accepting most gifts (items of value).

Allowable Gifts (Items of Value)	Prohibited Gifts (Items of Value) Received from Entities Regulated by Revenue
<p>The following allowable items must be unsolicited and not be intended to influence the action or judgment of the employee.</p> <p>Items listed in RCW 42.52.150(4) such as:</p> <ul style="list-style-type: none"> • Items from family or friends where it is clear beyond a reasonable doubt that the gift was not made as part of any design to influence the employee in the performance of official duties. • Presents or items exchanged among employees at social events or special occasions such as a holiday. 	<ul style="list-style-type: none"> • Any item of value if it could be presumed that the item could influence the action or judgment of an employee or be considered a reward to the employee for action or inaction. • Floral arrangements, plants, flowers. • Gifts from dignitaries. • Expenses (travel, room, or meals) for a speech, presentation and/or seminar, except as allowed by Administrative Policy 5.8.2, Participating in Public Speaking Activities. <p style="text-align: center;">APPROVED Executive Ethics Board</p>

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<ul style="list-style-type: none"> • Political contributions outside of the workplace. • Customary advertising or promotional supplies of nominal value such as pens or notepads. • Tokens of appreciation like plaques or trophies, or similar items. • A product for evaluation or review, such as software, but only if there is no personal, beneficial interest in the use or acquisition of the product. • Professional publications and subscriptions related to the recipients performance of official duties. • Refreshments (light snacks or beverages) at a hosted reception related to official duties. • Beverages if generally supplied or available to customers and staff on site. • Admission to a charity-, government-, or community-sponsored event. • Discounts available to an individual as a member of an employee group. An example is a sports team offering discount tickets for a State Employees day. 	
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Employees should reject any gift or benefit that would be of personal benefit or of benefit to a family member if the gift may cast doubt on the integrity, independence, or impartiality of the employee or Revenue.

Soliciting for or receiving gifts may give the appearance Revenue is giving special treatment to select taxpayers, stakeholders, or vendors.

Employees must return or donate prohibited gifts to charity within 30 days after receipt and notify their supervisor that the item was returned or donated. In the event it is impractical to donate a prohibited item such as a food basket or candy to charity, the item may be placed in a public area for public consumption.

When in doubt, employees may consult with their supervisor and/or the Human Resources Director (Agency Ethics Advisor).

Bidding on Unclaimed Property Auction Items

To ensure public trust, employees, their immediate family members, or their agent may not bid on Revenue’s Unclaimed Property auction items. Allowing participation is unfair because the general public does not have additional information about the auction items such as past owners or appraisal values.

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Using Confidential Information for Personal Gain

Employees must not:

- Disclose confidential information gained through official duties to unauthorized persons.
- Use confidential information for personal gain or benefit or for the gain or benefit of others.
- Accept employment in any business or professional activity that requires the employee to disclose confidential information.

Refer to Administrative Policy 7.1.1, Confidential Customer Records and Administrative Policy 2.8.4, Outside Business Activities and Employment (paid and volunteer).

Duty to Disclose Public Information

Public employees are required to disclose non-confidential information. Refer to Examples of Confidential and Public Customer Information by Type.

All requests from persons outside the agency for public information should be directed to the Revenue's Information Governance Manager as outlined in Administrative Policy 7.1.2, *Public Records*.

Prospective Employment Outside State Government

State ethics law restricts prospective employment in circumstances where there is a conflict of interest. Employees may not accept job offers, compensation, or rewards if the employee knows or has reason to believe it is either:

- Intended to influence the performance or nonperformance of official duties.
- It is offered to induce or will result in the disclosure of confidential information.

Prospective employment begins when a state employee:

- Accepts an interview for a position outside state government.

Prospective employment ends when a state employee:

- Accepts or declines an offer of employment.
- Has been informed they are no longer under consideration for employment.

It is the responsibility of the employee to seek advice from the Washington State Executive Ethics Board for prospective employment issues.

Employment After State Service

RCW 42.52.080(5) requires that no former state employee may assist another person, whether or not for compensation, in any transaction in which the former state employee participated at any point during their state employment.

Examples include:

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| • Audits. | • Tax liability determinations. |
| • Return examinations. | • Fact gathering. |
| • Closing agreements. | • Policy making. |
| • Partial payment agreements. | • Taxpayer discussions. |
| • Determinations of appeals. | • Giving advice on taxpayer accounts. |
| • Letter interpretations. | |

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Employees leaving state service should refer to RCW 42.52.080 to determine if any of the restrictions apply to their situation before accepting a post-state

employment job. There are one-year and two-year restrictions as well as other ongoing restrictions under this law. The Employee Separation form, REV 22 0020e, also lists the restrictions.

**Reporting
Ethics
Violations**

Supervisors must immediately notify their Appointing Authority and/or the Human Resources Director (Agency Ethics Advisor) if they become aware of a potential ethics violation.

All other Revenue employees suspecting or knowing of ethics violations should report it to a supervisor, manager, division director, human resources, Internal Audit or the State Auditor, or the Executive Ethics Board.

Violations under this policy, WAC 292-110 and/or RCW 42.52 may result in disciplinary action by Revenue, up to and including dismissal, and may be considered an ethics violation subject to civil damages or other penalties as imposed by the Executive Ethics Board.

The Executive Ethics Board has:

- Jurisdiction over former employees regarding post-state employment restrictions under RCW 42.52.080.
- Authority and responsibility for investigating alleged violations of the Ethics Act.
- The ability to take administrative action against an agency employee, including imposing civil penalty for violations. This action may be taken regardless of whether DOR takes action against the employee.

Responsibilities

Director	<ul style="list-style-type: none"> • Ensure all employees are trained and held accountable for complying with the state ethics laws and agency policy.
Agency Ethics Advisor	<ul style="list-style-type: none"> • Advises and is point of contact for agency ethics questions.
Supervisors/ Managers	<ul style="list-style-type: none"> • Ensure their employees: <ul style="list-style-type: none"> ○ Review the ethics policy as part of the new employee orientation. ○ Take online ethics training every two years. • In consultation with Human Resources, take appropriate action for known ethics violations of their employees.
Employee	<ul style="list-style-type: none"> • Understand and comply with this policy. • Review the ethics policy as part of new employee orientation. • Take online ethics training as part of new employee orientation and repeat the training every two years.

Definitions

Gifts	<ul style="list-style-type: none"> • As defined by RCW 42.52.010 (9), a gift is "anything of economic value for which no consideration is given."
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Person	<ul style="list-style-type: none"> As defined by RCW 42.52.010 (14), a person means any individual, partnership, association, corporation, firm, institution, or other entity, whether or not operated for profit.
State Resources	<ul style="list-style-type: none"> State resources include funds, facilities, tools, property and employees and employee work time.

Other Laws and Related Resources

RCW 42.17A, Campaign Disclosure and Contribution
 Administrative Policy 5.8.2, Participating in Public Speaking Activities

Administrative Policy History

Revised October 1, 2016; Created a table listing allowable and prohibited gifts; Link to examples of public and confidential information; Added definition of "person"; Placed in standard format.
 Revised October 1, 2013
 Revised May 21, 1997
 Revised May 1, 1992
 Revised February 12, 1990
 Revised December 16, 1987
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