



WASHINGTON'S LOTTERY
POL 110.002
CODE OF ETHICS

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| Category: | Director 110 |
| Contact: | Director of Legal Services |
| Authorizing Sources: | RCW 42.52 - Ethics in Public Service RCW 67.70.055 - Activities Prohibited to Officers, Employees and Members RCW 67.70.180 - Persons Prohibited from Purchasing Tickets or Shares or Receiving Prizes—Penalty RCW 67.70.906 – Chapter applicable to state registered domestic partnerships WAC 292-110-010 – Use of State Resources WAC 315-06-080 - Certain Purchases of Tickets, Acceptance of Things of Economic Value, and Winning of Prizes Prohibited WAC 357-40-010 - Disciplinary Action |
| References: | POL 120.012 - Outside Employment or Business Activity/Relationship |
| Effective Date: | August 1, 2001 |
| Approved By: |  _____ Marcus G. Gasper, Director |

Purpose

This policy establishes standards and provides guidance for employees' conduct pursuant to the provisions of RCW 42.52.

Scope

This policy applies to all Lottery employees. Exempt employees are not governed by Chapter 357 WAC.

Additional Guidance

Any spouse, child, brother, sister, registered domestic partner, or parent residing as a member of the same household in the employee's principal place of abode is also prohibited from employment or a contractual relationship with a vendor or contractor that works in conjunction with the Lottery, for compensation where the Lottery employee is gaining a benefit from the employment of that family member. IT IS RECOMMENDED THAT EMPLOYEES DISCUSS ANY QUESTIONS REGARDING

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POTENTIAL CONFLICTS WITH THE LEGAL SERVICES MANAGER BEFORE ENTERING INTO THE ACTIVITY, CONTRACT, ETC.

Definitions

Compensation: Anything of economic value, however designated, which is paid, loaned, granted, or transferred, or to be paid, loaned, granted, or transferred for, or in consideration of, personal services to any person.

Domestic Partnership: Whenever the term "domestic partnership" is used in the Revised Code of Washington it shall be defined to mean "state registered domestic partnership" and whenever the term "domestic partner" is used in the Revised Code of Washington it shall be defined to mean "state registered domestic partner".

De minimis use: An infrequent or occasional use that results in little or no actual cost to the state. For example, a brief phone call or e-mail home to check that children have arrived safely home from school. A Lottery employee may make occasional but limited use of state resources only if all of the following conditions are met:

1. There is little or no cost to the state;
2. Any use is brief in duration, occurs infrequently, and is the most effective use of time or resources;
3. The use does not interfere with the performance of the officer's or employee's official duties;
4. The use does not compromise the security or integrity of state property, information, systems, or software;
5. The use is not for the purpose of conducting an outside business, in furtherance of private employment, or to realize a private financial gain; and
6. The use is not for supporting, promoting the interests of, or soliciting for an outside organization or group.

Ethics Advisor: Director of Legal Services

Participate: In connection with a transaction involving the state, "participate" means to participate in state action or a proceeding personally and substantially as a state officer or state employee, through approval, disapproval, decision, recommendation, the rendering of advice, investigation, or otherwise but does not include preparation, consideration, or enactment of legislation or the performance of legislative duties.

Responsibility: In connection with a "transaction involving the state", responsibility means the direct administrative authority or operating authority, whether intermediate or final, and either exercisable alone or through subordinates, effectively to approve, disapprove, or otherwise direct state action in respect of such transaction.

Section 4 Employee: Employees who participate in regulatory or contractual matters of the agency. All lottery employees are deemed Section 4.

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State Action: Any action on the part of an agency, including, but not limited to:

1. Any decision, determination, finding, ruling, or order; and
2. Any grant, payment, award, license, contract, transaction, sanction, or approval, or the denial thereof, or failure to act with respect to a decision, determination, finding, ruling, or order.

Thing of economic value -- Includes:

1. Gifts, gratuities, and favors;
2. Any loan, property interest, interest in a contract or other legal interest, and any employment or other arrangement involving a right to compensation;
3. Any option, irrespective of the conditions to the exercise of such option and
4. Any promise or undertaking for the present or future delivery or procurement.

Transaction Involving the State: Any proceeding, application, submission, request for a ruling or other determination, contract, claim, case, or other such particular matter which the state employee or former state employee in question believes, or has reason to believe:

1. Is, or will be, the subject of state action, or
2. Is one to which the state is or will be a party, or
3. Is one in which the state has a direct and substantial proprietary interest.

NOTE: Terms used in this policy are defined in Chapter 42.52 RCW and shall have the same meaning here as in those places.

POLICY

To protect the public trust and promote the public interest, current and former employees of Washington's Lottery shall follow established rules of conduct, as set forth in this policy. The responsibility for appropriate ethical conduct rests with the employee.

Violation of this Code of Ethics, or any of the above-referenced statutes, rules, or directives, will subject the employee to civil or criminal penalties and/or dismissal, suspension, or other disciplinary action as may be appropriate in the circumstances.

All current employees of Washington's Lottery shall:

1. Be independent and impartial in carrying out their duties, avoiding actions that create even the appearance of using their positions for personal gain or private benefit.
2. Strengthen public confidence in the integrity of state government by demonstrating in all their official activities the highest standards of personal integrity, fairness, honesty, and compliance with both the spirit and the letter of the law.

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3. Protect the integrity of the decision-making process by recognizing and avoiding conflicts between their public duties and private interests and activities.
4. Avoid any use of state resources for personal gain or for the benefit or gain of other outside individuals or organizations.
5. Serve the public with respect, concern, courtesy, and responsiveness, recognizing that service to the public is the primary mission of state government.

At times, employees may face unavoidable conflicts of interest between public duties and personal interests. In these situations, the employee is responsible for protecting the integrity of the public decision-making process and actions. In some cases, the appropriate behavior may mean disclosing the conflict and voluntarily withdrawing from the decision or action.

REQUIREMENTS AND STANDARDS FOR ETHICAL CONDUCT

1. Lottery-Related Activities

A current employee of Washington's Lottery shall not:

NOTE: This prohibition also applies to any spouse, child, brother, sister, registered domestic partner or parent residing as a member of the same household in the employee's principal place of residence.

- a. Submit an application to be a licensed retailer of Washington's Lottery.
- b. Purchase a ticket for a lottery game of Washington's Lottery or collect or share any prize from Washington's Lottery. (Includes any multi-state lottery game in which Washington's Lottery is participating, even if the ticket is purchased in another state.)
- c. Undertake any activity for a licensed retailer or potential licensed retailer when the employee is in a position to influence decisions of the Washington's Lottery with regard to such licensee or potential licensee, or an inference may be drawn that the licensee could receive favored treatment because of the official position of the employee.
- d. Disclose lottery business operational information gained by reason of the employee's official position for personal gain or in violation of the Public Records Act.

2. Assisting in Transactions Involving the State

A current employee of Washington's Lottery shall not:

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- a. Assist another person, except in the course of the employee's official duties or incident thereto, whether or not for compensation, in any transaction involving the state: a) in which the employee has at any time participated, or b) if such transaction involving the state is or has been under the employee's official responsibility at any time within a period of two years preceding such assistance.
- b. Share in any compensation received by another for assistance which the employee is prohibited from rendering pursuant to number 2a above.
- c. Undertake any activity for a licensed retailer or potential licensed retailer when the employee is in a position to influence decisions of Washington's Lottery with regard to such licensee or potential licensee, or an inference may be drawn that the licensee could receive favored treatment because of the official position of the employee.

A former employee of Washington's Lottery shall not:

- d. At any time subsequent to employment, assist another person, whether or not for compensation, in any transaction involving the State in which the employee at any time participated during employment with the Lottery.
 - e. Within a period of two years after termination of state employment, appear in a representative capacity before Washington's Lottery.
 - f. Share in any compensation received by another person for assistance which the former employee is prohibited from rendering by the two preceding paragraphs.
 - g. Within one year of termination of employment, accept employment or receive compensation from a private business if during the previous two years the employee had decision-making authority regarding contracts worth more than \$10,000 with that business and the former employee's duties with the private business involve fulfilling or implementing the contracts.
3. Acceptance of Gifts, Gratuities or Other Payments

- a. All Lottery employees are deemed as Section 4 employees (see Definitions section and RCW 42.52.150(4)) and are prohibited from accepting certain gifts from some donors under any circumstances.
- b. The gifts that are presumed to not influence employees are:
 1. Unsolicited advertising or promotional items of nominal value, such as pens and note pads.

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2. Unsolicited tokens or awards or awards of appreciation in the form of a plaque, trophy, desk item, wall memento, or similar item.
3. Unsolicited items received by a state officer or state employee for the purpose of evaluation or review, if the officer or employee has no personal interest in the eventual use or acquisition of the item by the officer's or employee's agency.
4. Informational material, publications, or subscriptions related to the recipient's performance of official duties.
5. Food and beverages consumed at hosted receptions where attendance is related to the state officer's or state employee's official duties.
6. Admission to and the cost of food and beverages consumed at events sponsored by or in conjunction with a civic, charitable, governmental, or community organization.

NOTE: Because of the complex nature of the restrictions, it is recommended that employees discuss the acceptability of a gift with the Legal Services Director or his/her Designee.

c. The following are allowable exceptions:

- Industry Conferences

An employee may attend Lottery industry meetings or conference events, including meals, which are part of a conference program open to all conference attendees.

- User Group Conferences, new Technology Demonstrations and Off-Site Contract Performances.

In furtherance of the business needs of the Lottery, an employee may travel to a user group conference, new technology demonstration or off-site contract performance and may either accept travel, lodging and subsistence provided by the sponsoring vendor/contractor or the state may pay for the employee's participation.

An employee should not accept travel, lodging, and/or subsistence which exceed the costs established in Washington State travel guidelines. The employee should avoid situations where acceptance of travel, lodging and/or subsistence might raise questions regarding the employee's integrity or might create a reasonable perception that the object of the payment is to provide a personal benefit to the employee.

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NOTE: Notwithstanding any of the above exceptions, no employee, nor any spouse, child, brother, sister, registered domestic partner or parent of the same household in the principal place of abode of any employee, may accept travel, lodging and/or subsistence from a bidder or potential bidder during a procurement period; except that an employee may accept travel, lodging and/or subsistence which the bidder or potential bidder is contractually obligated to provide.

4. Outside Employment and Compensation

A current employee of Washington's Lottery shall not:

- a. Engage in outside employment or business activity/relationship without prior written approval of the Director. Whether a given type of outside employment or business activity/relationship is allowable depends upon the specific duties of the employee and the actual or potential relationship between the outside employer, or business associates, and the Lottery. Employees shall read and comply with Lottery Policy POL 120.012 -- Outside Employment or Business Activity/Relationship, regarding any outside employment.

NOTE: Lottery employees and the spouse, children, brothers, sisters, domestic partner or parents residing as a member of the same household in the employee's principal place of abode are prohibited from employment with a vendor or contractor that works in conjunction with the Lottery. However, a family member may be employed by, or contract with a firm that the Lottery considers a supplier and does not conduct a lottery or other gambling activity. **THE EMPLOYEE SHOULD DISCUSS SUCH EMPLOYMENT WITH THE LEGAL SERVICES MANAGER OR HIS/HER DESIGNEE TO DETERMINE WHETHER EMPLOYMENT BY A FAMILY MEMBER VIOLATES THIS POLICY OR STATE LAW.**

- b. Receive anything of economic value (other than the employee's compensation from the State of Washington) for or in consideration of the employee's personal services rendered, or to be rendered, to or for any person during the employee's term of employment, unless such services meet each of the following qualifications:
 - The services are bona fide and actually performed by the employee.
 - The services are not within the course of the employee's official duties.
 - The services are not prohibited by RCW 42.52.040 or this policy or by applicable laws or regulations governing non-State employment for such an employee.

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- The services are neither performed for nor compensated by any person from whom such employee would be prohibited by RCW 42.52.150(4) and this policy from receiving a gift.
 - The compensation received for outside employment must be reasonably related to the services performed.
- c. Engage in outside employment or business activity/relationship, whether or not for compensation, which would: a) adversely affect performance of the employee's official duties, or 2) result in a conflict of interest. (See also Lottery Policy POL 120.012 - Outside Employment or Business Activity/Relationship.)

5. Use of State Resources for Personal Benefit

- a. Employees shall not use state money, property, or personnel for private benefit of the employee or another.
- b. De Minimis Use: De minimis personal use of state resources is permitted, unless otherwise prohibited (see also the definition of de minimis in the Definitions, the policies listed in the References section, and WAC 292-110-010.)
- c. Promoting Organizational Effectiveness: At the discretion of the Director of Washington's Lottery, employees may be allowed to participate in activities which are not official state duties but which promote organizational effectiveness by supporting a collegial work environment, even if the activities involved an accumulated use of state resources that is more than de minimis. For example:
- If the Director approves, Lottery employees may participate in a silent auction of promotional items, for charity or for employee funds such as the picnic fund or the "good-bye" fund. The auction would include promotional items accumulated at no cost to the state from other lotteries or Lottery-related events such as conferences sponsored by the National Association of State and Public Lotteries. ("Promotional items" do not include items purchased by the Lottery for marketing promotions to retailers or consumers).
 - With Director approval, Lottery employees may spend some time and resources to promote activities such as sponsoring a family in an Adopt-A-Family program at holiday time.

6. At no time shall an employee perform the following:

- a. Conducting an outside business.
- b. Political or campaign activities.
- c. Commercial uses like advertising or selling products.

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- d. Solicitation on behalf of other persons (including any outside group such as a non-profit agency, political party or private business) unless approved by the agency head.
- e. Illegal or inappropriate activities, such as harassment.
- f. Broad distribution of or chain-mailing an e-mail that is not related to official business.

7. Involvement in Lottery and Other Gambling Activities

- a. Per RCW 67.70.055(1), Lottery employees are prohibited from having: a) a beneficial interest in the conduct of a lottery or other gambling activity, b) a contract for the manufacture or sale of gambling devices, including but not limited to providing computing and closely-related services for the conduct of lottery games, as well as the production of lottery *Scratch* tickets, the manufacture of pull-tabs and punch boards, and the management of a casino; or c) a financial interest (stock ownership, etc.) in a firm which conducts the activities or manufactures or sells gambling devices (any slot, video pull-tab, and video poker machine, as well as any other electronic game of chance and any other device designed primarily for use in connection with professional gambling).

REQUIREMENTS FOR ETHICS TRAINING

Lottery employees are required to take approved Ethics training no less frequently than every three years. Employees who are new to the agency will receive training as part of New Employee Orientation and then attend on the same cycle as other employees.

ETHICS COMPLAINTS

To the greatest extent possible, questions about potential conflicts of interest and complaints will be acted on by the Lottery. Whenever questions arise as to whether a potential activity could be considered a conflict of interest under RCW 42.52 or this policy, employees are encouraged to seek advice about the potential conflict from the Director of Legal Services, who is designated as the Ethics Advisor for the purpose of this policy. Opinions given by the Ethics Advisor are advisory only; employees are responsible for their own ethical conduct. Employees may also contact the Executive Ethics Board directly for advice or to file a complaint.

Employees or others who believe that a violation of RCW 42.52 or this policy has occurred, may submit oral or written complaints to the Ethics Advisor. Complaints will be reviewed, investigated and resolved, with the concurrence of the Director, by a committee composed of the Ethics Advisor and two senior managers.

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Employees who have knowledge of or suspect misuse of state resources or violation of state ethics law may contact the Director, Legal Director, or HR Director as well as the State Auditor's Office for filing a Whistleblower complaint.

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