

**WA State Ethics Act**  
**“The Ethics Law and U”**  
**RCW 42.52**

**UW Bothell & UW Tacoma**

**May 2, 2023**

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UW Internal Audit



# Agenda

I.

Why Important

II.

Overview of  
Ethics Board

III.

Major Subject  
Areas of the Law

- Conflicts of Interest
- Gifts
- Use of University Resources
- Outside Employment



# RCW 42.52 – Ethics In Public Service

## Sections:

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



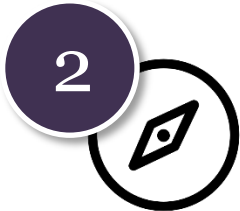
All of these are re:  
Conflict of Interest



# Why this deserves your attention



- Washington's Ethics Act is long and complicated
- Written with general, traditional government agencies in mind.
  - Applies to State employees only.



Having a good “internal compass” and common sense is not enough.



Ethics compliance is important to the University's success.

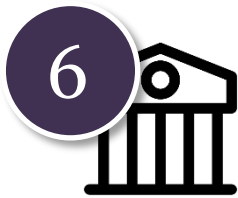
# Why this deserves your attention



If you violate the Act, you can be fined, embarrassed, fired or otherwise disciplined.



Regulations, investigation and enforcement are directed at the employee – (Personal Liability).



University does not 'stand' between the employee and the Ethics Board.

# Challenges for UW Employees

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



# Additional Considerations

## Managers

**To knowingly** allow subordinates to violate ethics laws can subject manager to charges and sanctions.

## Students

Only State employees are subject to State ethics law.

During work hours, student employees must comply with ethics rules.



# Investigations



## Origin

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



## Investigators

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



# Ethics Board Sanctions

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



# “Ethics In Public Service Act” Core Principles

No **conflicts of interest**  
for State employees

State employees may not receive, accept, take, seek or solicit anything of economic value as a **gift**.

**State resources**  
should only be used for  
official business

**Outside Work/Activity**  
incompatible with Public  
Duties



# Conflicts of Interest

Conflict of Interest involves the concepts of **benefit** and **bias**

A State employee may not use their position to secure special privileges or exemptions

You cannot get “extra” or outside compensation for your official duties

Post-State employment restrictions are designed to ensure former employees do not obtain an advantage

# Conflicts of Interest – Example #1

## Question:

I am the office administrator for Arts & Sciences. My partner is a co-owner of a web design company. I know they do good work and charge reasonable prices. **Can I call the company to help update our team's web page?**

## Answer:

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

# Conflicts of Interest – Example #1

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## Answer: No

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

# Conflicts of Interest – Example #2

## Question:

I am a Professor at UW and am in charge of a laboratory to conduct research. Can I hire my son/daughter during the summer to work part-time for me in the lab?

## Answer:

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

# Conflicts of Interest – Example #2

## Question:

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- ✓ A colleague may hire your son/daughter for their lab, if they meet all of the position's specifications and you are not involved in the hiring process.

# Gifts

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

## General Rule:

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



# Gifts – Limitations

## Two Types of Employees

### Employees who...

DO NOT participate in decisions to acquire goods & services or regulate others

### Employees who...

DO participate in decisions to acquire goods & services or regulate others (section 4 employees)

**Different rules apply**

# Gifts – Limitations

## Two Types of Employees

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



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

# Gifts You May Accept...

*All possible if Section 4 does not apply*

Informational materials, promo items of nominal value, and others

Items **up to value of \$50** from a single source in a calendar year

Items you may accept that **exceed \$50**

- Unsolicited flowers, plants

Items **exempt from definition of 'gift'**

- Item from friend or family
- Item exchanged with co-worker, and others

# Gifts You May Accept...

*If Section 4 DOES apply*

Gifts from friends and family NOT intended to influence University

Awards/prizes in recognition of academic or scientific achievement

Promo items of nominal value

Food and beverages at hosted receptions related to your official duties; and others.

# Gifts – Free Food & Beverage



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

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

# Gifts

## Also...

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

# Gifts – Example #1

## Question:

My office recently hosted a group of visitors from Microsoft. They later sent us a thank you gift for doing a nice job of preparing our students for internships, including software and games. Can we keep them?

## Answer:

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

# Gifts – Example #1

## Question:

My office recently hosted a group of visitors from Microsoft. They later sent us a thank you gift for doing a nice job of preparing our students for internships, including software and games. Can we keep them?

## Answer: It depends.

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



# Gifts – Example #2

## Question:

You attend a product demonstration at Nike’s new offices, the Nike Manager offers you coffee.  
Can you accept it?

## Answer:

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

# Gifts – Example #2

## Question:

You attend a product demonstration at Nike's new offices, the Nike Manager offers you coffee.  
Can you accept it?

## Answer: Yes

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

# Gifts – Example #3

## Question:

You attend an WACUBO conference at a hotel and Workday sponsors dinner for all attendees. Can you accept it? What if Workday sponsors a dinner in a nearby restaurant?

## Answer:

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

# Gifts – Example #3

## Question:

You attend an WACUBO conference at a hotel, WorkDay sponsors dinner for all attendees. Can you accept it? What if WorkDay sponsors a dinner in a nearby restaurant?

## Answer: Yes...and No

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

# Gifts – Example #4

## Question:

You are attending a conference sponsored by Google. The event provides food, transportation and other gifts at the conference? (What if I am a Speaker?)  
What if the event is sponsored by NACUBO and there is a vendor fair – with lottery winners?

## Answer:

- ✓ Food & transportation should be paid by UW – never by vendor. Gifts received from vendors – \$50/yr., unless you make decisions on purchases – then Zero.
- ✓ If NCAA – then you may accept up to \$50/yr. If you win prize and it is greater than \$50 – need to turn over to UW

# Gifts – Example #4

## Question:

You are attending a conference sponsored by Google. The event provides food, transportation and other gifts at the conference? (What if I am a Speaker?)  
What if the event is sponsored by NACUBO and there is a vendor fair – with lottery winners?

## Answer: Maybe

- ✓ Food and transportation should be paid by UW – never by vendor. Gifts received from vendors – \$50/year, unless you make decisions on purchases – then zero.
- ✓ If you are a Speaker – than you may accept food & transportation as part of your Honorarium.
- ✓ If NACUBO– then you may accept up to \$50/year. If you win a prize and it is greater than \$50 – you need to turn it over to UW

# Use of Resources

Generally, State resources are to be used only for State purposes, not private benefit or gain

Some limited personal use is allowed if brief and no cost to the agency... *De minimis*

**Zero Tolerance** for using State resources for **campaigning**

*One exception:* research employees can make minimal use of University resources

# Use of Resources

**You may always use UW resources to**

**Perform your UW job.**

**Whether at the Office or at Home.**



# Use of Resources

## **De Minimis Rule**

Incidental personal use of resources is permitted if:

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

# Use of Resources

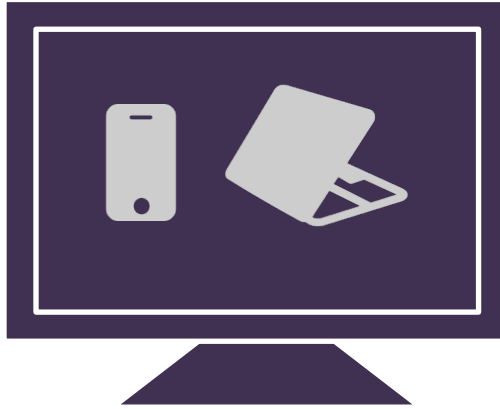
## **NO De Minimis**

You may NEVER use UW resources for:

- × Conducting an outside business, promoting the interest of an outside organization or for private employment.
- × Political use, including lobbying, election campaigning, promoting or opposing a ballot or initiative.

# Use of Resources

## Technology Challenges



- Computers and cell phones, owned and purchased by University: **No significant personal use allowed!**
- Where do you draw the line?



- No expectation of privacy
- Data on State computers is considered a public record and is not private.



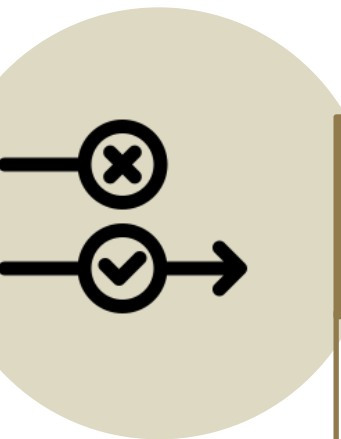
- Use of computers leaves a very clear trail of everything, possibly even after work is deleted.

# Use of Resources

## Can't I just Reimburse the University? No...

- × It is still considered a personal benefit and can cause an administrative burden to the State.
- × Also, even though there may be no incremental cost to the University, use is still considered a gain to the employee, and is an ethics violation.
- × In some limited situations, when an employee is working in a remote location, limited personal use may be allowable.
- × If University provided you a computer for home use, you cannot purchase – even upon leaving UW – must return for departmental surplus process.

# Use of Resources



## Research Employees Exception

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

# Use of Resources – Example #1

## Question:

Can I use my UW issued computer to surf the web, shop online, check Facebook or Twitter during breaks or when I am not busy at work or when working from home?

## Answer:

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

# Use of Resources – Example #1

## **Question:**

Can I use my UW issued computer to surf the web, shop online, check Facebook or Twitter during breaks or when I am not busy at work or when working from home?

## **Answer:** Generally, no

- ✓ UW computers are provided for UW business use, not personal use.
- ✓ However, personal use can occur but must be brief and infrequent and can not interfere with your work.
- ✓ This rule applies even with computers “after normal work hours” at home.

# Use of Resources – Example #2

## Question:

I do catering for events on the weekend and occasionally receive a phone call, send an email or .pdf a menu to clients using my university computer.  
Is this allowable?

## Answer:

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



# Use of Resources – Example #2

## Question:

I do catering for events on the weekend and occasionally receive a phone call, send an email or .pdf a menu to clients using my university computer.  
Is this allowable?

## Answer: No

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

# Outside Work/Post Employment

Employees may engage in outside work or part-time employment provided that it does not conflict with or negatively impact employees' ability to fulfill their University employment obligations, and that it does not otherwise negatively impact the University.

Must be pre-approved whether or not work is for compensation.

You may receive pay, honoraria or expense reimbursement.

# Outside Work/Post Employment

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

# Outside Work/Post Employment

Advance review and approval of outside work or employment is required whenever the activity relates to or could conflict with the employee's University job responsibilities or status as a University employee (when in doubt, disclose)

- Request for Approval of Outside Work – Professional and Classified Staff  
**Form 1301**
- Request for Approval of Outside Work for Compensation – Faculty  
**Form 1460**
- Faculty – Annually must complete  
**Form 1461**

# Outside Work/Post Employment

Who Approves?



## Pro Staff/Classified Staff

Immediate supervisor will review and recommend approval/disapproval to the Administrative Unit Head for final review and approval.



## Faculty

Dean and Provost must pre-approve.

# Outside Work/Post Employment

## Conditions for approval



Is not a detriment to University obligations



Does not affect job performance



Not in conflict with discharge of employee's official duties



Occurs outside employee's normal work schedule (or vacation is taken)



Must clearly identify that employee is not a representative of the University

# Outside Work/Post Employment

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

It must result from an open competition or receive advance approval from the Ethics Board

A copy of the contract is to be filed with the Ethics Board

# Outside Work/Post Employment

Employment with the State brings post employment restrictions:

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



# Outside Work – Example #1

## Question:

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

## Answer:

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

# Outside Work – Example #1

## Question:

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

## Answer: It depends.

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

# Outside Work – Example #2

## Question:

I am a Faculty Member in the School of Business and I also work at Amazon? Do I need to report this? Are there any challenges?

## Answer:

- ✓ If work is substantial – yes, you should always fill out required forms.
- ✓ Challenge: If Camp is “outside of UW control” – then you must be on leave to participate.

# Outside Work – Example #2

## Question:

I am a Faculty Member in the School of Business and I also work at Amazon? Do I need to report this? Are there any challenges?

## Answer: Yes and possibly.

- ✓ Yes, you should always complete required forms.
- ✓ Challenge: If Amazon work could occur during your regular UW work schedule – then you must report in your Form 1460.
- ✓ You always should report if your students are involved.
- ✓ Potential requirement to create Conflict Management Plan.

A person is shown from the chest up, holding a newspaper. The newspaper has some text visible, including "Wap-bap, ba-da-di-da-da" and a large letter "G". The person is wearing a striped shirt. The background is a brick wall. The entire image has a dark purple overlay.

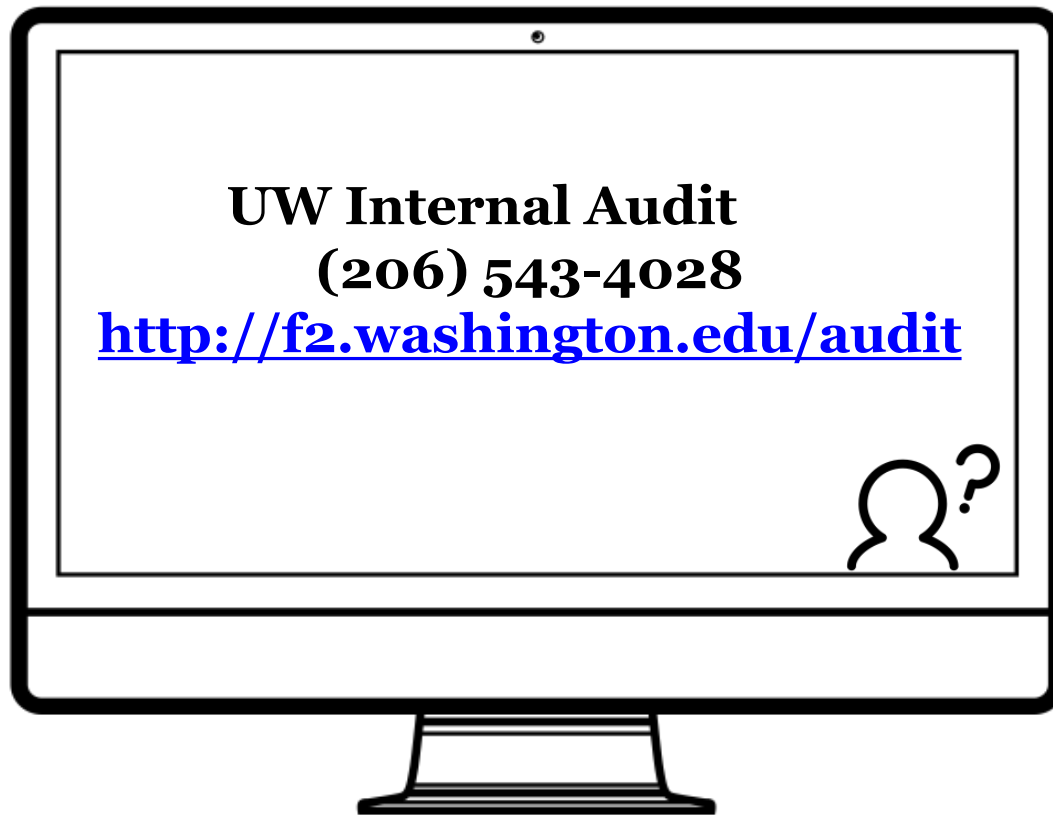
If you don't want your mother to  
read about it in *The Seattle Times*...

**Don't do it.**

# Resources

If you have a question on WA Ethics Law, call Internal Audit.

We are a resource to be used by all.



# Additional Resources

## UW

- [APS 47.02 Personal Use of University Facilities, Computers & Equipment by UW Employees](#)
- [APS 47.03 Outside Consulting & Part-time Employment by Professional or Classified Staff](#)
- [Human Resources](#)

## Executive Ethics Board

### Washington State Executive Ethics Board

<https://ethics.wa.gov/>

- Training materials
- FAQs
- Newsletter

