Ever wonder what happens to all those financial disclosure reports filed with the Conflicts of Interest Board each year? Do you think they’re just filed away, fading and collecting dust year after year? We hope not. The financial disclosure report is one of the most important documents the Board has in its possession. The reports are meticulously filed and safeguarded. But before we discuss what actually happens to the reports, let’s focus on the purpose of the financial disclosure reports.

In the ethics context, these reports serve three primary purposes. First, they reveal potential conflicts of interest before they arise. Second, they focus the attention of the employee, the media, and the public at least once a year on ethics restrictions and potential violations. Third, the reports provide a means by which to check for actual conflicts of interest.

Each year, the financial disclosure staff reviews reports for violations of Chapter 68. Responses to certain questions, such as non-City income and business investments, are scrutinized to determine if a potential conflict exists. We compare the information provided in the report to some of the City’s databases, such as Vendex and FISA.

Sometimes we may discover that the filer is working for a firm that does business with a City agency. In those cases, the report is turned over to our Legal Advice Unit. An attorney from that unit normally contacts the filer to inform him or her that a potential conflict of interest may exist and to advise the filer to submit a written request for advice. More particularly, the filer will typically be told that a waiver is needed and that, before the Board can consider a waiver request, written approval from the filer’s agency head is required. After receiving this written approval, the Board will make a determination as to whether or not to grant a waiver, based on whether the
February 28, 2002

The Board fined former Police Commissioner Kerik $2,500 for using three New York City police officers to perform private research for him.

He used information the officers found in a book about his life that was published in November of 2001.

The Board noted that Mr. Kerik cooperated fully and expeditiously with the investigation and resolution of this matter. Mr. Kerik acknowledged that he had violated the Charter prohibition against using office for private advantage or financial gain and the terms of the Board’s waiver letter, even though one officer, a sergeant, was a close friend of his.

The Board by its waiver letter had allowed Mr. Kerik to write the autobiography under contract, but only on the condition that he not use City time or his official City position to obtain a private or personal advantage for himself or the publisher, and that he use no City equipment or personnel or other City resources in connection with the book.

The three officers used limited City time and resources in their research, and two of the officers had made five trips to Ohio for the project, each spending 14 days of their off-duty and weekend time.

February 26, 2002

The Board fined James Loughran, a plumbing inspector with the New York City Housing Authority, $800 for filing seventeen “plumber’s affidavits” with the Department of Buildings in connection with his private plumbing business. City employees, like Mr. Loughran, who are also licensed plumbers and operate private part-time plumbing businesses, are not permitted to file plumber’s affidavits under the City Charter as interpreted in a Board of Ethics opinion. In this matter, Mr. Loughran had agreed in writing at the time he began working for the City, that he would not file such plumber’s affidavits. Such filings are not permitted because they involve applications to do major repairs or installations and are deemed to be “representing private interests before a City agency.”

The Department of Buildings. Applications to perform minor repair work, the so-called plumbing alteration and repair slips, are permitted to be filed with the Department of Buildings by City employees.
The Financial Disclosure Unit Reports

(Continued from page 1)

individual’s outside position conflicts with the purposes and interests of the City. There are also instances where a review of a financial disclosure report will reveal that a filer is serving as a volunteer for an organization that receives funding from the filer’s agency or otherwise does business with the filer’s agency. In those cases, the filer will need the written approval of his or her agency head to continue in that position.

We also review reports for completeness and consistency. For instance, if someone reports non-City income, we make certain that all the requested information has been reported, such as the source and the nature of the income. Simply listing an amount of income is not good enough. If a filer’s report is incomplete, we normally send a letter requesting a complete response. The completed response must be provided on an amendment form.

The public, the media, good government groups, and people who do business with the filer’s agency are entitled to know whether a filer’s private interests conflict with his or her official City duties. During an election year many parties may be interested in a particular candidate’s background. Therefore, disclosure reports must be easily and quickly available to these groups. The reports must be expeditiously prepared for public inspection. This involves photocopying only the filer’s portion of the report, perhaps ruling on a privacy request, and notifying the filer that a request has been made to review his or her report.

Financial disclosure reports are also given to law enforcement personnel, such as DOI and the District Attorneys’ Offices.

All gifts with a value of $1,000 or more must be disclosed on the report. An individual was indicted for failing to list certain gifts and for receiving unlawful gratuities from a person who had business dealings with his agency. This individual was tried and convicted of receiving unlawful gratuities and of felony charges for filing false instruments. Not reporting gifts undermines one of the purposes of the conflicts of interest law: to protect City employees from potential undue influence that would prevent them from doing what is in the best interest of the City.

The reports are held by the Board for a period of six years. At the end of the six years, a filer’s report is destroyed, unless a case involving the filer is pending.

The Board has been working on an electronic filing project, which will go forward if funded. Among other things, the electronic filing system will eliminate the need to review reports manually for completeness and will make viewing copies of reports much easier. Electronic filing will also increase security for reports and will eliminate the need for filers to complete an entirely new report every year. Furthermore, we will be able to conduct computerized substantive reviews. In the meantime, we will continue to collect 12,000 reports a year, constantly safeguarding them. They will not just be filed away, and they certainly will not collect dust!

Joanne Giura-Else is the Deputy Director of the Financial Disclosure Unit.

Holli Hellman is a Senior Financial Disclosure Analyst.
**Title:** Citywide Seminar Sponsored by The New York City Conflicts of Interest Board and Center for New York City Law

### Eighth Citywide Seminar: Ethics in New York City Government

<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
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<tbody>
<tr>
<td>9:00 - 9:45</td>
<td>Registration/Continental Breakfast</td>
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<tr>
<td>9:45 - 10:30</td>
<td>Welcome, Ethics Award, Keynote Remarks</td>
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<tr>
<td>10:30 - 10:40</td>
<td>Break and Shift to Seminar Rooms</td>
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<tr>
<td>10:40 - 11:40</td>
<td>Cycle 1</td>
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<tr>
<td>11:40 - 11:50</td>
<td>Break and Shift to Seminar Rooms</td>
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<td>11:50 - 1:00</td>
<td>Cycle 2</td>
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<td>1:00 - 2:15</td>
<td>Break for Lunch</td>
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<tr>
<td>2:15 - 3:25</td>
<td>Cycle 3</td>
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<tr>
<td></td>
<td>Recurring Sessions (Cycles 1,2,3)</td>
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**Repeat Sessions:**
- Acceptance of Gifts, Meals and Travel Expenses
- Jobs, Ownership Interests, Volunteer Activities
- Enforcement
- Emerging Issues: Gifts to the City, Public-Private Partnerships
- Financial Disclosure: “So What Do You Do with All Those FD Reports?”
- Training: E-Training Initiative

**Continuing Session**
- Ethics 101: An Introductory Review of the Conflicts of Interest Law

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**Please call or e-mail the Board to receive seminar registration materials**