

ETHICS TIMES

NYC Conflicts of Interest Board

FINANCIAL DISCLOSURE MOVES INTO THE 21ST CENTURY: ELECTRONIC FILING PILOT TO BEGIN IN NOVEMBER

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Persistence pays off. In 2003, after years of effort, the City substantially overhauled the financial disclosure law, found in Section 12-110 of the New York City Administrative Code. Those amendments will, among other things, streamline the financial disclosure process by moving to an electronic filing system.

Next month an online filing pilot program, developed for the Board by DOITT, will begin, allowing 100 volunteer filers at five agencies to complete and file their financial disclosure reports electronically over CityShare, the City's Intranet. The project, which is scheduled to be fully implemented by January 1, 2006, will affect the

nearly 8,000 City employees who are required under law to disclose personal financial information about themselves and their families. Electronic filing will significantly reduce the administrative burden that is placed on City agencies, on the Board, and particularly on the filer, who beginning in the second year need only update the prior year's report.

All electronically filed reports will be encrypted and password protected to make each report far more secure than paper forms. No one except authorized COIB staff will have the ability to access the reports. Once the system is fully implemented, filers will also obtain instant email notification whenever a member of the public,



Electronic filing will begin this November

including the media, views the filer's report. (Since the COIB must, by law, positively identify every person who asks to view a filer's report, the COIB is prohibited from posting the reports on the Internet.)

The switch to electronic filing is part a broader set of amendments to the City's fi-

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BOARD OPINION LEAVES THE DOOR OPEN FOR MOST CITY EMPLOYEES TO WORK ON POLITICAL CAMPAIGNS

In a recent decision, the COIB determined that most City employees could, subject to certain conditions, do paid work for candidates for elective City office.

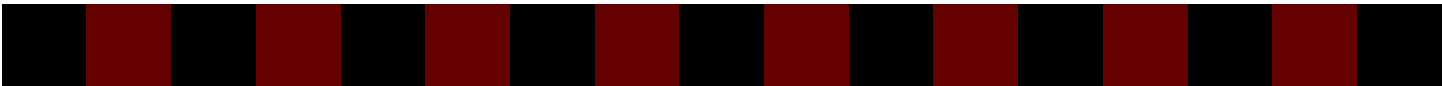
The Board considered whether a campaign's receipt of public matching dollars consti-

tuted "doing business with the City," so that a City employee could not work for a campaign without a waiver from the Board.

The Board noted that, since a waiver could not be issued without written approval of an employee's agency head, to

require a waiver would empower agency heads to approve or disapprove of their subordinates' political activities and might well have a chilling effect on such activities. Reading the Charter history as approving of voluntary political activities by City employees, the Board con-

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In accordance with Board rules, Deputy Mayor Doctoroff placed all of his New York City real estate ownership interests into a blind trust account.

BOARD APPROVES DEPUTY MAYOR'S BLIND TRUSTS

In Advisory Opinion 2003-7 the Board issued an opinion to Deputy Mayor Daniel L. Doctoroff concerning the application of the conflicts of interest provisions to Mr. Doctoroff's outside financial interests. Specifically, Mr. Doctoroff's concern was in complying with City Charter Section 2604(a)(1)(b), which holds that no regular employee of the City, such as Mr. Doctoroff, shall have an interest in a firm that has business dealings with the City.

Prior to joining the

Bloomberg administration, as Deputy Mayor for Economic Development and Rebuilding, Mr. Doctoroff had a career in financial services, most recently as managing partner at Oak Hill Capital Management, Inc. Mr. Doctoroff resigned his position with Oak Hill, but continued to have an interest in a number of limited partnerships created by Oak Hill, partnerships which in turn held substantial interests in a number of small to medium sized companies as well as, in a few instances, in New York City real

estate. Mr. Doctoroff placed his limited partnership interests into blind trusts.

The Board ruled that the assets Mr. Doctoroff held in the blind trusts did not violate Chapter 68, provided that he recused himself from all matters involving the properties and companies contained in the trusts unless and until the trustee informed him that the no longer possessed a beneficial interest in the property or company in question.

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cluded that the Charter did not intend that the receipt of public campaign financing constituted City business dealings, so that a waiver would not be required simply to work on a City campaign. The Board did make clear, however, that a waiver would be required if the City employee, on behalf of a campaign, actually communicated with a City agency on non-ministerial matters.

The ruling also allows a City employee to volunteer to work for compensation for the campaign of his or her City superior.

Although this ruling clears the

way for most City employees to participate in political campaigns without a waiver, there are still some employees, such as those employed by the Campaign Finance Board, whose work on a campaign may well violate other Chapter 68 provisions because such activities may be in conflict with the proper discharge of their official duties. Such employees should seek further advice from the Board before working on campaigns for City office.

The opinion also reminds City employees that they may not use their City positions to

benefit a campaign, may not even request subordinates to make a political contribution or engage in political activity, and may not use City time or resources in connection with any permissible outside work. Finally, public servants with substantial policy discretion may not fundraise for City races or for City elected officials running for any public office.

Calling on City agency heads to approve or disapprove their subordinates' political activities would have a 'chilling effect' on such activities

E-FILING

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financial disclosure law which became effective on January 1, 2004. Besides adding the electronic filing provision, the amendments raised the fine for late filers from \$100 to a minimum of \$250 per violation. The maximum fine is \$10,000. The law also decreased the number of individuals required to file, from 13,000 to 8,000. In addition, Local Law 43 elimi-

nated salary and membership in Management Pay Plan titles M1-M3 as criteria for filing.

The Law also amended the campaign finance law to mandate that political candidates file all required financial disclosure reports with the Board and pay any outstanding financial disclosure fines before receiving matching funds from the Campaign Finance Board. As stated by Joanne Else, the Board's

acting financial disclosure director, "no financial disclosure report, no campaign finance money."

If you have any questions about how the new law affects your status as a filer, please contact the financial disclosure liaison at your City agency. For all questions about the Disclosure report itself, please contact Board staff at (212) 442-1400.

COIB WELCOMES NEW STAFF, SAYS GOODBYE TO OLD

The Conflicts of Interest Board is pleased to announce the arrival of two new attorneys, bringing the office's total staff to 19, including eight lawyers. Jesse Zigmund has joined the Legal Advice Unit as a staff attorney. Jesse is a native New Yorker who graduated from Fordham Law School in 2004. The Enforcement Unit will be joined by Susan Bronson, also a Fordham Law graduate. Susan graduated from Harvard College and worked as an Honors Associate for two years with the New York City Housing

Authority.

The Board says goodbye to Bonnie Beth Greenball and Isabeth (Beth) A. Gluck. Bonnie, a graduate of Ohio State College of Law, has since moved on to become the Executive Director of the Judicial Campaign Ethics Center, which is responsible for educating the public and judicial candidates about the judicial election process, by among other things producing an annual voter guide and providing judicial candidates with quick and reliable responses to campaign-related ethics questions.

Beth was Associate Counsel in the Enforcement Division. She is now working as an Administrative Law Judge at the NYC Taxi and Limousine Commission, conducting administrative hearings to adjudicate TLC violations. She received her B.A. from American University, her M.A. from George Washington University, and her J.D. from St. John's University. The Board wishes Bonnie and Beth good luck on their new career paths.



COIB says bye to attorneys Bonnie Greenball and Beth Gluck.

BOARD CONCLUDES SETTLEMENTS WITH TWO CHAPTER 68 VIOLATORS

The COIB recently concluded settlements with two City employees who violated Chapter 68 of the City Charter.

In the first case, the Board fined the Commissioner of the Department of Records and Information Services \$1000 for violating Chapter 68's prohibitions against using one's City job for personal gain and against using City time and re-

sources for non-City purposes. The Commissioner had conducted genealogy research for his own private clients, supplying them with marriage, birth, and death records, although he had previously represented to the Board that he would not use City records in his private business.

The Board also settled with a school guidance counselor at

JHS 189, fining him \$1000 for using his City position to obtain a financial gain. The counselor was disciplined by the Department of Education ("DOE") for providing outside counseling for pay to the parents of a student who attended JHS 189. The counselor made restitution to the parents and paid a \$5000 fine to the DOE.

The Board reminds City officials that public servants may not use their City positions to obtain financial gain or a personal advantage for themselves or their family members or business associates.

COIB'S TRAINING UNIT BACK ON TRACK

After being forced to eliminate its training program, the Conflicts of Interest Board has revived its Training and Education Unit, which is again providing ethics training to City agencies.

The Training Unit informs City employees about such Chapter 68 issues as moonlighting, receipt of gifts, and post-

employment activities.

Despite being at less than half of its former head count, the training unit has conducted 260 training classes at 25 New York City agencies since October 2003. The unit has also revised and updated its training materials and publications and has further redesigned the COIB's website, www.nyc.gov/ethics, for greater user friendliness.

The unit, which comprises Director Joel Rogers and Senior Trainer Alexander Kipp, is available to conduct training for employees at any level of your agency. To set up a training class, call Joel Rogers at 212-442-1421.



COIB trainers have conducted over 260 sessions since October 2003.

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WE'RE ON THE WEB:
[HTTP://NYC.GOV/ETHICS](http://nyc.gov/ethics)

THE MISSION OF THE CONFLICTS OF INTEREST BOARD LIES IN PROMOTING BOTH THE REALITY AND THE PERCEPTION OF INTEGRITY IN CITY GOVERNMENT BY PREVENTING UNETHICAL CONDUCT BEFORE IT OCCURS. TO THAT END, THE BOARD IS CHARGED WITH ADMINISTERING NEW YORK CITY'S CONFLICTS OF INTEREST LAW, CONTAINED IN CHAPTER 68 OF THE CITY CHARTER, AND THE CITY'S FINANCIAL DISCLOSURE LAW, FOUND IN SECTION 12-110 OF THE ADMINISTRATIVE CODE. IN INTERPRETING AND ENFORCING THESE LAWS, THE BOARD IS GUIDED BY THE PRINCIPLES OF FAIRNESS, CLARITY, AND COMMON SENSE.

ROMANO RETIRES AFTER 10 YEARS OF DEDICATED SERVICE; BOARD WELCOMES CITY GOVERNMENT VET MONICA BLUM



Former Acting Board Chair Benito Romano has stepped down and will be replaced by Monica Blum.

After over ten years of exemplary service to the Conflicts of Interest Board, Benito Romano stepped down from the Board in August. He was appointed by Mayor Giuliani in 1994, and served as Acting Chair from 1998-2000. Mr. Romano, who earned his law degree from Columbia University, has had a long and distinguished career. He was the United States Attorney for the Southern District of New York where he supervised over 160 attorneys in the Criminal and Civil divisions. Currently, Mr. Romano is a partner in the litigation department at Willkie Farr & Gallagher.

Replacing Mr. Romano is

Monica Blum, the President of the Lincoln Square Business Improvement District. Ms. Blum brings to the Board extensive experience dealing with City government. She graduated from Connecticut College in 1965 and received a Master of Arts degree in Russian Literature from NYU. She received her law degree from New York Law School in 1980 after attending night school while working full time. Ms. Blum has held a variety of senior positions with the City during her long tenure, including Director of

the Complaint Bureau at the Department of Investigation, Assistant to Mayor Koch, Assistant to the Chancellor for Personnel and Labor (under Chancellor Macchiaorola), Special Counsel at Consumer Affairs, and, from 1990 – 1995, Executive Director of the Mayor's Advisory Committee on Appointments under Mayors Dinkins and Giuliani. The COIB looks forward to working with Ms. Blum and thanks Mr. Romano for his years of service on the Board.

