

DST POLICIES AND PROCEDURES

Section II: Human Resources
Title: Employee Relations
Chapter: Supplemental Ethics Policy for State Treasurer, Senior Executive Staff and Investment Division
Current Effective Date: August 13, 2009
Revision History:
Original Effective Date: August 13, 2009

Background

In March 2009, the Department of State Treasurer (“DST”) announced a new series of ethics and transparency reforms. This policy sets out in detail some of those ethics reforms.

Purpose and Authority

The State Government Ethics Act permits heads of state agencies to develop and implement “in-house educational programs, procedures, or policies tailored to meet the agency’s particular needs for ethics education, conflict identification, and conflict avoidance.” N.C.G.S. § 138A-15. In addition, the Act does not prevent DST “from adopting additional or supplemental ethics standards application to” the agency’s operations. N.C.G.S. § 138A-41.

Consistent with the Act, the purpose of DST’s ethics policy is to ensure that DST’s head and covered persons “exercise their authority honestly and fairly, free from impropriety, threats, favoritism, and undue influence.” N.C.G.S. § 138A-2.

Coverage

The policy extends to the State Treasurer, his or her Executive Assistant, Chief of Staff, General Counsel, Assistant General Counsel, Director of Communications, Director of Fiscal Literacy Officer, Legislative Liaison, Chief Investment Officer, Administrative Deputy for Operations, and Investment Directors for Public Equities, Fixed Income, Real Estate, and Alternatives. The State Treasurer, Chief of Staff, and General Counsel may deem other employees of the Investment Division to fall under this coverage consistent with the State Government Ethics Act.

Employment Restrictions

The State Government Ethics Act provides that, unless an exception applies, a covered person shall not knowingly use the covered person's or legislative employee's public position in an offi-

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cial action that will result in financial benefit, direct or indirect, to the covered person, a member of the covered person's extended family, or business with which the covered person is associated. This subsection shall not apply to financial or other benefits derived by a covered person that the covered person would enjoy to an extent no greater than that which other citizens of the State would or could enjoy, or that are so remote, tenuous, insignificant, or speculative that a reasonable person would conclude under the circumstances that the covered person's ability to protect the public interest and perform the covered person's official duties would not be compromised. N.C. G.S. 138A-31.

Post-Employment Restrictions

An individual who held a position designated in the coverage section shall not for a period of two (2) years after leaving that position, for compensation, act as agent or attorney for, or otherwise represent, any other person, except for the state, by making any formal or informal appearance before or by making any oral or written communication to the State Treasurer and those "covered" employees, if the appearance or communication is made for the purpose of influencing administrative or legislative action or for the purpose of affecting any action or proceeding involving the issuance, amendment, awarding, or revocation of a permit, license, grant, contract, or sale or purchase of goods or property.

Compliance

Immediately after the date of promulgation of this policy or upon hire, whichever is applicable, employees who fall under this coverage will be required to date and sign this policy in acknowledgment of its terms. The signed and dated form will be kept in each employee's personnel file. Failure to comply with above policy will be grounds for immediate disciplinary action, up to and including dismissal.

"I hereby acknowledge that I have read the above policy and that I understand it and intend to comply with its terms. I acknowledge that failure to comply with the requirement that I sign this form could result in my dismissal."

Printed Name: _____

Signature: _____

Date: _____

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Waiver

The State Treasurer, or his or her designee, in consultation with the State Treasurer's General Counsel or his or her designee, may grant to any current or former covered person a written waiver of any restrictions contained in the pledge signed by such covered person if, and to the extent that, the State Treasurer, or his or her designee, certifies in writing (i) that the literal application of the restriction is inconsistent with the purposes of the restriction, or (ii) that it is in the public interest to grant the waiver. A waiver shall take effect when the State Treasurer or his or her designee signs the certification.