



NC ABE
National ABE Alliance Member



Dale R. Folwell, CPA
STATE TREASURER OF NORTH CAROLINA
DALE R. FOLWELL, CPA

MINUTES NC ABE PROGRAM BOARD OF TRUSTEES

The regular quarterly meeting of the NC ABE Program Board of Trustees was called to order at 9:30 a.m., February 10, 2021, by the Chair, State Treasurer Dale R. Folwell, CPA. The meeting was held in a hybrid format, with most people attending via teleconference and some attending in person in the Dogwood Conference Room of the Longleaf Building at 3200 Atlantic Avenue, Raleigh, NC, 27604. The Chair indicated there would be a public comment period for organizations and individuals to address the Board later in the agenda.

Members Present

The Board members present were: Treasurer Dale R. Folwell, Chris Egan (via internet), Commissioner Ray Grace (via internet), Melinda Plue (via internet), Marquita Robertson (via internet), and Ben Wright (via internet).

Members Absent

No members were absent.

Guests Present

The guests attending (all via internet) were: Rich DeSilva, Dawn Roach, and Paul Souppa from Ascensus.

Department of State Treasurer Staff Present

The staff members present were: Mary Buonfiglio, Tom Causey, Reid Chisholm, Christy Farrelly, Patti Hall, Brian Jackson (via phone), Alan Jaquith (via internet), Rekha Krishnan (via internet), Fran Lawrence (via internet), and Loren de Mey (via internet).

The Chair called the meeting to order and reminded members that, since this meeting is being held in a hybrid format, members must announce their names when they arrive, when they depart, and when speaking. He explained that all votes would be taken by roll call.

Ethics Awareness and Identification of Conflicts or Potential Conflicts of Interest

The Chair asked, pursuant to the ethics rules, about board members' conflicts of interest. No conflicts of interest were identified by the Board members.

The Chair informed the members that the Statements of Economic Interest (SEI) have been updated for Treasurer Dale R. Folwell, Commissioner Raymond Grace, Benjamin Wright, Kody Kinsley (Dept. of Health and Human Service Secretary Designee), Thomas Causey (Treasurer Designee), and Katherine Bosken (Commissioner of Banks Designee). He explained that copies of the updated SEI evaluations were available in the appendix.

The Chair led the Board in reciting the Pledge of Allegiance.

Approval of Minutes

The Chair entertained a motion to approve the minutes of the November 12, 2020, NC ABLE Program Board of Trustees meeting, and Commissioner Grace so moved. Ms. Plue seconded. The motion passed unanimously via rollcall vote.

National ABLE Alliance Program Manager Search

The Chair recognized Mary Buonfiglio to provide an update on the National ABLE Alliance's program manager search. Ms. Buonfiglio shared that the current manager is Ascensus and their current contract expires 12/6/2021. Ms. Buonfiglio shared that this was the original contract term and that the National Alliance decided to issue an RFP rather than extend the contract. The National ABLE Alliance issued an RFP on 12/1/2020, received bids by 1/25/2021, and will review all bids received. Illinois is the lead state in the process. She commented that the team reviewing the bids intends to decide by mid-March.

Commissioner Grace asked if the Board will do any additional vetting in the manager search. Ms. Buonfiglio explained that she is part of the team reviewing the bids. She stated that there would be a final round, then a "best and final offer" (BAFO) round. There will be a virtual meeting with the finalists. Following the selected vendor's contract with Illinois (the lead state in the Alliance), the Board will be asked if they wish to continue in the National ABLE Alliance. She said that staff will provide a recommendation at that time and commented that a special board meeting may be required to meet the deadline.

The Chair asked if the list of companies that submitted bids is public record. Ms. Buonfiglio shared that the bidders are not public record at this time. The Chair reminded the Board that all states benefit from competitive fees and costs due to the size of the National Alliance.

Legal Update

The Chair recognized Reid Chisholm to provide a legal update on the NC ABLE program. Mr. Chisholm shared the Annual Report to the General Assembly. The annual report introduces the NC ABLE program, covers the program's structure, accomplishments for the past year, investment performance, and ongoing marketing initiatives.

The Chair entertained a motion to approve the NC ABLE Program Annual Report to the General Assembly, and Mr. Chris Egan so moved. Commissioner Grace seconded. The motion passed unanimously via rollcall vote.

Mr. Chisholm then provided an update on the Federal ABLE regulations, which became effective on 1/1/2021. He commented that staff is working with Ascensus and the National Association of State Treasurers on reviewing and implementing any changes in the regulations from the program's current practice. Mr. Chisholm highlighted four areas of the regulations: (1) who can open and manage an account, including open questions on implementation reconciliation with state law; (2) who can provide a disability certification, which differs from Ascensus's current approach; (3) certifications of additional contributions under the ABLE to Work Act; and (4) the continued emphasis on the broad nature of qualified disability expenses.

Communication and Outreach Update

The Chair recognized Christy Farrelly to provide an update on communication and outreach efforts. Ms. Farrelly said that NC ABLE had a virtual page and a virtual booth at the Museum of Natural History STEM (Science, Technology, Engineering, and Math) virtual career fair. She shared that this caused a large

spike in visits to the NC ABLE webpage. She said that the webpage views are consistently rising and that the average time spent on the page has increased by a minute. Referrals are coming from the main NC ABLE nctreasurer.com webpage. Ms. Farrelly is working on a new NC ABLE website and the new site should be able to go live within two weeks. She shared that on 1/11/2021, the NC ABLE program passed \$10 Million in assets for the first time.

The Chair entertained a motion to allow staff to revise the NC ABLE Program Annual Report to the General Assembly to show that assets surpassed \$10 Million for the first time. Ms. Plue so moved, and Mr. Wright seconded. The motion passed unanimously via rollcall vote.

Treasurer Folwell stated that he would be handing the gavel to Mr. Thomas Causey and that Mr. Causey would take over as Acting Chair.

Administrative Update

The Acting Chair recognized Rich DeSilva from Ascensus to provide an administrative update. Mr. DeSilva said that the National ABLE Alliance assets are now over \$150 Million, reaching a contract breakpoint. He shared that this breakpoint reduces annual administrative expenses from 0.32% to 0.30% of assets. Mr. DeSilva said Ascensus is internally reviewing the new Federal ABLE regulations and will deliver an executive summary of the changes. He commented that he anticipates their employees will continue working remotely until at least mid-year due to COVID-19.

Mr. DeSilva said 112 new accounts were opened during the fourth quarter, bringing the total NC ABLE open accounts to 1,146. Total plan assets grew during the quarter. Mr. DeSilva added that, in terms of assets, the NC ABLE program remains fifth within the National ABLE Alliance and represents 7% of the National ABLE Alliance assets.

Mr. DeSilva said that the contribution types remained consistent in the fourth quarter, as did the types of disabilities. The percentage of assets in the checking account option declined due to strong market performance as the more aggressive investment account options rose in value. He mentioned that, as requested, the state asset ranking table now includes the date that each state joined the National Alliance.

Treasurer Folwell returned during Ascensus's presentation and took over as Chair.

The Chair recognized Paul Souppa to report on investments and portfolio performance. Mr. Souppa noted that the equity markets had a roller coaster year with a V-shaped recovery. Overall market performance was positive for the fourth quarter and for the year. He commented that US small- and mid-cap stocks rebounded strongly in the fourth quarter and were the top performers for the year. International markets also had a strong year, with the emerging markets leading the way. All of the investment options in the portfolio had a positive year, with the riskier options outperforming the less-aggressive options. He commented that real estate was the laggard among the market sectors.

He said that the US fixed income market had positive returns across all sectors as rates declined. He shared that fixed income investments with longer durations outperformed those with shorter durations. He commented that the funds are now set with short durations and are positioned to benefit if rates rise.

Public Comments

No public comments were offered.

Board of Trustees Comments

The Chair stated that Ms. Buonfiglio has announced that she intends to retire 7/1/2021. He shared that she joined the Department of State Treasurer Retirement Systems Division in 2012 and has led several initiatives, helped save millions of dollars for plan participants, and also leads the Supplemental Retirement Plans (SRP) division. He commented that under her leadership, the NC 401(k) Plan is now one of the largest in the country in terms of participants. He thanked her for her contributions.

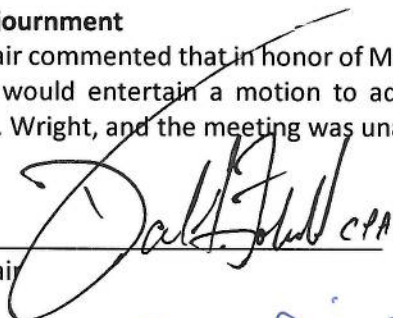
Mr. Causey thanked Ms. Buonfiglio for her work, her support, and for educating him on the Plans and NC ABLE. Ms. Robinson commented that she has worked with Ms. Buonfiglio since 2014 and has grown to respect and admire her. She offered her congratulations and said that she is excited for her. Mr. Egan shared that he was really impressed by her willingness to learn and by her willingness to spend time with families considering opening accounts. Ms. Plue said that she echoed all those sentiments, that she was grateful for her work, and said that her leadership will be missed. Mr. Wright commented that Ms. Buonfiglio is "first class all the way" and the Board has been in very good hands. He offered his best wishes.

Ms. Buonfiglio replied that she truly appreciated all these comments and feels that there has always been a team effort. She said she felt fortunate to work in a close, collaborative way. She added that she will greatly miss everybody and thanked the Treasurer.

The Chair commented that he appreciated Ms. Buonfiglio's service and announced the next Board meeting will be Wednesday, May 12, 2021 at 9:30 a.m.

Adjournment

Chair commented that in honor of Ms. Buonfiglio's service and with no further business before the Board, he would entertain a motion to adjourn. Ms. Plue moved to adjourn; her motion was seconded by Mr. Wright, and the meeting was unanimously adjourned at 10:22 a.m.

 CPA
Chair

5/17/21
Date

Mary Buonfiglio
Secretary

5.19.21
Date

ABLE BOARD OF TRUSTEES

February 10, 2021 Meeting

AGENDA ITEM

2a. Ethics Awareness and Identification of Conflicts or Potential Conflicts of Interest

2b. Statement of Economic Interest evaluations of members pursuant to the Ethics Act § 138A-15(c)

In the following packet are new and updated Statement of Economic Interest (SEI) evaluations issued by the State Ethics Commission. These are being provided for Board members' review and for recording in the meeting minutes pursuant to the requirements of the State Government Ethics Act. Members are encouraged to review the updated evaluations to inform and remind them of the identified actual or potential conflicts of interest.

The updated SEI Evaluations being provided for review are:

- Treasurer Dale R. Folwell, CPA
- Commissioner Raymond Grace
- Benjamin Wright
- Kody Kinsley (Dept. of Health and Human Service Secretary Designee)
- Thomas Causey (Treasurer Designee)
- Katherine Bosken (Commissioner of Banks Designee)



STATE ETHICS COMMISSION

POST OFFICE BOX 27685
RALEIGH, NC 27611
PHONE: 919-814-3600

Via Email

December 7, 2020

The Honorable Dale R. Folwell
North Carolina Department of State Treasurer
3200 Atlantic Avenue
Raleigh, North Carolina 27604

**Re: Evaluation of Statement of Economic Interest Filed by
Dale Folwell - Appointee to the ABLE Program Board of Trustees**

Dear Mr. Folwell:

Our office has received your 2020 Statement of Economic Interests as an appointee to the ABLE Program Board of Trustees. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act (the "Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

We did not find an actual conflict of interest, but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity.

The Achieving a Better Life Experience (ABLE) Board of Trustees was established to implement a private savings account program (ABLE accounts) for the purpose of supporting individuals with disabilities. The Board is authorized to contract for investment advice, retain professionals, develop a marketing plan, establish methods for dispersing funds, and set administrative costs for the program, as well as develop and implement investment strategies.

The Act establishes ethical standards for certain public servants, and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

As the Treasurer for the State of North Carolina, you hold an ex-officio role on the board. You disclosed you own stock in a publicly traded company, Colony, which is an investment management firm. Therefore, he has a potential conflict of interest and should exercise appropriate caution in the performance of his public duties should Colony come before the board for official action or otherwise seek to conduct business with the board.

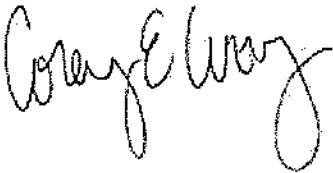
In addition to the conflicts standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. § 138A-24(e), the conflict must be recorded in the minutes of the applicable board and brought to the membership's attention by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act. N.C.G.S. § 138A-15(c).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 138A-14. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,

A handwritten signature in cursive script, appearing to read "Corey Curry".

Corey Curry, SEI Unit
State Ethics Commission

cc: Laura Rowe, Ethics Liaison

Attachment: Ethics Education Guide



STATE ETHICS COMMISSION

POST OFFICE BOX 27685
RALEIGH, NC 27611
PHONE: 919-814-3600

Via Email

December 7, 2020

Mr. Ray Grace, Commissioner
North Carolina Office of the Commissioner of Banks
4309 Mail Service Center
Raleigh, North Carolina 27699-1301

**Re: Evaluation of Statement of Economic Interest Filed by
Ray Grace - Appointee to the ABLE Program Board of Trustees**

Dear Commissioner Grace:

Our office has received your 2019 and 2020 Statement of Economic Interests as an appointee to the **ABLE Program Board of Trustees**. We have reviewed them for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act (the "Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

We did not find an actual conflict of interest or the potential for a conflict of interest

The Achieving a Better Life Experience (ABLE) Board of Trustees was established to implement a private savings account program (ABLE accounts) for the purpose of supporting individuals with disabilities. The Board is authorized to contract for investment advice, retain professionals, develop a marketing plan, establish methods for dispersing funds, and set administrative costs for the program, as well as develop and implement investment strategies.

The Act establishes ethical standards for certain public servants, and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings, N.C.G.S. § 138A-36(c).

As Commissioner of Banks, you hold an Ex-Officio role on the Board.

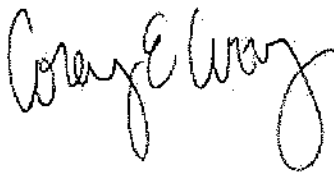
In addition to the conflicts standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. § 138A-24(e), the conflict must be recorded in the minutes of the applicable board and brought to the membership's attention by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act. N.C.G.S. § 138A-15(c).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation, N.C.G.S. § 138A-14. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,

A handwritten signature in black ink, appearing to read "Corey Curry". The signature is written in a cursive, flowing style.

Corey Curry, SEI Unit
State Ethics Commission

cc: Laura Rowe, Ethics Liaison

Attachment: Ethics Education Guide



STATE ETHICS COMMISSION

POST OFFICE BOX 27685
RALEIGH, NC 27611
PHONE: 919-814-3600

Via Email

December 7, 2020

The Honorable Phil Berger
President Pro Tempore of the Senate
16 West Jones Street, Room 2008
Raleigh, North Carolina 27601

Re: Evaluation of Statement of Economic Interest Filed by
Benjamin Wright - Appointee to the ABLÉ Program Board of Trustees

Dear Senator Berger:

Our office has received **Benjamin Wright's** 2019 and 2020 Statement of Economic Interests as an appointee to the **ABLE Program Board of Trustees**. We have reviewed them for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act (the "Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

We did not find an actual conflict of interest, but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity.

The Achieving a Better Life Experience (ABLE) Board of Trustees was established to implement a private savings account program (ABLE accounts) for the purpose of supporting individuals with disabilities. The Board is authorized to contract for investment advice, retain professionals, develop a marketing plan, establish methods for dispersing funds, and set administrative costs for the program, as well as develop and implement investment strategies.

The Act establishes ethical standards for certain public servants, and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

Mr. Wright is employed by Dye Creek Capital, Inc. a company that provides a variety of financial services, including special needs and disability investment planning. Therefore, Mr. Wright has the potential for a conflict of interest and should exercise appropriate caution in the performance of his public duties, should issues involving Dye Creek Capital, Inc. come before the Board for official action.

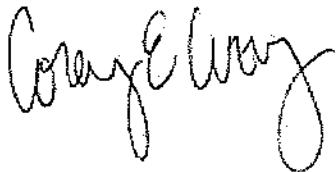
In addition to the conflicts standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. § 138A-24(e), the conflict must be recorded in the minutes of the applicable board and brought to the membership's attention by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act. N.C.G.S. § 138A-15(c).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 138A-14. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,

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Corey Curry, SEI Unit
State Ethics Commission

cc: Benjamin Wright
Laura Rowe, Ethics Liaison

Attachment: Ethics Education Guide



STATE ETHICS COMMISSION

POST OFFICE BOX 27685
RALEIGH, NC 27611
PHONE: 919-814-3600

Via Email

December 7, 2020

Secretary Mandy K Cohen
NC Department of Health and Human Services
2001 Mail Service Center
Raleigh, North Carolina 27699-2001

**Re: Evaluation of Statement of Economic Interest Filed by
Kody Kinsley - Appointee to the ABLE Program Board of Trustees**

Dear Secretary Cohen:

Our office has received **Kody Kinsley's** 2020 Statement of Economic Interests as an appointee to the ABLE Program Board of Trustees. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act (the "Act").

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We did not find an actual conflict of interest or the likelihood of a conflict of interest.

The Achieving a Better Life Experience (ABLE) Board of Trustees was established to implement a private savings account program (ABLE accounts) for the purpose of supporting individuals with disabilities. The Board is authorized to contract for investment advice, retain professionals, develop a marketing plan, establish methods for dispersing funds, and set administrative costs for the program, as well as develop and implement investment strategies.

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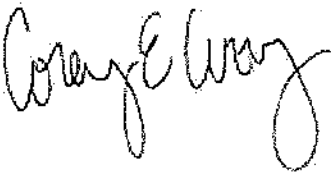
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Corey Curry, SEI Unit
State Ethics Commission

cc: Kody Kinsley
Laura Rowe, Ethics Liaison

Attachment: Ethics Education Guide



STATE ETHICS COMMISSION

POST OFFICE BOX 27685
RALEIGH, NC 27611
PHONE: 919-814-3600

Via Email

December 7, 2020

The Honorable Dale R. Folwell
North Carolina Department of State Treasurer
3200 Atlantic Avenue
Raleigh, North Carolina 27604

Re: **Evaluation of Statement of Economic Interest Filed by**
Thomas Causey - Appointee to the ABLÉ Program Board of Trustees

Dear Treasurer Folwell:

Our office has received **Thomas Causey's** 2020 Statement of Economic Interests as an appointee to the ABLÉ Program Board of Trustees. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act (the "Act").

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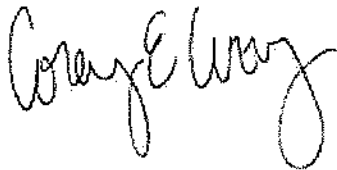
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Corey Curry, SEI Unit
State Ethics Commission

cc: Thomas Causey
Laura Rowe, Ethics Liaison

Attachment: Ethics Education Guide



STATE ETHICS COMMISSION

POST OFFICE BOX 27685
RALEIGH, NC 27611
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Via Email

December 7, 2020

Mr. Ray Grace, Commissioner
North Carolina Office of the Commissioner of Banks
4309 Mail Service Center
Raleigh, North Carolina 27699-1301

**Re: Evaluation of Statement of Economic Interest Filed by
Katherine Bosken - Appointee to the ABLÉ Program Board of Trustees**

Dear Commissioner Grace:

Our office has received **Katherine Bosken's** 2020 Statement of Economic Interests as an appointee to the ABLÉ Program Board of Trustees. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act (the "Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

We did not find an actual conflict of interest or the likelihood of a conflict of interest.

The Achieving a Better Life Experience (ABLE) Board of Trustees was established to implement a private savings account program (ABLE accounts) for the purpose of supporting individuals with disabilities. The Board is authorized to contract for investment advice, retain professionals, develop a marketing plan, establish methods for dispersing funds, and set administrative costs for the program, as well as develop and implement investment strategies.

The Act establishes ethical standards for certain public servants, and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

In addition to the conflicts standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the

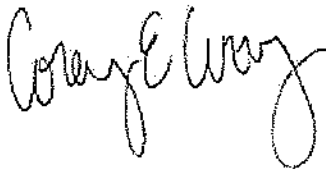
public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. § 138A-24(e), the conflict must be recorded in the minutes of the applicable board and brought to the membership's attention by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act. N.C.G.S. § 138A-15(c).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 138A-14. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,

A handwritten signature in black ink, appearing to read "Corey Curry". The signature is written in a cursive, flowing style.

Corey Curry, SEI Unit
State Ethics Commission

cc: Katherine Bosken
Laura Rowe, Ethics Liaison

Attachment: Ethics Education Guide

