



**DEPARTMENT OF REVENUE  
 ADMINISTRATIVE POLICY**

<b>Title:</b> Conflict of Interest and Ethics in Public Service	<b>Number:</b> 2.1.2
<b>Contact Person's Title:</b> Human Resources Director	<b>Sponsoring Division:</b> Human Resources Division
<b>Phone Number:</b> (360) 725-7492	<b>References:</b> <ul style="list-style-type: none"> <li>• 42.17 RCW (Disclosure – Campaign Finances – Lobbying)</li> <li>• 42.52 RCW (Ethics in Public Service)</li> <li>• WAC 292 (Ethics in Public Service)</li> </ul>
<b>Effective Date:</b> Xxxx xx, 2012	
<b>Approved:</b>  Brad Flaherty, Director	
<b>Applies to:</b> All Represented and Non-Represented Employees, volunteers, interns	

**Purpose**

The ethics laws are designed to protect state employees from conflicts of interest or from engaging in activities where their interests or loyalties could be divided or may be questioned.

The Department of Revenue (DOR) has a unique responsibility towards Washington citizens. As a regulatory agency that administers taxes for the state, the Department must conduct our business according to the highest ethical standards of service. This means preventing conflicts of interest or avoiding situations that could appear to be a conflict of interest and always being good stewards of public resources.

This policy does not cover every ethical situation; therefore employees are expected to use good judgment. Employees should ask their supervisor or the Human Resources Director (Agency Ethics Advisor) when faced with a specific ethical situation.

Tools that provide additional ethics information and guidance include the Department of Revenue's Ethics website and the Washington State Executive Ethics Board.

Other ethics-related policies employees must review:

- Administrative Policy 1.2.8, *State Employee Whistleblower Act*.
- Administrative Policy 2.1.4, *Political Activity*.
- Administrative Policy 2.1.9, *Employee Access to Taxpayer Files*.
- Administrative Policy 2.8.2, *Employment of Relatives or Household Members*.

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**Purpose  
(continued)**

Other ethics-related policies employees must review (continued):

- Administrative Policy 2.8.4, *Outside Employment and Business Activities.*
  - Administrative Policy 4.1.1, *Use of State Equipment and Facilities.*
  - Administrative Policy 4.1.5, *Fundraising.*
  - Administrative Policy 4.2.1, *Reporting Known or Suspected Loss of Public Funds or Property or Illegal Activity.*
  - Administrative Policy 5.9.1, *Use of Electronic Media.*
  - Administrative Policy 6.4.4, *Prohibited IT Hardware, Software and Electronic Data Activities.*
  - Administrative Policy 7.1.1, *Confidential Taxpayer Records.*
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**Representing  
the  
Department**

As a regulatory agency, it is critical that employees strengthen public confidence in the integrity of state government by demonstrating the highest standards of personal integrity, fairness, honesty, and compliance with laws, rules, and Department policy.

All employees are required to perform their duties and responsibilities in a way that maintain these standards. Employees should act with respect, concern, courtesy and responsiveness when carrying out their duties.

In representing the Department, it is expected that employees will accurately portray their:

- Position responsibilities.
- Professional credentials.
- Educational credentials.

Use of professional or educational credentials on business cards requires completion of Request for Professional Designation on Business Cards form. It is incumbent upon each employee to ensure the accuracy of their credentials. Any false or misleading representation of professional or educational credentials as a representative of the Department could result in disciplinary action.

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**Employee  
Responsibility**

Employees are expected to be familiar with state ethics laws, rules and other related policies and act in a manner that is consistent with these laws, rules and policies.

Employees are also responsible for:

- Reviewing the ethics policy as part of new employee orientation.
- Taking online ethics training every two years.

Compliance with the ethics requirements is an individual responsibility. Maintaining a working knowledge of the requirements will help ensure proper and ethical actions.

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**Employee Responsibility (continued)**

Employees are required to ensure that their conduct and behavior is compliant with these core ethical principles:

Objectivity	Place the public's interest before any private interest or outside obligation.
Selflessness	Do not take actions or make decisions in the performance of their position in order to gain financial or other benefits for themselves, their family, friends, or other outside individuals or organizations.
Stewardship	Conserve state resources and funds against misuse, fraud and abuse. State resources includes: funds, facilities, tools, property and employees and their time.
Transparency	Practice open and accountable government. Be as open as possible about decisions and actions, while protecting confidential information.
Integrity	Do not place yourself under any financial or other obligation to outside individuals or organizations that might influence you in the performance of your official duties.

**Supervisor Responsibility**

Supervisors are responsible for ensuring their employees:

- Review the ethics policy as part of the new employee orientation.
- Take online ethics training every two years.

Supervisors must take appropriate action for known ethics violations of their employees.

**Prohibited Activities**

Employees are prohibited from:

- Engaging in any employment, business or professional activity that would represent a conflict of interest.
- Using their official position for special privileges.
- Soliciting gifts.
- Accepting most gifts.
- Bidding on DOR Unclaimed Property auction items.
- Using or creating the appearance of using the employee's position for personal gain, benefit, or advantage of the employee or others.
- Using state resources or employee work time for private benefit or gain of the employee or any other person except as allowed under Administrative Policy 4.1.1 Use of State Equipment and Facilities.

**Using Your Official Position**

Employees may not accept special privileges. Employees must not use a state position to secure special privileges or exemptions for himself or herself or for a spouse, child, parent, or other person (RCW 42.52.070).

**Doing Business with Taxpayers**

State law prohibits state employees from using their positions to obtain something of value. Because nearly all businesses are taxpayers and employees deal with these businesses in the course of everyday life, Department employees must be especially sensitive to potential conflicts.

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**Using Your  
Official  
Position  
(continued)**

Business transactions involving a taxpayer and an employee, the spouse of an employee or an immediate family member of the employee, must be handled in the same way as those not employed by the Department of Revenue.

This includes an employee:

- Knowingly accepting preferential treatment from a taxpayer within the normal course of their official duties whether during work or non-work hours.
- Representing themselves in any private dealing as a Department employee for gain or benefit.

**Beneficial interest in transactions involving the State**

Employees may not have a beneficial interest, directly or indirectly, in a contract, sale, lease, purchase or grant that is made by, through, or is under their supervision. Beneficial interest means the right to enjoy profit, benefit, or advantage from a contract, sale, lease, purchase or grant.

**Gifts,  
Gratuities, and  
Honoraria**

RCW 42.52.010(10) defines "gift" as "anything of economic value for which no consideration is given."

Soliciting for or receiving gifts may give the appearance the agency is giving special treatment to select taxpayers, stakeholders, or vendors.

Employees are prohibited from accepting the following gifts:

- Floral arrangements, plants, flowers.
- Gifts from dignitaries.
- Expenses (travel, room, and meals) for a speech, presentation and/or seminar.
- Gifts, regardless of value which are not included in RCW 42.52.010(10) or RCW 42.50.150(4).

Employees must return or donate prohibited gifts to charity within 30 days after receipt and notify their supervisor that the item was returned or donated.

**Exceptions**

Employees may accept gifts if they meet **all** of the following criteria:

- Unsolicited.
- Not intended to influence the action or judgment of the employee
- Under \$50.
- Allowed by statute (i.e. political contributions RCW 42.17).

When in doubt, employees may consult with their supervisor and/or the Human Resources Director (Agency Ethics Advisor).

Under RCW 42.52, the following items are examples of unsolicited items that may be accepted:

- Items from family or friends where it is clear beyond a reasonable doubt that the gift was not made as part of any design to influence the employee in the performance of official duties.

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**Exceptions  
(continued)**

Under RCW 42.52, the following items are examples of unsolicited items that may be accepted (continued):

- Presents or items exchanged among employees at social events or special occasions (e.g. holidays).
- Items authorized by law.
- Customary advertising or promotional supplies of nominal value (i.e. pens, notepads).
- Tokens of appreciation like plaques or trophies, or similar items.
- Products for evaluation or review (i.e. software) but only if there is no personal, beneficial interest in the use or acquisition of the product.
- Professional publications and subscriptions related to the recipients performance of official duties.
- Refreshments (light snacks or beverages) at a hosted reception related to official duties.
- Coffee if generally supplied or available to customers and staff.
- Admission to a charity-, government-, or community-sponsored event.
- Discounts available to an individual as a member of an employee group (i.e. a sports team offering discount tickets for a State Employees day).

*Note:*

*Employees should reject any gift or benefit that would be of personal benefit or of benefit to a family member if the gift may cast doubt on the integrity, independence, or impartiality of the employee or the Department.*

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**Bidding on DOR  
Unclaimed  
Property  
Auction Items**

To ensure public trust, employees, their immediate family members, or their agent may not bid on DOR Unclaimed Property auction items. Allowing participation is unfair because the general public does not have additional information about the auction items such as past owners or appraisal values.

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**Use of  
Confidential  
Information  
for Personal  
Gain**

Employees must not:

- Disclose confidential information gained through official duties to unauthorized persons.
- Use such information for personal gain or benefit or for the gain or benefit of others.
- Accept employment in any business or professional activity that requires the employee to disclose confidential information.

Refer to Administrative Policy 7.1.1, *Confidential Taxpayer Records and Administrative Policy 2.8.4 Outside Business Activities and Employment.*

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**Duty to  
Disclose Public  
Information**

Public employees are required to disclose non-confidential information.

All requests from persons outside the agency for public information should be directed to the Department's Public Records Officer as outlined in Administrative Policy 7.1.2, *Public Records.*

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**Prospective  
Employment  
Outside State  
Government**

State ethics law restricts prospective employment in circumstances where there is a conflict of interest. Employees may not accept job offers, compensation, or rewards if the employee knows or has reason to believe it is (1) intended to influence the performance or nonperformance of official duties, or (2) it is being offered to induce or will result in the disclosure of confidential information.

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**Prospective  
Employment  
Outside State  
Government  
(continued)**

Prospective employment begins when a state employee:

- Accepts an interview for a position outside state government.

Prospective employment ends when a state employee:

- Accepts or declines an offer of employment.
- Has been informed they are no longer under consideration for employment.

It is the responsibility of the employee to seek advice from the Washington State Executive Ethics Board for prospective employment issues.

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**Employment  
After State  
Service**

RCW 42.52.080(5) requires that no former state employee may assist another person, whether or not for compensation, in any transaction in which the former state employee participated at any point during their state employment.

Examples include:

- Audits
- Return examinations
- Closing agreements
- Partial payment agreements
- Determinations of appeals
- Letter interpretations
- Tax liability determinations
- Fact gathering
- Policy making
- Taxpayer discussions
- Giving advice on taxpayer accounts

Employees leaving state service should refer to RCW 42.52.080 to determine if any of the restrictions apply to their situation before accepting a post-state employment job. There are one-year and two-year restrictions under this law. The DOR Employee Separation form also lists the restrictions.

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**Reporting  
Ethics  
Violations**

Supervisors must immediately notify their Appointing Authority and/or the Human Resources Director (Agency Ethics Advisor) if they become aware of a potential ethics violation.

All other DOR employees suspecting or knowing of ethics violations should report it to a supervisor, manager, division director, human resources, Internal Audit or the State Auditor, or the Executive Ethics Board.

Violations under this policy, WAC 292-110 and/or RCW 42.52 may result in disciplinary action by DOR, up to and including dismissal, and may be considered an ethics violation subject to civil damages or other penalties as imposed by the Executive Ethics Board.

The Executive Ethics Board has:

- Jurisdiction over former employees regarding post-state employment restrictions under RCW 42.52.080.
- Authority and responsibility for investigating alleged violations of the Ethics Act.
- The ability to take administrative action against an agency employee, including imposing civil penalty for violations. This action may be taken regardless of whether DOR takes action against the employee.

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**Administrative** Revised May 21, 1997  
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Revised December 16, 1987  
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