

Chapter 3: Employment

Contact:	Human Resource Manager	Effective:	March 1, 2001
		Issued:	March 1, 2001
Reference:	RCW 42.52	Supersedes:	New
	WAC 356-15-035 & 356-46-040		
Forms Used:	Request for Authorization of Outside Employment 30-304 (11/00) <a href="http://hcainside/hr/forms/outside
employment.doc">http://hcainside/hr/forms/outside employment.doc	Approved by:	<u>Sue Crystal</u> Administrator

Outside Employment

PURPOSE

The Health Care Authority neither promotes nor discourages outside employment. Employees may hold outside employment provided such employment is in compliance with the provisions and reporting requirements of this policy. This policy and related procedure (3-02-01) define when outside employment may represent a conflict and establish the process for requesting approval for outside employment. All employees are held individually responsible for compliance with the State Ethics Law (42.52 RCW).

DEFINITIONS

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| Beneficial Interest | The right to enjoy profit, benefit, or advantage from a contract or other property. |
| Compensation | Anything of economic value, however designated, that is paid, loaned, granted, or transferred for, or in consideration of personal services to any person. |
| Conflict of Interest | Any interest of an employee, economic or otherwise, that will adversely affect the official judgment or loyalty of such employee to the agency. |
| Outside Employment | Includes employment with private, nonprofit, or other governmental employer; employment as an independent contractor or consultant; or self-employment. Unless otherwise indicated in this policy, it refers only to outside employment held while employed with HCA. |
| Person | Any individual, partnership, association, corporation, firm, institution, or other entity, <i>whether or not</i> operated for profit. |

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Executive Ethics Board
Date: 3/9/01

POLICY

1. **Employees or prospective employees who are (or plan to be) engaged in outside employment which may involve a real or potential conflict of interest must request and receive approval.**

The procedure is described in administrative procedure 3-02-01.

In addition, should an employee's outside employment significantly change, the employee is required to again report the outside employment.

2. **Certain prohibitions exist in connection with outside employment.**

- a) Under no circumstances may an employee use state or agency time, materials, facilities, equipment, telephones, or other resources in connection with outside employment.
- b) Employees may not seek or accept, directly or indirectly, compensation, gifts or anything else of economic value from outside sources for any services that are a part of their responsibilities as an employee of the HCA.
- c) Employees may not use their state position to create the opportunity for private gain (e.g., influence a client of HCA to compensate the employee for outside services).
- d) Employees may not engage in any business or professional activity that might reasonably be expected to require or induce disclosure of confidential information acquired as a state employee.
- e) Outside employment within the State Merit System may be denied when it creates overtime obligations for the agency (see WAC 356-15-035, Dual employment).
- f) Outside employment must not conflict in any manner with the employee's responsibilities to the public.
- g) Outside employment must not conflict with agency goals/objectives.
- h) Outside employment must not create a conflict of interest wherein the employee's judgment in official matters might be affected by circumstances of personal and/or substantial economic interest.

3. **Employees shall not engage in outside employment or business where the circumstances of such employment or business will lead to an actual or potential conflict of interest or the appearance thereof.**

Examples of potential conflicts of interest include, but are not limited to:

- a) Employment by an employer who provides direct or contractual services or goods to the agency.
- b) Employment by an employer who utilizes the services of the agency.

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4. Employees receiving compensation under a contract or grant face additional requirements.

An HCA employee may receive compensation under a contract or grant outside his or her official duties, provided that each of the following conditions are met:

- a) The contract or grant is bona fide and actually performed.
- b) The performance or administration of the contract or grant is not within the course of the employee's official duties, or is not under the employee's official supervision.
- c) The performance of the contract or grant is not prohibited by RCW 42.52.040, Section 104, or by applicable laws or rules governing outside employment for the employee.
- d) The contract or grant is neither performed for nor compensated by any person from whom the employee would be prohibited from receiving a gift .
- e) The contract or grant is not one expressly created or authorized by the employee in his or her official capacity or by HCA.
- f) The contract or grant would not require unauthorized disclosure of confidential information.

5. Contracts with another state agency must adhere to certain standards.

In addition to satisfying the requirements of subsection 4 of this policy, an HCA employee may only have a beneficial interest in a grant or contract with another state agency when:

- a) The contract or grant is awarded or issued as a result of an open and competitive bidding process in which more than one bid or grant application was received; or
- b) The contract or grant is awarded or issued as a result of an open and competitive bidding process and the HCA employee's bid or proposal was the only bid or proposal received and the employee has been advised by the Executive Ethics Board, before execution of the contract or grant, that the contract or grant would not conflict with the proper discharge of his or her official duties; or
- c) The process for awarding the contract or issuing the grant is not open and competitive, but the employee has been advised by the Executive Ethics Board that the contract or grant would not be in conflict with the proper discharge of the employee's official duties and the HCA employee files the contract or grant with the Executive Ethics Board within thirty (30) days after the date of execution.

6. Potential conflicts of interest will be evaluated on a case-by-case basis.

For purposes of determining whether outside employment or business will lead to an actual or potential conflict of interest or the appearance thereof, the agency shall take into consideration:

- a) The degree of responsibility exercised by such employee, whether alone or through subordinates, to approve, disapprove, decide, recommend, investigate, or otherwise assist in departmental action with respect to such employee's outside employer or business clients.

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- b) The extent to which an actual or potential conflict of interest can be mitigated.
- c) Other facts or elements relevant to the situation.

Nothing in this policy shall be construed as granting a license to the agency to unnecessarily or unreasonably restrain its employees from engaging in outside pursuits, except where actual or potential conflicts with the HCA's position of public trust cannot be avoided.

In cases where employees of HCA are engaged in outside employment that may be considered a conflict of interest, it is the responsibility of the Appointing Authority within each division to determine whether reasonable conditions can be established to allow the employee to continue outside employment.

7. Applicants for employment shall be notified of this policy during the selection process.

If an applicant for employment indicates that he/she is engaged in outside employment that would not be terminated if hired by the agency, the interviewing supervisor shall have the applicant review and, if appropriate, complete a Request for Authorization of Outside Employment form. Prior to making a final offer of employment, the supervisor must receive approval for the outside employment following the process described in administrative procedure 3-02-01.

FOLLOW THIS HYPERLINK TO ACCESS FORM TO FILL OUT:
http://hcainside/hr/forms/outside_employment.doc

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