

ADVICE



EDUCATION



DISCLOSURE



ENFORCEMENT

STATE ETHICS COMMISSION

Fiscal Year 2011
Annual Report

MASSACHUSETTS STATE ETHICS COMMISSION
One Ashburton Place, Room 619
Boston, MA 02108
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www.mass.gov/ethics

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- ❖ **Martin F. Murphy****
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* Term expired September 2010

** Appointed September 2010

MASSACHUSETTS STATE ETHICS COMMISSION

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INTRODUCTION TO THE STATE ETHICS COMMISSION

Since 1963, the Massachusetts conflict of interest law has regulated the conduct of public officials and employees in the Commonwealth. Massachusetts General Laws c. 268A governs what public employees may do on the job, what they may do after hours or “on the side,” and what they may do after they leave public service. It also sets standards of conduct for all state, county and municipal employees and officials. The law requires that public servants give undivided loyalty to the government for which they work, and that they act in the public interest rather than for private gain. Until the law was revised in 1978, it was enforced solely as a criminal matter under the jurisdiction of the Attorney General and the various local District Attorneys.

In addition to strengthening the conflict of interest statute, Chapter 210 of the Acts and Resolves of 1978 established a financial disclosure law, G.L. c. 268B, requiring public officials, political candidates and state and county employees in designated policy-making positions to file an annual statement of their financial interests and private business associations. Chapter 210 also created the State Ethics Commission, and empowered it to interpret and enforce G.L. c. 268A and 268B. The Commission provides free advice, education and other information regarding the conflict of interest and financial disclosure laws and serves as the primary civil enforcement agency for these laws.

Chapter 28 of the Acts of 2009 further strengthened the conflict of interest law by increasing the maximum civil penalty for violations, codifying and extending the statute of limitations, strengthening the Commission’s summons authority, prohibiting gifts to public employees because of their official position, authorizing the Commission to order restitution and repayment of any economic advantage obtained by a violator, adding a false or fraudulent claims provision to the conflict of interest law, and imposing mandatory conflict of interest law education and training requirements on all public employees. The financial disclosure statute was also amended to ban gifts from lobbyists to certain public officials and their immediate family members.

The non-partisan Commission consists of five members who are appointed to staggered, five-year terms. Three Commissioners are appointed by the Governor, one by the Secretary of State and one by the Attorney General. No more than two of the gubernatorial appointments and no more than three members of the Commission as a whole may be from the same political party. The Commissioners serve part-time and employ a full-time staff.

HIGHLIGHTS

The Commission was established in 1978

The Commission consists of five members serving staggered five-year terms

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INTRODUCTION TO THE STATE ETHICS COMMISSION

Mission Statement

The mission of the State Ethics Commission is to foster integrity in public service in state, county and local government, to promote the public's trust and confidence in that service, and to prevent conflicts between private interests and public duties. The Commission strives to accomplish this mission by conducting ongoing educational programs, providing clear and timely advice, and fairly and impartially interpreting and enforcing the conflict of interest and financial disclosure laws.

Commission Staff

The Commission appoints the Executive Director, who supervises a staff of 22 employees. The Commission also appoints the General Counsel who is the chief legal officer of the Commission and head of the Commission's Legal Division. The Legal Division provides free, confidential advice to public employees regarding the legality of proposed activities, advises the Commission during adjudicatory proceedings and represents the Commission in court. The Legal Division also administers the Statements of Financial Interests process and requirements.

HIGHLIGHTS

In FY 2011, the Commission assessed \$100,490 in civil penalties for violations of the conflict of interest and financial disclosure laws

The Public Education and Communications Division conducts free educational seminars for public employees on the requirements of the conflict of interest law, maintains the Commission's website, handles media and public relations and administers the conflict of interest law education requirements. In addition, the Public Education and Communications Division Chief manages the Commission's information technology resources.

The Enforcement Division receives and investigates complaints of alleged violations of c. 268A and c. 268B, and publicly prosecutes the more serious violations. It resolves relatively minor violations privately with confidential education letters.

Summary of Fiscal Year 2011

The Legislature appropriated \$1,731,122 for the Ethics Commission in FY 2011. Civil penalties totaling \$100,490 were assessed by the Commission in FY 2011. All penalties collected by the Commission are deposited in the state's General Fund, as the Commission does not retain revenue.

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In FY 2011, the Legal Division received 5,412 oral and written requests for confidential advice regarding the conflict of interest and financial disclosure laws, and received 75 proposed opinions from municipal counsels. The Legal Division responded to 4,949 oral requests for advice and issued 443 written informal opinions, and reviewed and commented on 77 municipal counsel opinions. The Commission issued 3 formal Advisory Opinions. In FY 2011, the Legal Division reviewed a total of 613 disclosures, which were filed with the Commission to comply with the conflict of interest law. There were 17 requests for advice pending at the end of FY 2011.

During FY 2011, 4,487 elected officials, candidates and public employees in designated major policy-making positions were required to file Statements of Financial Interests ("SFIs") with the Commission. Electronic filing of SFIs increased to 90% of all filers, up from 81% in FY 2010. While 540 filers missed the May deadlines, all but 29 had filed by the end of the fiscal year. Staff responded to more than 1,500 telephone inquiries relating to either the completion or amendment of SFIs. Requests for copies of more than 1,600 SFIs were received from the public or media during FY 2011.

A total of 2,815 people attended the 64 educational seminars conducted by the Public Education and Communications Division in FY 2011. The division also fielded more than 550 calls from the public and media seeking information about the Commission, enforcement matters or the conflict of interest law.

The Commission's Enforcement Division reviewed 1,425 complaints either received during FY 2011, or which were pending at the beginning of FY 2011, alleging violations of the conflict of interest and financial disclosure laws. This is a slight increase from FY 2010. Enforcement Division staff conducted interviews, obtained additional information and analyzed documents as part of their initial review of these complaints. The Enforcement Division issued 264 private educational letters, initiated 70 investigations, recommended 46 cases for formal review by the Commission and concluded 33 formal inquiries. The Enforcement Division issued 8 Orders to Show Cause initiating public adjudicatory hearings, and negotiated 24 Disposition Agreements. Eight adjudicatory hearings were completed, which resulted in Decisions and Orders by the Commission.

HIGHLIGHTS

More than 5,400 requests for advice were received in FY 2011

Electronic filing of SFIs increased from 81% to 90% of all filers

More than 1,400 complaints were received or pending during FY 2011

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LEGAL DIVISION

Advice and Opinions

Individuals who fall within the jurisdiction of G.L. c. 268A and G.L. c. 268B are entitled to receive confidential advice about whether their own proposed activities are permissible under these laws. The Legal Division consists of a Chief, who also serves as the Commission's General Counsel, a Deputy Chief, three staff attorneys, a financial analyst and an administrative assistant. In addition to providing advice, the Legal Division advises the Commission during adjudicatory proceedings, represents the Commission in court and administers the Statements of Financial Interests process and requirements.

Commission Opinions

Opinions of the Commission serve as a legal defense in subsequent proceedings concerning the requesting individual's conduct, unless the request omits or misstates material facts. The Legal

Division strives to answer written requests for advice within four weeks. Most requests for advice are handled over the telephone on the day of the call. In FY 2011, the Commission's Legal Division responded to 443 requests for advice through informal letters, and 4,949 requests via telephone and office visits, a slight increase from FY 2010. A total of 544 requests for advice were received online.

HIGHLIGHTS

The Commission responded to 5,392 requests for advice in FY 2011

74% of written requests for advice received a response within 30 days

Formal opinions are issued by the Commission. They address issues for which there is no clear Commission precedent and generally take longer to complete. Although formal advisory opinions issued by the Commission are confidential, the Commission publishes summaries of formal advisory opinions as well as public versions of such opinions with any identifying information deleted. Informal advice is based on prior formal Commission rulings, is issued by a staff attorney, and is not published. The Commission issued 3 formal opinions in FY 2011. Formal

advisory opinions are available on the Commission's website or may be obtained from the Commission.

In FY 2011, the Legal Division responded to most written opinion requests within 45 days. By the end of FY 2011, 332 out of 447 written opinion requests, or 74%, received a response in less than 30 days. Seventeen opinion requests were pending at the end of FY 2011.

The law requires that the Commission keep confidential whether anyone has sought or received advice from the Commission.

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Municipal Opinions

All conflict of interest opinions issued by city solicitors or town counsel must be filed with the Commission for review to ensure that these opinions are consistent with Commission precedent. The Commission has 30 days to notify the municipal counsel of any objections to an opinion; if there are no objections, the municipal opinion can serve as a legal defense in any subsequent Commission proceeding. A municipal counsel's opinion is legally binding only with respect to the person who requested the opinion, and is not binding if material facts were omitted or misstated by the requester, if the opinion was not obtained in advance of the relevant action, or if the requester otherwise acted in bad faith in securing the opinion. In FY 2011, the Commission reviewed 77 municipal opinions, 75 that were received during the fiscal year and 2 that were carried over from the prior fiscal year.

Disclosures

Each year, the Commission receives from state and county employees and officials disclosures required by several sections of the conflict of interest law. These disclosures, which are available to the public, are reviewed for completeness and accuracy by the Commission's Legal Division. Legal Division staff reviewed 668 disclosures, 613 that were received in FY 2011, and 55 that were carried over from the prior fiscal year. This is a 20% increase over FY 2010. In 74 of these instances, the filer was contacted and asked to clarify, amend or correct the disclosure.

Regulations

Under the Commission's enabling legislation, G.L. c. 268B, the Commission can promulgate rules and regulations to provide exemptions from certain sections of the conflict of interest law. In FY 2008, the Commission promulgated regulatory exemptions allowing public employees to receive certain gifts, benefits, awards, honoraria, payment for travel and admission; allowing state employees to receive certain payments from the Department of Children and Families; and allowing local school committee members to participate in certain matters involving school fees.

The Ethics Reform Law, Chapter 28 of the Acts of 2009, directed the Commission to create exemptions in specified areas. In December 2010, after completing the formal process to issue regulations, the Commission approved new regulations, codified at 930 CMR 5.00 and 6.00, which, among other things, do the following:

HIGHLIGHTS

613 disclosures filed by public employees in FY 2011

New regulations and regulatory exemptions approved during FY 2011

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- define “substantial value”
- expand the regulation allowing for the payment of a public employee’s travel expenses by someone other than the employee’s agency
- allow acceptance of incidental hospitality related to attendance at certain events
- allow payment of travel expenses for a public employee’s legitimate speaking engagement
- allow acceptance of awards for meritorious service
- allow gifts among public employees
- allow gifts from lobbyists in limited circumstances
- permit real estate conveyances by public employees
- permit public employees to hold additional jobs on premises occupied by the second employer pursuant to a contract or agreement with a public agency
- permit public agencies to contract with attorneys and other consultants of choice
- permit public employees to purchase or rent living units in multi-unit buildings operated and developed pursuant to long-term leases with the employee’s public agency
- allow town clerks to carry out certain election-related duties when they themselves are running for office.

Form Scheduling Order and Electronic Document Filing Program

In August 2008, the Commission adopted a new form scheduling order and implemented an electronic document filing program for its adjudicatory proceedings. The form scheduling order was designed to eliminate delays, improve schedule predictability and ensure that adjudicatory hearings occur within the 90 day period prescribed by 930 CMR 1.01(10)(b). The electronic document filing program is voluntary, and it allows parties to file documents electronically instead of in paper form.

Litigation

Decisions by the Commission in adjudicatory matters are appealable to the Superior Court. In FY 2011, the Commission prevailed in all four court cases challenging its decisions.

Statements of Financial Interests

M.G.L. c. 268B requires that all state and county elected officials, candidates for state office and certain state and county employees annually disclose their financial interests and private business associations. The appointed state and county employees who are required to file financial disclosures are those individuals who hold designated major policy-making positions within their

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agencies. Commission staff is available to assist filers in completing their Statements of Financial Interests ("SFIs").

The SFI functions and requirements are administered by the Legal Division, which assists filers who have questions on how to complete the SFI form. Compliance issues are addressed by the Enforcement Division.

Disclosure and Review

In FY 2011, 4,487 public employees, elected officials and candidates for office were required to file SFIs. Every SFI is reviewed, and during the review, if a question or a discrepancy arises, the filer is contacted to either clarify or amend his or her SFI. Commission staff responded to more than 1,500 telephone inquiries concerning accessing the electronic filing application or completing the SFI.

Electronic Filing

In 2001, the Commission launched an electronic filing application for SFIs. That year, 40% of filers filed their SFIs electronically. The percentage of electronic filing has generally increased each year. A total of 4,074 filers, or 90% of all filers, submitted their SFIs electronically in FY 2011.

Inspection Requests

SFIs are public records and are available for inspection at the Commission's office. While any individual may inspect and obtain a copy of any SFI filed with the Commission, the law requires that filers be notified whenever their SFIs have been reviewed. As a result, SFIs can only be provided after completion of an inspection request form and production of valid identification. Prior to making an SFI available for public inspection, Commission staff redact legally protected information from the forms, including home addresses and names of family members. During FY 2011, the Commission received requests for 1,641 SFIs from the media, private citizens, state agencies and law enforcement agencies. This is a significant increase from FY 2010, when the Commission received requests for 1,216 SFIs.

HIGHLIGHTS

4,487 public employees required to file SFIs during FY 2011

Electronic filing of SFIs increased to 90% of all filers

More than 1,600 SFIs were requested by the public and media

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PUBLIC EDUCATION AND COMMUNICATIONS DIVISION

During FY 2011, the Public Education and Communications Division consisted of the Chief, a Special Counsel (an attorney in the Legal Division who devotes 20% of her time to the Public Education Division) and an administrative assistant (who also works 50% of her time as the Commission's receptionist). The Division provides free educational seminars throughout the state, maintains the Commission's website and develops educational materials. The Division Chief also serves as the public information officer of the Commission and responds to a weekly average of 10 requests for information from the media and from individuals.

HIGHLIGHTS

2,815 public employees attended conflict of interest law seminars in FY 2011

The Commission approved a new political activity advisory in FY 2011

Seminars

The Commission provides free seminars on the conflict of interest and financial disclosure laws. A total of 2,815 people attended the Commission's 64 seminars during FY 2011. Seminars were provided to 9 municipalities, with a total of 399 attendees; 24 state agencies, with a total of 1,031 attendees; and 7 professional associations whose membership consists of municipal employees, with a total of 339 attendees. The Commission also conducted 9 seminars in connection with the Inspector General's Massachusetts Certified Public Procurement Officer certification program, with a total of 190 attendees; 8 seminars held at the Commission offices, with a total of 122 attendees; and 7 seminars for legislative staff, with a total of 734 attendees.

Publications

The Commission's FY 2010 Annual Report was distributed electronically during the fiscal year. The Commission prepares an annual compilation of its public advisory opinions and enforcement actions (the "Rulings"). During FY 2011, the Commission electronically distributed its Rulings for 2007, 2008, 2009 and 2010. The Commission's Rulings from 2002 through 2010 are available on the Commission's website. Commission Rulings for 1978 through 2002 are available at the Commission's office and on the Social Law Library database, which can be found on its website, www.sociallaw.com.

Educational Materials

The Commission publishes a wide variety of educational materials explaining various provisions of the conflict law, and keeps constituents informed of recent rulings. This information is available on the Commission's website. The Commission issues educational advisories to explain how the conflict of interest law applies to public employees under certain circumstances. During FY 2011, the Commission approved Advisory 11-1: *Public Employee Political Activity*. This Advisory supersedes Advisory 84-01: *Political Activity*, which had been in effect since 1984.

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Advisory 11-1 explains what conduct is permissible and what is prohibited when public employees also engage in political activity. The Advisory provides a number of examples to illustrate these explanations.

Ethics Reform Law

The Ethics Reform Law, Chapter 28 of the Acts of 2009, amended the conflict of interest law to require mandatory education and training on the conflict of interest law for all public employees at the state, county and municipal levels. Every year, all public employers are required to distribute a summary of the conflict of interest law to all employees, and every two years, all public employees must complete an online training program available on the Commission's website. The Commission has summaries of the law and a training program posted on its website. The Commission has also posted implementation procedures to assist public agencies and employees in complying with the education requirements. Among other things, these procedures address when public employers may authorize certain exemptions from the requirements. During FY 2011, the Commission notified all elected state and county officials, all state and county agencies and municipalities, and all regional municipal districts and independent municipal agencies about the educational requirements and compliance deadlines. The Commission is required to maintain the records of compliance for all elected state and county officials. The Ethics Reform Law also requires all municipalities, including regional municipal districts and independent municipal agencies, to designate a liaison to the Commission so that the Commission can assist these cities and towns as they work to implement the education requirements.

Website

The Commission's website is located at www.mass.gov/ethics. The website continues to see significant use: In FY 2011, the website received an average of 8,095 visitors a month. The Commission's website is searchable and contains information in various forms on the conflict of interest and financial disclosure laws, including educational materials, formal advisory opinions issued by the Commission, enforcement actions, disclosure forms and information on the education requirements. The public can now request confidential advice, submit confidential complaints, electronically file Statements of Financial Interests and complete the online training program through the website.

HIGHLIGHTS

All state and county agencies and municipalities were notified to distribute the summary of the conflict of interest law to all employees

The Commission's website averaged 8,095 visitors a month in FY 2011

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PUBLIC EDUCATION AND COMMUNICATIONS DIVISION

Media and Public Relations

The Public Education and Communications Division Chief has primary responsibility for responding to inquiries from the media and the public about the Commission and the conflict of interest and financial disclosure laws. In FY 2011, the Commission responded to more than 550 inquiries from the press and the public. The Commission does not confirm or deny that advice has been requested or given, or that investigations are being conducted, due to strict confidentiality requirements imposed on the Commission by statute. It does, however, provide general explanations of the law, often directing individuals with questions to the Commission's website for additional information.

HIGHLIGHTS

The Commission received more than 550 inquiries from the media and the public concerning the conflict of interest and financial disclosure laws in FY 2011

In FY 2011, the Public Education and Communications Division issued 32 press releases, most related to public enforcement matters resolved by the Commission. Press releases are issued via email to media outlets and interested parties. Press releases are also posted on the Commission's website.

More than 2,100 individuals subscribe to one or more of the Commission's email lists and regularly receive information from the Commission, including press releases and notices of the availability of the Commission's publications.

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The Enforcement Division consists of a Chief, a Deputy Chief, two staff attorneys, five full-time and one half-time investigators and an administrative assistant. The Enforcement Division investigates and, where appropriate, prosecutes violations of the conflict of interest and financial disclosure laws. In FY 2011, the Commission received a total of 1,127 complaints alleging violations of these laws.

CONFLICT OF INTEREST LAW

Complaints

The Enforcement Division received 1,087 complaints in FY 2011 alleging violations of the conflict of interest law, G.L. c. 268A. In addition, 298 complaints were pending at the beginning of FY 2011. At the end of FY 2011, 259 complaints were pending. Staff reviewed all complaints received, and in many instances, conducted interviews, obtained additional information and analyzed documents as part of its initial review. The Enforcement Division issued 264 private educational letters, initiated 70 investigations, recommended 46 cases for formal review by the Commission and concluded 33 formal inquiries. The Enforcement Division issued 6 Orders to Show Cause initiating public hearings and negotiated 21 Disposition Agreements. Five adjudicatory hearings were concluded in FY 2011, which resulted in Decisions and Orders.

Anyone may call, write or visit the Commission to submit a complaint regarding an alleged violation of the conflict of interest or financial disclosure laws. Complaints can also be submitted through the website; during FY 2011, 262 online complaints were received. In FY 2011, complaints were received from the following sources:

- 425 from private citizens
- 271 from anonymous sources
- 300 from public agencies
- 24 from other law enforcement agencies
- 33 generated by Commission staff
- 12 were "self-reports" by public employees

The complaints received involved the following: 785 municipal employees, 184 state employees, 27 county employees, and 30 private individuals or corporations. In 68 instances, the affiliation of subjects was unknown.

HIGHLIGHTS

1,087 complaints alleging conflict of interest violations received in FY 2011

262 complaints were submitted online

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The Enforcement Division closed 754 complaints because the allegations fell outside the Commission's jurisdiction, were clearly frivolous or otherwise did not warrant continued investigation. The Enforcement Division consolidated 65 complaints with existing cases and resolved 264 cases with private educational letters. Finally, the Enforcement Division initiated 70 investigations by assigning those matters to an attorney/investigator team for further review. Two hundred and fifty-nine complaints remained under review at the end of FY 2011 and were carried over to the new fiscal year.

Confidentiality

HIGHLIGHTS

46 formal inquiries were authorized by the Commission in FY 2011

36 formal inquiries were completed in FY 2011

Matters under review by the Commission's Enforcement Division are confidential. The Commission cannot confirm the nature or existence of a complaint or investigation, and must keep the identities of all complainants confidential. If, after a formal inquiry has been completed by Enforcement Division staff, the Commission finds that there is reasonable cause to believe that the conflict of interest law has been violated, the matter will be resolved publicly, either through a disposition agreement, public education letter, or adjudicatory hearing.

Staff Investigations

The Commission closed 39 cases following informal staff investigations. At the end of FY 2011, there were 21 ongoing informal staff investigations.

Formal Inquiries

The Commission authorized a total of 46 formal inquiries in FY 2011 regarding alleged violations of the conflict of interest law. Thirty subjects of formal inquiries were municipal officials or employees; 9 were state officials or employees; 5 involved county employees; 1 subject could not be unidentified; and 1 was a private citizen. During FY 2011, Enforcement Division staff completed 36 formal inquiries into alleged violations of the conflict of interest law that were either initiated in FY 2011 or carried over from FY 2010.

Of the 36 formal inquiries completed in FY 2011, in 14 cases the Commission found reasonable cause to believe that a violation of the conflict of interest law had occurred and authorized adjudicatory proceedings. Ten of those cases were later resolved with Disposition Agreements, negotiated settlement agreements in which the subject admits to having violated the conflict of interest or financial disclosure law and agrees to pay a civil penalty.

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In 15 of the formal inquiries completed in FY 2011, the Commission issued 16 confidential compliance letters, advising subjects of their violations and explaining the consequences of future misconduct. Seven cases were terminated, and one formal inquiry was resolved with the issuance of a public education letter. Twenty-five formal inquiries were carried over into the new fiscal year. Six Orders to Show Cause were issued formally charging one state employee and 5 municipal employees with conflict of interest law violations.

At the end of FY 2011, the Commission had 4 public adjudicatory hearings pending.

Public Resolutions

In FY 2011, the Commission completed 5 adjudicatory hearings, which resulted in Decisions and Orders. The Commission also entered into 21 Disposition Agreements involving violations of the conflict of interest law: Seven with current or former state employees, and 14 with current or former municipal officials or employees. In these agreements, subjects admitted to violating G.L. c. 268A, and agreed to pay civil penalties.

Penalties

In FY 2011, the Ethics Commission assessed civil penalties for violations of the conflict of interest law in the total amount of \$98,340 through Disposition Agreements or Decisions and Orders. Penalties imposed in FY 2011 averaged more than \$3,900.

FINANCIAL DISCLOSURE LAW

Complaints

In FY 2011, the Enforcement Division received 40 complaints alleging violations of the financial disclosure law, G.L. c. 268B. Thirty-one complaints involved state employees, 5 involved county employees and 4 involved candidates for elected state office. In addition, 6 SFI matters were carried over from FY 2010.

Resolutions

In FY 2011, the Enforcement Division recommended 4 SFI matters for formal review by the Commission. In one instance, the subject entered into a Disposition Agreement with the

HIGHLIGHTS

5 adjudicatory proceedings were concluded in FY 2011

Average civil penalty assessed by the Commission in FY 2011 was more than \$3,900

40 complaints alleging financial disclosure law violations were received in FY 2011

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ENFORCEMENT DIVISION

Commission and paid a civil penalty. Another matter was terminated by the Commission due to extenuating circumstances. The remaining two matters resulted in the issuance of Orders to Show Cause formally charging 2 state employees with violating the financial disclosure law. One adjudicatory proceeding resulted in a Commission decision dismissing the case due to extenuating circumstances, and the other adjudicatory proceeding resulted in a Decision and Order imposing a civil penalty upon the subject.

Two SFI adjudicatory proceedings were carried over from FY 2010. One proceeding resulted in a Commission Decision and Order imposing a civil penalty upon the subject, and the other adjudicatory proceeding resulted in the Commission approving a Disposition Agreement in which the subject agreed to pay a civil penalty.

HIGHLIGHTS

New civil penalty schedule for late-filed SFIs adopted by the Commission in FY 2011

4 SFI adjudicatory proceedings were completed in FY 2011

There were no formal reviews of SFI matters pending as of June 30, 2011. The remaining SFI matters were carried over to the new fiscal year.

Late Filing

Failure to file on time or to amend an inaccurate or incomplete statement is a violation of the financial disclosure law. Until applicable provisions of the Ethics Reform Law went into effect on September 29, 2009, the Commission could levy penalties of up to \$2,000 for each violation. For violations occurring on or after September 29, 2009, the civil penalty was increased to a maximum of \$10,000.

The following schedule of penalties for late-filing an SFI was in effect until September 10, 2010:

- | | |
|------------------------|----------------|
| • 1-10 days late | \$ 100 |
| • 11-20 days late | \$ 200 |
| • 21-30 days late | \$ 400 |
| • 31 days or more | \$ 1,000 |
| • Non-filing of an SFI | Up to \$10,000 |

As of September 11, 2010, for SFIs for Calendar Year 2010, the Commission adopted the following schedule of penalties:

- | | |
|-------------------|--------|
| • 1-10 days late | \$ 100 |
| • 11-20 days late | \$ 200 |

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• 21-30 days late	\$ 300
• 31-40 days late	\$ 400
• 41-50 days late	\$ 500
• 51-60 days late	\$ 600
• 61-70 days late	\$ 700
• 71-80 days late	\$ 800
• 81-90 days late	\$ 900
• 91-100 days late	\$ 1,000
• 101- 110 days late	\$ 1,100
• 111-120 days late	\$ 1,200
• 121 days to the day before an Order to Show Cause is issued by the Enforcement Division of the Commission	\$ 1,250
• Date Order to Show Cause is issued to the day before Decision and Order issued by Commission	\$ 2,500
• Date Decision and Order is issued	Up to \$10,000

HIGHLIGHTS

29 SFI matters referred to
the Enforcement Division
at the end of FY 2011

The Commission assessed
civil penalties totaling
\$2,150 for financial
disclosure law violations
in FY 2011

Any person who willfully files a materially false SFI may be subject to civil and criminal penalties. In addition, pursuant to G.L. c. 268B, section 5(e), employees who do not file on time may not continue to perform their public duties or be paid until they do so. The Commission notified the employing agencies of employees who failed to file their SFIs by the May 2, 2010 deadline. As a result, all but 6 current public employees and 31 former public employees who had not filed by the deadline filed their SFIs by June 16, 2011.

A total of 540 filers missed either the May 2, 2011 deadline for appointed public employees, or the May 31, 2010 deadline for elected public officials. They were sent formal late notices. By the end of FY 2011, 6 current public employees and 31 former public employees had failed to file their 2010 SFIs. Of this number, 29 filers failed to file within the 10 day grace period after receiving a formal late notice, and those matters were referred to the Enforcement Division.

Penalties

In FY 2011, 4 late filers were assessed civil penalties by the Ethics Commission totaling \$2,150 for violations of the financial disclosure law.

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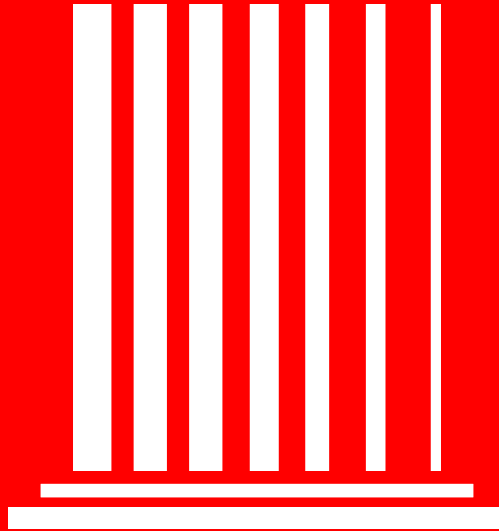


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