



TO: Board Members
FROM: Kevin Patteson, Executive Administrator
Les Trobman, General Counsel
DATE: April 22, 2015
SUBJECT: Revised Ethics Policy

ACTION REQUESTED

Consider and approve the revised Texas Water Development Board (TWDB) ethics policy.

BACKGROUND

Texas Government Code § 572.051 (c) requires Texas state agencies to adopt an ethics policy consistent with the standards of conduct and conflict of interest provisions enumerated in § 572.051(a).

Pursuant to § 572.051(d) of the Texas Government Code, the Office of the Attorney General (OAG), in conjunction with the Texas Ethics Commission, developed a model ethics policy. However, no state entity is required to utilize the model ethics policy when developing and/or adopting its own policy. The OAG developed the model ethics policy to function as a general policy that can be used as a guide for minimum levels of ethical requirements for state employees. In fact, noting the many differences among state entities, the OAG recommends that each entity develop an ethics policy that addresses the entity’s unique situation and organizational needs.

In 2008, the TWDB adopted the model ethics policy, with additional discussion of the provision added to the policy.

KEY ISSUES

Although the statute and model policy have not changed since 2008, the TWDB very recently reviewed its existing policy and current law regarding ethics, standards of conduct, and conflicts of interest. The relevant provisions of the current Employee Handbook were also reviewed. The updated policy, incorporating updates and ensuring alignment with the Employee Handbook, is attached for your review and consideration. This revised policy also retains the substantive portions of the OAG model policy.

In addition to retaining several substantive provisions of the 2008 policy, notably, the revised policy does the following:

- Incorporates fraud, waste and abuse
- Addresses travel expenses and reimbursements
- Expands information regarding conflicts of interest

RECOMMENDATION

The Executive Administrator recommends approval of the revised Ethics Policy. The following will occur immediately after approval:

- In accordance with Texas Water Code § 6.106, a broadcast email will be sent to current agency staff advising them of the revised ethics policy and Texas Government Code, Chapter 572, Subchapter C.
- An overview of the revised policy will be presented at an upcoming agency-wide meeting.
- Human Resources will distribute the revised policy, as well as a copy of the Texas Government Code Chapter 572, Subchapter C, to new staff as required by Texas Government Code § 572.051(c). An employee acknowledgment form to document that the revised policy and Government Code Chapter 572, Subchapter C will be retained in the employee's file.

Attachment(s):

Revised policy
Comparison chart of revised policy to 2008 policy

**TEXAS WATER DEVELOPMENT BOARD
ETHICS POLICY**

1. OVERVIEW.

1.1 Pursuant to Section 572.051(c) of the Texas Government Code, the Texas Water Development Board (hereinafter referred to as “TWDB”) promulgates the following ethics policy. This ethics policy prescribes standards of conduct for all TWDB employees. This ethics policy does not supersede any applicable federal or Texas law or administrative rule.

1.2 All TWDB employees must familiarize themselves with this ethics policy and Texas Government Code, Chapter 572, Subchapter C.

1.3 All TWDB employees must abide by all applicable federal and Texas laws, administrative rules, and TWDB policies governing employee conduct, including this ethics policy. A TWDB employee who violates any provision of the TWDB’s conduct policies is subject to discipline up to and including termination of the employee’s state employment. A TWDB employee who violates any applicable federal or Texas law or rule may be subject to civil or criminal penalties in addition to any employment-related sanction.

2. ANTI-FRAUD POLICY AND REPORTING OF WRONGFUL OR FRAUDULENT CONDUCT.

2.1 Anti-Fraud Statement. The TWDB does not tolerate any type of fraud, waste, or abuse. The TWDB is committed to ensuring that our organization maintains the highest standards of ethical conduct and integrity throughout all aspects of its operations. As public servants, TWDB employees are guardians of the resources entrusted to them and have a responsibility to the citizens of Texas to ensure that those resources are used efficiently and for their intended purposes. The TWDB does not tolerate any form of retaliation against individuals providing information concerning suspected fraud, material waste, abuse, or other unethical behavior.

2.2 Employee Responsibility. If an employee has reasonable cause to believe that TWDB financial or inventoried resources may have been lost, misappropriated, or misused, or that other fraudulent or unlawful conduct has occurred, he or she shall timely and promptly report the reason or basis for the belief to the Director of Internal Audit, or to the State Auditor’s Office.

3. TWDB EXPENSES AND ALLOWANCES.

3.1 Transportation, Meals, and Lodging. Employees of the TWDB are entitled to receive the following when traveling to conduct official business:

(1) Actual costs of lodging and meals for in-state travel, except that such reimbursements may not exceed the current maximum established by law;

(2) For out-of-state travel, employees may receive actual costs for lodging and a per diem for meals not to exceed the locality-based allowance provided by the Federal Travel Regulations for lodging and meals unless the State Comptroller determines in advance of the travel that local conditions warrant a change in the lodging rate for a particular location.

3.2 Purpose of Travel. To qualify for travel reimbursements, the purpose of a trip must be "state business" or "official business" of the TWDB. State or official business is the accomplishment of a governmental function directly entrusted to the TWDB, including the reasonably necessary means and methods to accomplish that function.

3.3 Improper Travel Reimbursement. When an employee engages in travel for which compensation is to be received from any source other than TWDB funds, he or she shall not submit a claim for travel reimbursement to the TWDB. An employee who receives an overpayment for a travel expense shall reimburse the TWDB for the overpayment. Reimbursement of travel expenses by parties outside of the TWDB must be reviewed and approved, in advance, by the TWDB's Office of General Counsel in order to ensure that no conflict exists.

3.4 Travel Bonus (Frequent Flyer) Awards. TWDB employees who earn credit with airlines, hotels, car rental companies, etc. for official travel are not required to account for such credit or to use such for official travel only.

4. CONFLICTS OF INTEREST.

4.1 Ethics Commission Financial Disclosure Statements. Where applicable, employees of the TWDB shall file an annual financial statement in accordance with the requirements of the Texas Ethics Commission.

4.2 Contracts Involving Pecuniary Interests. Employees of the TWDB who, either directly or indirectly, hold a pecuniary interest in any business entity seeking to enter into

a contract with the TWDB should immediately disclose such pecuniary interest to the employee's immediate supervisor as well as the TWDB's Office of General Counsel.

4.3 Potential Conflict of Interest of Employee. As soon as possible after becoming aware of any potential conflict of interest, an employee shall disclose such fact and any other relevant information to his/her immediate supervisor, as well as the TWDB's Office of General Counsel.

4.4 Disclosure of Interest in Property to be Acquired. TWDB employees are required to disclose any legal or equitable interest in property that is to be acquired with public funds. Such disclosure must be made at least 10 days before the date the property is to be acquired.

5. CODE OF ETHICS.

5.1 Prohibited Actions. An Employee of the TWDB shall not:

- (1) Accept or solicit any gift, favor, or service that might reasonably tend to influence the employee in the discharge of official duties or that the employee knows or should know is being offered with the intent to influence official conduct;
- (2) Accept employment or engage in a business or professional activity the employee might reasonably expect would require or induce him or her to disclose confidential information acquired by reason of his or her official position;
- (3) Accept other appointments or any employment or compensation that could reasonably be expected to impair the employee's independence of judgment in the performance of official duties;
- (4) Make personal investments that could reasonably be expected to create a substantial conflict between the employee's private interest and the public interest;
- (5) Intentionally or knowingly solicit, accept, or agree to accept any benefit for having exercised his or her official powers or performed official duties in favor of another;
- (6) Commit acts of fraud, dishonesty, or illegality in office, including (by way of example and not limitation) assisting others to obtain personal or financial benefits to which they are not entitled by law or policy; forging or altering checks, bank drafts, or other documents, financial or otherwise; or, knowingly authorizing improper transactions or

expenditures of public funds; and/or

(7) Receive any compensation for services as a state employee from any source other than the State of Texas, except as otherwise permitted by law.

6. BENEFITS, GIFTS AND HONORARIA.

6.1 Definitions. A "benefit" is anything reasonably regarded as pecuniary gain or pecuniary advantage, including benefit to any other person in whose welfare an employee has a direct and substantial interest.

6.2 Bribery. An employee shall not solicit, offer, or accept any benefit in exchange for his or her decision, opinion, recommendation, vote, or other exercise of official power or discretion.

6.3 Prohibited Benefits. An employee shall not solicit, accept, or agree to accept any benefit from any person the employee knows is interested in or is likely to become interested in any contract, purchase, payment, claim, or transaction involving the employee's discretion. This prohibition does not apply to (1) gifts or other benefits conferred on account of kinship or a personal, professional, or business relationship independent of an employee's status as an employee; (2) a fee prescribed by law to be received by an employee or any other benefit to which he or she is lawfully entitled or for which he or she gives legitimate consideration in a capacity other than as an employee of the TWDB; (3) a gift, award, or memento that is received from a lobbyist who is required to make reports under Government Code, Chapter 305 and, (4) items having a value of less than \$50, not including cash or negotiable instruments.

6.4 Food, Lodging, Transportation, and Entertainment Received as a Guest. An employee may accept food, lodging, transportation, or entertainment from persons or entities he or she knows or reasonably should know are interested in or likely to become interested in a contract, purchase, payment, claim, decision, or transaction involving the exercise of the TWDB's discretion only if the employee is a "guest" as defined by Texas law. An employee is a "guest" if the person or a representative of the entity providing the food, lodging, transportation, or entertainment is present at the time the food, lodging, transportation, or entertainment is received or enjoyed by the employee.

6.5 Gifts or Benefits From Friends, Relatives, and Associates. Employees may accept gifts or benefits from personal friends, relatives, or business associates with whom they have a relationship independent of their official status, so long as the benefit is not offered in exchange for official action or decision.

6.6 Awards. Employees may accept plaques and similar recognition awards.

6.7 Honoraria. Employees may not solicit, accept, or agree to accept an honorarium in consideration for services they would not have been asked to provide but for their official position or duties. This prohibition includes a request for or acceptance of a payment made to a third party if made in exchange for such services. However, they may accept the direct provision of or reimbursement for expenses for transportation and lodging incurred in connection with a speaking engagement at a conference or similar event, provided the Employee's participation is more than merely perfunctory. Meals provided as a part of the event or reimbursement for actual expenses for meals may also be accepted.

6.8 Acceptance of Gifts by the TWDB. Employees should exercise caution prior to accepting any gift from any outside party on behalf of the agency. Please note that gifts may take the form of virtually any tangible item or service of value, including but not limited to travel, lodging and meals. To the extent that a gift made to the TWDB has a value in excess of \$500, the TWDB's governing Board must acknowledge the acceptance of the gift during an open meeting held not later than the 90th day after the date the gift is accepted. Regardless of the value of a proposed gift to be made to the TWDB, employees are strongly encouraged to seek review, in advance, from the TWDB's Office of General Counsel in order to ensure that no conflict exists.

7. POLITICAL ACTIVITIES.

7.1 Use of TWDB Funds, Personnel or Property. No Employee shall expend or devote TWDB funds, personnel or property for the purpose of influencing the outcome of any election, or the passage or defeat of any legislative measure. Use of property includes the use of TWDB supplies, electronic mail, telephones, fax machines or any other tangible item purchased with public funds for official use by the TWDB.

7.2 Use of Official Authority Prohibited. No TWDB employee may use his or her official authority or influence, or permit the use of a program administered by the TWDB to interfere with or affect the result of an election or nomination of a candidate or to achieve any other political purpose. No TWDB employee may engage in any act or attempt to interfere with anyone who seeks to pay, lend, or contribute private funds or private property to a person or political organization for political purposes. Any employee who violates either of these provisions is subject to immediate termination of employment, in accordance with the Government Code.

7.3 Employees as Candidates and Officeholders. TWDB employees may run for election and serve as members of the governing bodies of school districts, cities, towns, or other

local governmental districts. No campaign activities may be conducted during official business hours unless the employee has requested and received permission to use accrued leave time for such purpose. Any employee elected to such a position may not receive any salary for serving as a member of such governing bodies.

7.4 Political Contributions from Employees. TWDB employees may make personal contributions to candidates for office and political organizations, with the exception that no state employee may contribute personal services, money, or goods of value to a candidate campaigning for speaker of the Texas House of Representatives.

8. USE OF AUTHORITY.

8.1 Misapplication of Property. An employee shall not intentionally or knowingly misapply anything of value belonging to the government that comes into the employee's custody or possession by virtue of his or her employment with the TWDB with the intent to obtain a benefit or to harm another.

8.2 Nepotism. Employees must adhere to the requirements set forth in the TWDB Employee Handbook with regard to employment of relatives.

8.3 Misuse of Official Information. An Employee shall not, in reliance on information to which he or she has access in his or her official capacity and which has not been made public: (1) acquire or aid another in acquiring a pecuniary interest in any property, transaction, or enterprise that may be affected by the information; or, (2) speculate or aid another in speculating on the basis of such information.

PROPOSED REVISED ETHICS POLICY

2008 ETHICS POLICY (Based on AG model)

<p>I. OVERVIEW</p> <p>1.1 Pursuant to Section 572.051(c) of the Texas Government Code, the Texas Water Development Board (hereinafter referred to as “TWDB”) promulgates the following ethics policy. This ethics policy prescribes standards of conduct for all TWDB employees. This ethics policy does not supersede any applicable federal or Texas law or administrative rule.</p>	<p>I. INTRODUCTION</p> <p>ETHICS is the discipline dealing with what is good and bad and with moral duty and obligation. The employees of the TWDB are public servants and are required to adhere to this ethics policy.</p>
<p>1.2 All TWDB employees must familiarize themselves with this ethics policy and Texas Government Code, Chapter 572, Subchapter C.</p>	<p>II. POLICY</p> <p>All TWDB employees must familiarize themselves with this ethics policy.</p>
<p>1.3 All TWDB employees must abide by all applicable federal and Texas laws, administrative rules, and TWDB policies governing employee conduct, including this ethics policy. A TWDB employee who violates any provision of the TWDB’s conduct policies is subject to discipline up to and including termination of the employee’s state employment. A TWDB employee who violates any applicable federal or Texas law or rule may be subject to civil or criminal penalties in addition to any employment-related sanction.</p>	<p>All TWDB employees must abide by all applicable federal and Texas laws and rules relating to Conflict of Interest, Nepotism, Outside Employment, Acceptance of Gifts and Benefits, Use of Agency Resources and this Ethics Policy.</p> <p><u>Any TWDB employee who violates any provision of federal and Texas laws and rules, including this Ethics Policy is subject to termination of the employee’s state employment or another employment-related sanction.</u> Any TWDB employee who violates any applicable federal or Texas law or rule may be subject to civil or criminal penalties in addition to any employment-related sanction.</p>
	<p>Any employee who has a question or concern about the appropriate, applicable standards of conduct or about this Ethics Policy shall discuss the question or concern with the Human Resources or Legal program areas.</p>

<p>2. ANTI-FRAUD POLICY AND REPORTING OF WRONGFUL OR FRAUDULENT CONDUCT.</p> <p>2.1 Anti-Fraud Statement. The TWDB does not tolerate any type of fraud, waste, or abuse. The TWDB is committed to ensuring that our organization maintains the highest standards of ethical conduct and integrity throughout all aspects of its operations. As public servants, TWDB employees are guardians of the resources entrusted to them and have a responsibility to the citizens of Texas to ensure that those resources are used efficiently and for their intended purposes. The TWDB does not tolerate any form of retaliation against individuals providing information concerning suspected fraud, material waste, abuse, or other unethical behavior.</p>	<p>None.</p>
<p>2.2 Employee Responsibility. If an employee has reasonable cause to believe that TWDB financial or inventoried resources may have been lost, misappropriated, or misused, or that other fraudulent or unlawful conduct has occurred, he or she shall timely and promptly report the reason or basis for the belief to the Director of Internal Audit, or to the State Auditor’s Office.</p>	
<p>3. TWDB EXPENSES AND ALLOWANCES.</p> <p>3.1 Transportation, Meals, and Lodging.</p> <p>3.1.1 Employees of the TWDB are entitled to receive the following when traveling to conduct official business:</p> <ul style="list-style-type: none"> (1) Actual costs of lodging and meals for in-state travel, except that such reimbursements may not exceed the current maximum established by law; (2) For out-of-state travel, employees may receive actual costs for lodging and a per diem for meals not to exceed the locality-based allowance provided by the Federal Travel Regulations for lodging and meals unless the State Comptroller determines in advance of the travel 	<p>None.</p>

<p>that local conditions warrant a change in the lodging rate for a particular location.</p>	
<p>3.2 Purpose of Travel. To qualify for travel reimbursements, the purpose of a trip must be "state business" or "official business" of the TWDB. State or official business is the accomplishment of a governmental function directly entrusted to the TWDB, including the reasonably necessary means and methods to accomplish that function.</p>	
<p>3.3 Improper Travel Reimbursement. When an employee engages in travel for which compensation is to be received from any source other than TWDB funds, he or she shall not submit a claim for travel reimbursement to the TWDB. An employee who receives an overpayment for a travel expense shall reimburse the TWDB for the overpayment. Reimbursement of travel expenses by parties outside of the TWDB must be reviewed and approved, in advance, by the TWDB's Office of General Counsel in order to ensure that no conflict exists.</p>	
<p>3.4 Travel Bonus (Frequent Flyer) Awards. TWDB employees who earn credit with airlines, hotels, car rental companies, etc. for official travel are not required to account for such credit or to use such for official travel only.</p>	
<p>4. CONFLICTS OF INTEREST.</p> <p>4.1. Ethics Commission Financial Disclosure Statements. Where applicable, employees of the TWDB shall file an annual financial statement in accordance with the requirements of the Texas Ethics Commission.</p>	<p>None.</p>
<p>4.2 Contracts Involving Pecuniary Interests. Employees of the TWDB who, either directly or indirectly, hold a pecuniary interest in any business entity seeking to enter into a contract with the TWDB should immediately disclose such pecuniary interest to the employee's immediate supervisor as well as the TWDB's Office of General Counsel.</p>	

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2008 ETHICS POLICY (Based on AG model)

4.3 Potential Conflict of Interest of Employee. As soon as possible after becoming aware of any potential conflict of interest, an employee shall disclose such fact and any other relevant information to his/her immediate supervisor, as well as the TWDB's Office of General Counsel.

4.4 Disclosure of Interest in Property to be Acquired. TWDB employees are required to disclose any legal or equitable interest in property that is to be acquired with public funds. Such disclosure must be made at least 10 days before the date the property is to be acquired.

5. CODE OF ETHICS

5.1 Prohibited Actions. An Employee of the TWDB shall not:

(1) Accept or solicit any gift, favor, or service that might reasonably tend to influence the employee in the discharge of official duties or that the employee knows or should know is being offered with the intent to influence official conduct;

II. STANDARDS OF CONDUCT

A. An employee shall not:

(1) accept or solicit any gift, favor, or service that might reasonably tend to influence the employee in the discharge of official duties, or that the employee knows or should know is being offered with the intent to influence the employee's official conduct.

Discussion: The Texas Penal Law crime of Bribery is the primary prohibition on acceptance or solicitation of any gift, favor or service. An agency employee should never ask for or accept any thing of value in exchange for performing his job duties in any particular way. An agency employee should easily be able to determine whether a person is offering a gift, favor, or service because the giver wants to influence the employee's performance of official agency business. If in doubt, then check it out by asking Human Resources or Legal program areas. Although an employee may never accept a gift that might tend to influence his employment, the law recognizes that employees may sometimes accept gifts without violating the Penal Law.

(a) you may accept a gift from a person doing business or seeking to do

	<p>business with the TWDB if that person is a relative or a longtime personal or professional friend. This does not mean that you may accept the gift in return for a favor. You will not be subject to disciplinary action if you can prove a longtime relationship with the person or that the person is a relative who regularly gives you gifts.</p> <p>(b) you may accept items of minimal value; minimal value means less than \$50.00; however, this does not mean that you can accept a gift with a value of \$49.99 every day. This does mean that you can accept mugs, gimme caps, thumb drives, or other items of minimal value; however you can never accept them if you intend to do a favor for the person who gives the gift.</p>
<p>5.1 Prohibited Actions (cont'd). An Employee of the TWDB shall not:</p> <p>(2) Accept employment or engage in a business or professional activity the employee might reasonably expect would require or induce him or her to disclose confidential information acquired by reason of his or her official position;</p>	
<p>5.1 Prohibited Actions (cont'd). An Employee of the TWDB shall not:</p> <p>(3) Accept other appointments or any employment or compensation that could reasonably be expected to impair the employee's independence of judgment in the performance of official duties;</p>	<p>A. An employee shall not:</p> <p>(4) accept other employment, including self-employment, or compensation or engage in a business, charity, nonprofit organization, or professional activity that could reasonably be expected to impair the employee's independence of judgment in the performance of the employee's official duties.</p> <p><u>Discussion:</u> Each employee is required to disclose, on the TWDB's Outside Employment Form, any employment or activity, regardless of payment for that employment or activity. The disclosure of outside employment or activity provides the employee and the TWDB with the opportunity to analyze the employment to determine whether it constitutes a conflict of interest. Failure to submit an outside employment form can be the basis of disciplinary action.</p>

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<p>5.1 Prohibited Actions (cont'd). An Employee of the TWDB shall not:</p> <p>(4) Make personal investments that could reasonably be expected to create a substantial conflict between the employee's private interest and the public interest;</p>	<p>A. An employee shall not:</p> <p>(5) make personal investments, or have a personal or financial interest, that could reasonably be expected to create a substantial conflict between the employee's private interest and the public interest.</p> <p><u>Discussion:</u> An employee may not invest in an entity that contracts with the TWDB. An investment by a family member from whom the employee receives financial support is also prohibited. A substantial conflict is a conflict that causes the employee's judgment to be affected by the relationship with the other entity. An employee or an employee whose relative has with a financial interest in an entity doing business or seeking to do business with the TWDB shall immediately advise their supervisor of the conflict or potential conflict. The supervisor shall then remove the employee from all work associated with the entity. The employee's notice of a conflict of interest shall be in writing as shall the supervisor's response. The employee shall provide the Human Resource program area with a copy of the notice and the supervisor's response.</p> <p>Employees should use a common sense approach to conflicts of interest. If there is a possibility that the employee's or the employee's family relationships with the entity would create the appearance of impropriety, then the employee should disclose the relationship and refrain from working on matters related to that entity.</p>
<p>5.1 Prohibited Actions (cont'd). An Employee of the TWDB shall not:</p> <p>(5) Intentionally or knowingly solicit, accept, or agree to accept any benefit for having exercised his or her official powers or performed official duties in favor of another;</p>	<p>A. An employee shall not:</p> <p>(2) intentionally or knowingly solicit, accept, or agree to accept any benefit for having exercised his or her official powers or performed his or her official duties in favor of another.</p> <p><u>Discussion:</u> This prohibition is similar to the prohibition in (1) above. However, this prohibits the employee from asking another person for a</p>

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	<p>benefit, directly accepting a benefit or agreeing to accept a benefit for the performance of official agency business in a manner desired by the other person. The best practice is to avoid any appearance of doing a special favor for any customer, client or member of the public. The simple rule is to treat all customers, clients, and the public the same.</p>
<p>5.1 Prohibited Actions (cont'd). An Employee of the TWDB shall not:</p> <p>(6) Commit acts of fraud, dishonesty, or illegality in office, including (by way of example and not limitation) assisting others to obtain personal or financial benefits to which they are not entitled by law or policy; forging or altering checks, bank drafts, or other documents, financial or otherwise; or, knowingly authorizing improper transactions or expenditures of public funds; and/or</p>	<p>None. (There is no mention of fraud in the 2008 policy.)</p>
<p>5.1 Prohibited Actions (cont'd). An Employee of the TWDB shall not:</p> <p>(7) Receive any compensation for services as a state employee from any source other than the State of Texas, except as otherwise permitted by law.</p>	<p>None.</p>
	<p>A. An employee shall not:</p> <p>(3) disclose confidential information, information that is excepted from public disclosure under the Texas Public Information Act (Tex. Gov't Code Ann. ch. 552), or information that has been ordered sealed by a court, that was acquired by reason of the employee's official position, or accept other employment, including self-employment, or engage in a business, charity, nonprofit organization, or professional activity that the employee might reasonably expect would require or induce the employee to disclose confidential information, information that is excepted from public disclosure under the Texas Public Information Act, or information that has been ordered sealed by a court, that was acquired by reason of the employee's official position.</p> <p><u>Discussion:</u> During the course of employment, agency employees see</p>

	<p>draft documents, hear about TWDB’s plans and initiatives, or participate in deliberations about agency policy. Until Executive Management makes a final decision, then all drafts, policy decision meetings, and plans for implementation of projects is confidential. Some of the information agency employees regularly use is confidential by law. Agency employees shall not divulge confidential agency information to any person outside the agency. An employee who is engaged in outside employment with a private employer or who works for a charitable or other non-profit organization shall not divulge confidential information gained from the employee’s job at the TWDB. If you are unsure whether information is confidential, then please consult with Human Resources or Legal program areas. Do not engage in conversations about the confidential information gained through your job at the TWDB.</p>
	<p>A. An employee shall not:</p> <p>(6) utilize state time, property, facilities, or equipment for any purpose other than official state business, unless such use is reasonable and incidental and does not result in any direct cost to the state or to TWDB, interfere with the employee’s official duties, and interfere with TWDB functions.</p> <p><u>Discussion:</u> The TWDB strictly prohibits the use of state resources for personal benefit. No employee shall conducting personal business during work hours, or through use of state equipment. The TWDB recognizes that from time to time, an employee may need to use state telephone, fax or e-mail for personal business. Such incidental usage is allowed only for purposes such as making medical appointments or having conversations with medical providers, filing insurance forms, communicating with your child’s school, your spouses’ employer or similar matters. No employee may use state time or equipment to conduct outside business. No employee may offer any item for sale on state property or by the use of state equipment. No employee may provide a private business with access to state buildings, equipment or</p>

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	<p>other resources.</p>
	<p>A. An employee shall not:</p> <p>(8) knowingly make misleading statements, either oral or written, or provide false information, in the course of official state business.</p> <p><u>Discussion:</u> All TWDB employees are required to provide accurate, correct information to our customers, clients, vendors, contractors, supervisors, co-employees and any other person with whom the employee conducts official agency business. This prohibition is not a trap and the TWDB recognizes that honest mistakes do occur. However, it is the responsibility of every employee to take the time and make the effort to ensure that the information we provide is accurate.</p>
<p>6. BENEFITS, GIFTS AND HONORARIA.</p> <p>6.1 Definitions. A "benefit" is anything reasonably regarded as pecuniary gain or pecuniary advantage, including benefit to any other person in whose welfare an employee has a direct and substantial interest.</p>	<p>None.</p>
<p>6.2 Bribery. An employee shall not solicit, offer, or accept any benefit in exchange for his or her decision, opinion, recommendation, vote, or other exercise of official power or discretion.</p> <p><i>Similar to 5.1(1).</i></p>	<p>II. STANDARDS OF CONDUCT</p> <p>A. An employee shall not:</p> <p>(1) accept or solicit any gift, favor, or service that might reasonably tend to influence the employee in the discharge of official duties, or that the employee knows or should know is being offered with the intent to influence the employee's official conduct.</p> <p><u>Discussion:</u> The Texas Penal Law crime of Bribery is the primary prohibition on acceptance or solicitation of any gift, favor or service. An agency employee should never ask for or accept any thing of value</p>

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	<p>in exchange for performing his job duties in any particular way. An agency employee should easily be able to determine whether a person is offering a gift, favor, or service because the giver wants to influence the employee's performance of official agency business. If in doubt, then check it out by asking Human Resources or Legal program areas. Although an employee may never accept a gift that might tend to influence his employment, the law recognizes that employees may sometimes accept gifts without violating the Penal Law.</p>
<p>6.3 Prohibited Benefits. An Employee shall not solicit, accept, or agree to accept any benefit from any person the employee knows is interested in or is likely to become interested in any contract, purchase, payment, claim, or transaction involving the employee's discretion. This prohibition does not apply to (1) gifts or other benefits conferred on account of kinship or a personal, professional, or business relationship independent of an employee's status as an employee; (2) a fee prescribed by law to be received by an employee or any other benefit to which he or she is lawfully entitled or for which he or she gives legitimate consideration in a capacity other than as an employee of the TWDB; (3) a gift, award, or memento that is received from a lobbyist who is required to make reports under Government Code, Chapter 305 and, (4) items having a value of less than \$50, not including cash or negotiable instruments. An employee who receives an unsolicited benefit that he or she is prohibited from accepting by law may donate the benefit to a governmental entity that has the authority to accept the gift or may donate the benefit to a recognized tax-exempt charitable organization formed for educational, religious, or scientific purposes.</p>	<p>None.</p>
<p>6.4 Food, Lodging, Transportation, and Entertainment Received as a Guest. An employee may accept food, lodging, transportation, or entertainment from persons or entities he or she knows or reasonably should know are interested in or likely to become interested in a contract, purchase, payment, claim, decision, or transaction involving</p>	

PROPOSED REVISED ETHICS POLICY**2008 ETHICS POLICY (Based on AG model)**

<p>the exercise of the TWDB's discretion only if the employee is a "guest" as defined by Texas law. An employee is a "guest" if the person or a representative of the entity providing the food, lodging, transportation, or entertainment is present at the time the food, lodging, transportation, or entertainment is received or enjoyed by the employee.</p>	
<p>6.5 Gifts or Benefits From Friends, Relatives, and Associates. employees may accept gifts or benefits from personal friends, relatives, or business associates with whom they have a relationship independent of their official status, so long as the benefit is not offered in exchange for official action or decision.</p>	
<p>6.6 Awards. Employees may accept plaques and similar recognition awards.</p>	
<p>6.7 Honoraria. Employees may not solicit, accept, or agree to accept an honorarium in consideration for services they would not have been asked to provide but for their official position or duties. This prohibition includes a request for or acceptance of a payment made to a third party if made in exchange for such services. However, they may accept the direct provision of or reimbursement for expenses for transportation and lodging incurred in connection with a speaking engagement at a conference or similar event, provided the employee's participation is more than merely perfunctory. Meals provided as a part of the event or reimbursement for actual expenses for meals may also be accepted.</p>	
<p>6.8 Acceptance of Gifts by the TWDB. Employees should exercise caution prior to accepting any gift from any outside party on behalf of the agency. Please note that gifts may take the form of virtually any tangible item or service of value, including but not limited to travel, lodging and meals. To the extent that a gift made to the TWDB has a value in excess of \$500, the TWDB's governing Board must acknowledge the acceptance of the gift during an open meeting held not later than the 90th day after the date the gift is accepted. Regardless of the value of a proposed gift to be made to the TWDB, employees are strongly encouraged to seek review, in advance, from</p>	

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<p>the TWDB's Office of General Counsel in order to ensure that no conflict exists.</p>	
<p>7. POLITICAL ACTIVITIES</p> <p>7.1 Use of TWDB Funds, Personnel or Property. No employee shall expend or devote TWDB funds, personnel or property for the purpose of influencing the outcome of any election, or the passage or defeat of any legislative measure. Use of property includes the use of TWDB supplies, electronic mail, telephones, fax machines or any other tangible item purchased with public funds for official use by the TWDB.</p>	<p>A. An employee shall not:</p> <p>(9) engage in any political activity while on state time or utilize state resources for any political activity.</p> <p><u>Discussion:</u> The TWDB strictly prohibits any employee from engaging in any political activity on state time or with use of state telephone, computers, fax machines, scanners, personal digital assistants, or other state resources. Political activity means campaigning for an elected official at any level of government, displaying political literature, including buttons, bumper stickers, etc. on state property (this does not apply to your vehicle parked in a state parking lot) and using state resources to advance, promote, support or encourage any candidate, political party or political platform or view. TWDB employees shall conduct all agency business without regard to any person's political affiliation.</p> <p>Employees who want to be candidates for public office should consult with the Human Resources or Legal program area prior to taking any public steps toward candidacy. Human Resources and Legal will advise the employee about legal and ethical prohibitions on such activity.</p>
<p>7.2 Use of Official Authority Prohibited. No TWDB employee may use his or her official authority or influence, or permit the use of a program administered by the TWDB to interfere with or affect the result of an election or nomination of a candidate or to achieve any other political purpose. No TWDB employee may engage in any act or attempt to interfere with anyone who seeks to pay, lend, or contribute private funds or private property to a person or political organization for political purposes. Any employee who violates either of these provisions is subject to immediate termination of employment, in accordance with the Government Code.</p>	
<p>7.3 Employees as Candidates and Officeholders. TWDB employees</p>	

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<p>may run for election and serve as members of the governing bodies of school districts, cities, towns, or other local governmental districts. No campaign activities may be conducted during official business hours unless the employee has requested and received permission to use accrued leave time for such purpose. Any employee elected to such a position may not receive any salary for serving as a member of such governing bodies.</p>	
<p>7.4 Political Contributions from Employees. TWDB employees may make personal contributions to candidates for office and political organizations, with the exception that no state employee may contribute personal services, money, or goods of value to a candidate campaigning for speaker of the Texas House of Representatives.</p>	
<p>8. USE OF AUTHORITY.</p> <p>8.1 Misapplication of Property. An employee shall not intentionally or knowingly misapply anything of value belonging to the government that comes into the employee's custody or possession by virtue of his or her employment with the TWDB with the intent to obtain a benefit or to harm another.</p>	<p>A. An employee shall not:</p> <p>(7) utilize his or her official position, or state issued items, such as a badge, indicating such position for financial gain, obtaining privileges, or avoiding consequences of illegal acts.</p> <p><u>Discussion:</u> No employee may attempt to avoid fine, penalty or sanction by disclosing state employment. No employee may attempt to gain any advantage, not normally granted to a member of the public, because of state employment.</p>
<p>8.2 Nepotism. Employees must adhere to the requirements set forth in the TWDB Employee Handbook with regard to employment of relatives.</p>	
<p>8.3 Misuse of Official Information. An employee shall not, in reliance on information to which he or she has access in his or her official capacity and which has not been made public: (1) acquire or aid another in acquiring a pecuniary interest in any property, transaction, or enterprise that may be affected by the information; or, (2) speculate or aid another in speculating on the basis of such information.</p>	
	<p>B. An employee shall:</p>

	<p>(1) perform his or her official duties in a lawful, professional, and ethical manner befitting the state and the TWDB; and</p> <p>(2) report any conduct or activity that the employee believes to be in violation of this ethics policy to the TWDB’s Human Resources or Legal program.</p> <p><u>Discussion:</u> Adherence to ethical standards of behavior is the responsibility of every employee of the TWDB. Therefore, an employee is required to report suspected violations of this policy. An employee who has knowledge of ethical violations and fails to report them shall be subject to appropriate discipline including, if warranted, termination from employment. All employees are encouraged to seek guidance from the TWDB’s Human Resources or Legal program areas if they are concerned about the propriety of their own behavior or the behavior of other employees.</p>
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