



## MONTGOMERY COUNTY ETHICS COMMISSION

Public Meeting of January 12, 2016

### Minutes

#### IN ATTENDANCE:

Commissioners:	Kenita Barrow, Chair Claudia Herbert Steve Rosen
Staff Member:	Robert W. Cobb, Chief Counsel Erin Chu, Program Manager

Item 1. The meeting was called to order at 7:15 p.m.

Item 2. The minutes from the November 16, 2015, meeting were approved as presented.

Item 3. Mr. Cobb discussed roll-out of the annual financial disclosure reporting cycle in the context of the newly amended financial disclosure requirements. Mr. Cobb was pleased to report that with more than 300 submissions of financial disclosure reports, no major problems were encountered. He reported that the changes to the system required a very substantial amount of work, particularly from Erin Chu and DTS staff. Essentially every document relating to the financial disclosure system was rewritten or substantially revised, and the online financial disclosure reporting system needed to be revamped. On the information technology side, since the system is 14 years old, all the changes made had to be coded in, with an underlying framework that is not flexible, thereby limiting the options for display and requesting information. Mr. Cobb commended the work of Ms. Chu and DTS in connection with the successful roll-out of the system changes.

In the context of the roll-out, Mr. Cobb described a legal question arising out of the law changes that requires resolution from the Commission.

The financial disclosure statements mandated by Article IV of Chapter 19A specifically require the disclosure of indebtedness to, positions with, and sources of income from persons “doing business with” the County. Many financial disclosure filers have been inquiring what the term means, particularly with respect to whether lenders associated with mortgages, car loans and student loans are “doing business with” the County and are required to be reported.

The term “doing business with” is defined in 19A-4(e) of the Public Ethics Law, with each of the definitions focusing on a “transaction”, a term that is undefined in the law.

After discussion, the Ethics Commission determined, for purpose of financial disclosure only, that “transaction” in the definition of “doing business with” means a contract, grant or other agreement involving the exchange of funds for goods and/or services. It does not include routine payments of fees, taxes, or use of County provided programs or services, even where payments may be involved, such as through an application for a permit. For example, a bank holds a mortgage on an employee’s house; the bank submits tax payments on behalf of the employee to the County, and itself pays taxes on property it owns in Montgomery County. These activities do not constitute “doing business with” the County for purposes of the financial disclosure reporting requirements.

Item 4. Mr. Cobb briefly discussed the technical amendments to the ethics law that are being considered. He indicated that there would be a slight change in direction that would result in the addressing of financial disclosure provisions in County law other than in Chapter 19A that are incompatible with 19A. These provisions will accompany the draft provisions intended to address the minor issues identified by the State Ethics Commission with the revisions to the County law made in 2015.

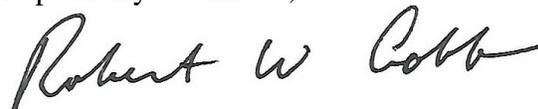
Item 5. Mr. Cobb briefly discussed the proposed changes to the CCOC law and the relevance of those changes to prior opinions of the Ethics Commission.

Item 6. The Commission considered the set of draft ethics regulations and agreed that Mr. Cobb should consult with the County Attorney’s office on next steps towards a formal regulatory proposal.

Item 7. The Commission postponed elections due to the absence of a Commission member.

Item 8. The Commission established February 23 as the date of its next meeting.

Respectfully Submitted,

A handwritten signature in black ink that reads "Robert W. Cobb". The signature is written in a cursive style with a large, prominent "R" and "C".

Robert W. Cobb  
Chief Counsel