



## MONTGOMERY COUNTY ETHICS COMMISSION

**Waiver 23-03-006**

**March 31, 2023**

Christine Hong is the Director of Homeless Services at Interfaith Works (IW). She has been appointed by the County Executive to the position of Chief of Services to End and Prevent Homelessness (SEPH) in the Department of Health and Human Services. Her interview with the County Council in connection with the appointment was held on March 28, 2023. The date of the anticipated Council vote on her appointment is scheduled for April 11, 2023.

The County Code at 19A-11(I) and (J) provide that unless permitted by a waiver, a public employee must not participate in any matter if the public employee knows or reasonably should know that any party to the matter is: any business or individual that in the previous 12 months employed the employee or an immediate family member of the employee; or any business in which the employee or an immediate family member of the employee was an officer, director, trustee, or partner in the previous 12 months. The prohibitions of 19A-11(I) and (J) are intended to prevent the lack of impartiality that is presumed to occur when County employees are called up to work on a matter in which their immediate past employer (somebody that compensated them in the prior 12 months) is a party to the matter.

Because of the significant role of IW in homeless services and the interaction between SEPH and IW in carrying out the SEPH mission, Ms. Hong would not be able to fulfill the duties of her position without a waiver of the prohibition in 19A-11 from the Ethics Commission pursuant to 19A-8(a) of the ethics law.

Section 19A-8 of the Montgomery County Code states that the Commission may grant to a public employee a waiver of the prohibitions of Sections 19A-11(1)(2)(I) and (J) if it finds that: the best interests of the County would be served by granting the waiver; the importance to the County of a public employee or class of employees performing official duties outweighs the actual or potential harm of any conflict of interest; and granting the waiver will not give a public employee or class of employees an unfair economic advantage over other public employees or members of the public.

Subject to the conditions explained further below, the Ethics Commission grants a waiver of 19A-11(I) and (J) pursuant to 19A-8(a) so that upon confirmation by Council of her appointment, she may execute the role as Chief of SEPH.

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SEPH is a division within DHHS that supports many of the most vulnerable members of the Montgomery County community. SEPH has a recommended FY24 budget of \$66,314,688 and has 137.40 full time personnel that carry out SEPH's mission of creating effective systems in our community to end homelessness. As one of the primary nonprofit organizations dedicated to addressing the needs of the homeless in Montgomery County, the County has contracts with IW that result in payments to IW in the millions of dollars each year. FY 2023 contract payments to IW approaches \$10,000,000.

Ms. Hong has spent over 17 years working at Interfaith Works on issues related to eliminating homelessness. Interfaith Works provides emergency shelter, supportive housing, essential needs, and employment programs to over 35,000 residents of Montgomery County each year. As the Director of Homeless Services with IW, she oversees the programs of one of the largest homeless services providers in Montgomery County.

In support of Ms. Hong's submission, the CAO states that Ms. Hong "is a trusted leader in the regional efforts to end homelessness. Her in-depth knowledge of the County's homeless services landscape makes her the best candidate to lead SEPH in its duties to support the needs of the County's most vulnerable populations."

The County and IW work collaboratively on a number of programs. As the Director of Homeless Services at IW, Ms. Hong was involved in managing these collaborations with the County for IW. As Director of SEPH, Ms. Hong, subject to the conditions in this waiver, would be responsible for the execution of the County's part in these collaborations.

SEPH and IW work together on the following programs:

**Coordinated Entry:** Coordinated entry is a process to ensure that all people experiencing a housing crisis have fair and equal access to remedies and are quickly identified, assessed for, referred, and connected to housing and assistance based on their strengths and needs. IW staff members attend the twice monthly meeting of all providers in Montgomery County to prioritize households for housing based on vulnerability using a data-driven, real-time process.

**Healthcare for the Homeless:** Healthcare for the Homeless provides medical and dental services to individuals experiencing homelessness in emergency shelters, street outreach, and transitional housing. IW is partnering with Healthcare for the Homeless to establish Lon's House, which will provide supportive housing and case management for men with chronic health problems and physical disabilities or severe mental illness.

**Homeless Services for Families:** Homeless Services for Families provides emergency shelter and transitional housing to families with children. IW receives referrals from this program and links families to permanent supportive housing.

**Homeless Services for Single Adults:** Homeless Services for Single Adults provides emergency shelter, street outreach, and transitional housing to adults experiencing homelessness. IW receives referrals and provides a drop-in center and four emergency shelters.

**Housing Initiative:** The Housing Initiative Program is a Housing First permanent supportive housing program serving individuals and families with disabilities. IW provides service coordination for individuals and families housed through this program.

**Interagency Commission on Homelessness:** The Interagency Commission on Homelessness coordinates the community's policies, strategies, and implementation of a housing and services system to prevent and end homelessness through a collaboration of public and private sector groups. IW is a part of the governing body, with the CEO as commissioner and the Director of Homeless Services sitting on 3 committees and 1 work group.

**Permanent Supportive Housing:** Permanent Supportive Housing is an evidence-based practice that provides immediate access to a permanent housing subsidy and long-term, wraparound support services to households with disabilities. IW operates 5 programs and receives referrals for these housing programs.

**Prevention:** Prevention provides conflict resolution, mediation, financial assistance, housing location, and case management to County residents at risk of or experiencing homelessness. The program's focus is to partner with families and individuals to resolve their housing emergency through creative problem-solving. IW refers individuals to receive assistance through this program.

**Rapid Rehousing:** Rapid Rehousing (RRH) is an intervention program designed to help individuals and families to quickly exit homelessness, return to housing in the community, and not become homeless again in the near term. IW's rapid rehousing program is funded by the County, and they accept referrals from the County.

**Rental Assistance:** The Rental Assistance Program (RAP) provides a shallow subsidy to individuals and families at risk of or currently experiencing homelessness. IW refers clients to this program, particularly eligible households that have graduated from other programs provided by IW.

Ms. Hong was recruited by the County Executive for her deep knowledge base of issues related to homelessness and successful implementation of services for persons experiencing homelessness in Montgomery County. The CAO has attested to Ms. Hong being the best person for this role and has whole-heartedly given his support to Ms. Hong's request for a waiver of ethics law to carry out the work of SEPH as its new Director. At the Council interview on March 28, Ms. Hong specifically addressed the 19A-11 conflict of interest issue before the Commission. The Council demonstrated overwhelming support of Ms. Hong for the position of SEPH director, notwithstanding the conflict of interest issue. In fact, some of the

Councilmembers specifically referenced the source of the conflict -- her experience as Chief of Homeless Services at IW – as also being what particularly qualifies her for the position of Director of SEPH.

The submission of Ms. Hong recognizes the particular sensitivity to procurement matters involving IW. The request for a waiver submits that “as an additional safeguard to limit the perception of conflicts of interest, all contract administration actions related to IW will be assigned to another DHHS employee for a period of 12 months.” The Commission notes that Ms. Hong also states in her submission that “as Chief of SEPH I will be completely impartial in all matters related to IW and will give all homeless organizations equal consideration on all matters.”

There are three separate findings the Ethics Commission must make to grant a waiver under 19A-8(a). With respect to Ms. Hong’s request, the Commission makes all three findings based on the support for the waiver from the CAO and the support for Ms. Hong’s appointment as reflected in the interview conducted by the County Council on March 28. The Ethics Commission finds that the best interests of the County would be served by granting the waiver. Ms. Hong’s value as the leader of SEPH has been attested to by the CAO and several members of the County Council and clearly, the elected officials of the County (with the CAO speaking for the County Executive) believe the appointment is in the best interest of the County, notwithstanding the prohibition in 19A-11. Likewise, the second necessary finding is that the importance to the County of Ms. Hong performing official duties outweighs the actual or potential harm of any conflict of interest; Ms. Hong’s intimate familiarity with the challenges faced by the County in addressing the needs of its homeless is well demonstrated by her experience; her interview with the Council emphasized her particular skills and abilities and the elected officials clearly believe she would be a needed and valued leader of SEPH, regardless of potential issues associated with a lack of impartiality towards her former employer. Because Ms. Hong would no longer be affiliated with IW when she begins employment with Montgomery County, there is no risk granting the waiver will result in Ms. Hong or other County employees an unfair economic advantage over other public employees or members of the public.

In reaching the conclusion that Ms. Hong merits a waiver under the standard in 19A-8(a), the Commission conditions the waiver on Ms. Hong recusing herself from all contract actions and decisions in which IW is a party for the period of one year from the date of Ms. Hong’s termination from employment with IW. Consequently, the waiver of the one-year prohibition does not apply to Ms. Hong’s involvement in procurement decisions or contract administration where IW is a party to the matter; such matters are still covered by the one year prohibition of 19A-11.

The Commission notes that after one year has expired from her termination of service with IW, Ms. Hong will still have a disclosure requirement in the event she is involved in a procurement matter involving IW. 19A-11(d) states:

*Procurement disclosure.* A public employee who participates in a procurement process with an individual or organization seeking to do business with the County that compensated the public employee for services performed more than 12 months before the participation began must disclose the prior relationship to the Procurement Director. The Procurement Director must include a statement of this disclosure in the procurement file.

This additional obligation of the ethics law is not waived and continues after the prohibitions of 19A-11(I) and (J) expire (whether the prohibitions have been waived or not.)

The Commission has relied on the facts provided to it by Ms. Hong in issuing this waiver.

For the Commission:



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Bruce Romer, Chair