



March 2023

**It's that time Again...
Annual Statement of Economic Interest (SEI) Due**



Since April 15th is a Saturday, the filing deadline for regular SEI filings is **APRIL 17, 2023**. So, you have a few extra days to admire what a good job you did with your SEI!

We encourage you to file your SEI electronically. It's fast, efficient, your information is saved for future filings, and you receive immediate confirmation of your filing. And you'll win the admiration of your ethics liaison! Last year 90% of SEI filings were electronically filed.



If you do not receive a confirmation number as soon as you e-file, you have not successfully submitted your SEI. Please log back in and make sure you completed all sections and hit the "submit" button.

We still offer manual filing for those who cannot file electronically but hope you will give electronic filing a try. Trust us, we're the Ethics Commission. You will be surprised at how easy it really is. Here is the website link to get started: [SEI Website](#).



Manual Filers--Please Check, Check, Check SEI Before Submission!

Many SEI questions require that you respond by checking "yes" or "no." It is common for manual filers to miss those questions, requiring resubmission of SEIs. Please make sure you check those boxes and provide details if you check "yes." In addition, remember to sign your SEIs. These errors require refileing of the SEI and raise the possibility of missing the filing deadline.

Other common SEI errors:



- **Income Question:** You should list income sources (not amounts) of over \$5,000. Many select "*I had no reportable income over \$5,000*", which in some cases is an error. For instance, if you or immediate family members are employed, you most likely have income of \$5,000 or more and need to disclose it.
- **"Reason for Filing":** Please respond to this question by listing the entity on which you serve which requires that you file a SEI. Our electronic SEI filing system lists all covered Agencies, Boards, Commissions, Community Colleges, Universities, and TACs, so make sure you make the correct selection(s). If you serve on more than one entity, you should list them all on one SEI, to avoid the need for multiple filings.
- **Missing Real Estate Disclosure Form (RED) for RPO/MPO filers:** If you are filing because you serve on a MPO/RPO Transportation Advisory Committee, you must select your TAC as your "Reason for Filing." Otherwise, the e-filing system will not prompt you to complete a RED. Manual filers, to ensure your RED is included, download it from [MPO/RPO TAC Filers](#).

FREQUENTLY ASKED SEI QUESTIONS

Q: Who must file?

A: Members of State boards, legislators, and judicial officers (justices, judges, district attorneys, clerks of court) must file an SEI, along with certain State employees in exempt positions making over \$60,000.

Q: Do I have to file if my term on a Board or Commission has expired or will expire before April 17?

A: If your term has expired or will expire on or before April 17, 2023, *but you continue to serve because you have not been replaced* prior to that date, you are still required to file a SEI.

Q: Where Can I Check My Agency or Board's SEI Compliance?

A: You can check compliance, including your SEI filing date and education received date for your board or agency, here: [SEI Compliance Tool](#).

TEST YOUR SEI KNOWLEDGE



Income Disclosure:

If Mr. Smith and his spouse earned a State salary last year, is this considered reportable income?

- Yes, Mr. Smith should report any income over \$5,000 received by him, or his spouse, in response to the income question on the SEI. Although the identity of the employer may have already been listed in response to the employer question at the beginning of the SEI, the income question should also include this information.

Stock Questions:

As of December 31, 2022, Mr. Smith owned stock valued at \$9,600 in GM and \$11,500 in Google. He also owned \$22,700 in a technology-focused mutual fund which holds stock in Apple as well as other technology companies. What should Mr. Smith list in response to the stock question on the SEI?

- Mr. Smith **is not** required to report the GM stock because as of December 31st, it did not meet the \$10,000 reporting threshold for individual stocks.
- Mr. Smith **is** required to report the Google stock because it was over \$10,000 in value as of December 31st.
- Question 3 excludes stocks owned in mutual funds from the reporting requirement. Although the value of Mr. Smith's interests in the technology mutual fund exceeded \$10,000, that interest is not reportable.

Ms. Jones has extensive stock ownership. Can she just list the name of her brokerage company and ask Ethics Commission staff to contact the company for more information?

- No. Each filer is obligated to disclose those interests on their SEI. This enables members of the public and the filer's colleagues to understand the filer's interests in the event there is a potential conflict of interest. Stocks may be listed on the SEI or on an attachment to the SEI. But please don't specify the value or number of shares owned!

Ethics Commission True or False Trivia

- 1) Completed Statements of Economic Interest are stored deep in a bank vault.

False. Your SEI and any attachments, excluding the Confidential Unemancipated Minors Form, are public record and are available for review on the Commission's website: [SEI Search](#).

- 2) The Contact form filed with your SEI is public.

False. The contact form is not publicly available on the Commission's website.

- 3) Legislators, Judges, District Attorneys, and Clerks of Court whose terms ended in 2022 must file a 2023 SEI.

True. The Ethics Act requires that all covered elected officials file an SEI in the year following the end of their service.

- 4) After filing your initial SEI Long Form, you can file a SEI "No Change Form" in subsequent years.

Maybe. Every year you should carefully review the disclosures made on your **last filed** Long Form. You may file a No Change Form **only** if there have been no changes to your disclosures since the filing of that Long Form.

Examples of changes requiring the filing of a Long Form include changes to you and your immediate family's employers, stock holdings, or board memberships.



Ethics by the Numbers

Ethics staff has been very busy this year. Let's review the numbers:

- The Ethics Commission currently has 9 staff members. We are small, but mighty! We are hiring for two positions which will bring our staff to 11.
- The Commission regulates some **6,500** individuals in a variety of roles, including members of **260** State boards.
- Over **7,290** SEIs and **594** Real Estate Disclosure forms were filed in 2022.
- The Ethics Act requires that most new appointees' SEIs be evaluated by Commission staff prior to serving, and every two years thereafter. This SEI evaluation requirement is unique to North Carolina, most states only act as repositories for financial disclosure statements but do not individually evaluate those disclosures. In 2022, SEI Unit staff evaluated nearly **2,300** SEIs.
- Commission staff also provides required education to covered State employees and State board members. In 2022, the Commission educated nearly **2,200** officials.
- Commission staff also provides guidance to legislators, covered State employees, and State board members. In 2022, Commission staff issued over **500** advisory opinions.
- Complaints Unit staff investigates complaints of violations of the Ethics Act and Lobbying Law. In 2022, staff received **27** complaints filed under those laws. The Complaints Unit also assists members of the public who have concerns that do not arise under the Ethics Act by directing them to the appropriate forum to express their concerns. In 2022, staff assisted over **200** citizens with such concerns.

Hero Corner

Because Ethics Liaisons are our heroes!

Did you know...?

Drum Roll Please -- Introducing the new EL Updates Webform!

Ethics liaisons serve as the point of contact between a state agency or board and the Ethics Commission. A key responsibility of a liaison is to notify the Ethics Commission when a newly covered person is appointed to, or employed by, a state board or agency; or when a covered person retires, resigns, or leaves their position.


With the frequency of appointments, resignations, and changes in employment, this can be a tricky task to keep up with. To streamline the process, we have created an online form for liaisons to submit changes to their state board or agency:


[Ethics Liaison Update Webform](#)

The form allows the user to update a state board or agency ethics liaison as well as covered persons. It is conveniently located in the Ethics Liaison tab on the Commission's website. Use the link above to check it out! If you have any feedback on the form, please email the SEI unit at sei@ethics.nc.gov and title the subject line "EL Webform."



Ethics Liaison Superheroes – Recognition for Outstanding Service

 **SUZANNE LEVER** of the **State Bar Council** works diligently to keep the Council in compliance with ethics requirements. She informs new members of their responsibility to file a SEI and participate in an ethics education training class. Suzanne keeps an open line of communication with the Council's members and the Ethics Commission. Impressive! That's why *Suzanne, you're a Superhero!*

 **TRACY LANE** of **Wilson Community College** is responsible for the College's Board of Trustees and covered employees, all of whom are current on their ethics education. And, with 7 weeks to go in the annual filing season, her Board is already 60% complete. Tracy provided us with a board and officer election update without us asking, which always makes our day. That's why *Tracy, you're a Superhero!*

