



March 2022

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



Since April 15<sup>th</sup> is a State Holiday this year, the filing deadline for regular SEI filings is **APRIL 18, 2022**.

However, if you are a **candidate** for a covered office, your SEI was due on **March 14<sup>th</sup>** so please file as soon as possible. If you are currently serving in a covered office, the filing of your candidate SEI satisfies both your regular and candidate filing obligations.

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. Last year 87% of SEI filings were electronic.

If you do not receive a confirmation number as soon as you e-file, you have not successfully submitted your SEI and you need to 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, you will be surprised at how easy it really is. Here is the website link to get started: <https://ethics.nc.gov/seis>.



**Most common errors that require that you to fix and refile paper SEIs:**

In addition to missing questions, those who file manually may make the following errors, requiring that they refile and possibly miss the filing deadline.

- **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":** Our electronic SEI filing system lists all 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 your SEI, to avoid the need for multiple filings.
- **Missing Real Estate Disclosure Form (RED) for RPO/MPO filers:** You must select your TAC board as your "Reason for Filing," otherwise the system will not prompt you to complete a RED. If you file manually, the RED will print out with your SEI.
- **Forgetting to Respond to the Candidate Question:** Please answer the candidate question. If you are not a candidate, check 'No.'
- **Not Checking Required Boxes or Providing Requested Details:** Many SEI questions require that you respond by checking "yes" or "no." Please make sure you check those boxes and provide details if you check "yes."

## FREQUENTLY ASKED SEI QUESTION

**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 earning at least \$60,000, must file a SEI. Candidates for covered offices must also file a 2022 SEI.

**Q: Do I have to file if my term on a Board or Commission has expired or will expire before April 18?**

**A:** If your term has expired or will expire on or before April 18, 2022, *but you continue to serve because you have not been replaced* prior to April 18<sup>th</sup>, 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: [Compliance Report](#).

### TEST YOUR SEI KNOWLEDGE



**Question #6—Income Disclosure**

- If Mr. Smith and his spouse earned a State salary last year, is this considered reportable?
  - Yes, Mr. Smith should report any income over \$5,000 received by him or his spouse in response to Question 6 on the SEI. Although the employer may have been listed on page 1 of the SEI, the income question should also include this information.

**Question #3—Stock Question:**

- As of December 31, 2021, 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 in addition to other technology companies. Should Mr. Smith list GM, Google, and Apple in response to Question 3?
  - Mr. Smith **is not** required to report the GM stock because as of December 31<sup>st</sup>, it did not meet the \$10,000 threshold for individual stocks.
  - Mr. Smith **is** required to report the Google stock because it was over \$10,000 in value as of December 31<sup>st</sup>.
  - Question 3 excludes stocks owned in mutual funds from the reporting requirement. Although the value of his interests in the technology mutual fund exceeded \$10,000, that interest is not reportable.
- Ms. Jones has extensive stock ownership. Should she only list the name of her brokerage company and ask Ethics Commission staff to contact the brokerage firm for more information?
  - No. Each filer is obligated to disclose those interests on the SEI. This enables members of the public and the filer's colleagues to understand the filer's particular interests in the event there is a potential conflict of interest. Stocks owned may be listed on the SEI or on an attachment to the SEI.

## Ethics Commission True or False Trivia

- 1) The eight members of the State Ethics Commission are elected by North Carolina citizens.

**False.** Four members are appointed by the Governor and four by the General Assembly. There are four Democrats and four Republicans on the Commission.

- 2) The State Ethics Act was fifteen years old in January 2022.

**True.** Hard to believe! The Ethics Act was enacted on January 1, 2007.

- 3) The Commission's Executive Director was the lead guitarist for "The General Statutes."



**False.** As the longest serving staff member for the Commission, Kathleen Edwards has been rocking the Ethics Act and Lobbying Law oldies since 2006.

- 4) You must a SEI "Long Form" every year.

**False.** You should consider the disclosures made on your **last-filed** Long Form. If you have had no changes since that filing, you may file a No Change Form, requiring that you verify that you have had no changes in the interests reported on that Long Form.

Changes requiring that you file a Long Form may include employers, stock holdings, board memberships, or other changes to your financial interests.

## Ethics by the Numbers

The State 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 State roles, including members of **260** State boards.

\* Over 7,000 SEIs are filed with the Commission annually.

\* 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 2021, SEI Unit staff evaluated nearly **2,000** SEIs.

\* Commission staff also provides required education to legislators, covered State employees, and some State board members. In 2021, the Commission educated over **2,300** officials.

\* Commission staff also provides guidance to legislators, covered State employees, and State board members. In 2021, Commission staff issued over **500** advisory opinions.

\* Complaints Unit staff investigates complaints of violations of the Ethics Act and Lobbying Law. In 2021, staff investigated 36 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 2021, staff assisted nearly **300** citizens with such concerns.

## Hero Corner

*Because Ethics Liaisons are our heroes!*

### Did you know...?

...our **electronic filing system** is a remote, contactless way to submit a Statement of Economic Interest

...electronic filing is **available 24/7** and retains each filer's financial and property information

...when your filers use the electronic filing, the **SEI Compliance Report** is immediately updated.

**Please note:** Paper filings can be delayed weeks between mailing, delivering, processing, and scanning, making compliance tracking difficult and more time consuming. But with electronic filing the filer will receive immediate confirmation and their SEI will be uploaded within hours!

...the **average electronic filing** takes less than 20 minutes

...Ethics staff can **reset a filer's password remotely**.

**Please note:** You should call us if your filers need help with their account from last year. Please do not create a new or second electronic filing account because the filer's previous history will not transfer. Filers should also check their spam filter for the password reset email.

...Ethics Liaisons can also create a **mock electronic SEI** to familiarize themselves with the system. But please don't submit your mock SEI.



### Ethics Liaison Superheroes – Recognition for Outstanding Service

 **CINDY ENSLEY** of **Craven Community College** keeps the College's trustees and covered employees on track with timely reminders of their upcoming deadlines for both Education and SEI filing. To assist her trustees, she created an account to learn the SEI e-filing system. Wow! That's why *Cindy, you're a Superhero!*

 **KRISTEN DEW** of the **NC Dept. of Public Instruction** works tirelessly to ensure that Commission staff has everything it needs to evaluate Department staff for conflicts of interest. Kristen's laser focus and lightening speed in responding to staff requests guarantees that those SEIs are evaluated without delay. Amazing! And that's why *Kristen, you're a Superhero!*

