

DEPARTMENTS

Ethics Inquiries

The High Price of Gifts

How much is a reputation worth? What value do we place on the public's trust? When we have answered these two questions, it becomes easier to explain why we are unable to accept certain gifts.

Item: Kansas City, Missouri's city manager, Wayne Cauthen, took action last year to tighten city policies and practices regarding gifts. One concern he addressed dealt with the solicitation of gifts by the city's convention and entertainment centers department for door prizes for the department's holiday party. The city manager was concerned that there might be an appearance of favoritism for vendors and contractors that provided gifts or gratuities. "It is important that our citizens and contractors are assured that city employees conduct themselves in accordance with the highest standards in every aspect of their duties and responsibilities," he noted.

In making this announcement, Cauthen also announced the following actions:

1. City ethics training will specifically address the issue of gifts; the solicitation of gifts/prizes by the city and its employees; what constitutes solicitation; and when, if ever, and under what circumstances, such solicitation may be acceptable.
2. Every two years, city employees will be required to certify that they have reviewed and understand the city's ethics policies and are aware of the ethics hotline and other means of reporting suspected violations of ethical conduct.
3. Standard contract language will include a statement requesting vendors to report to the internal auditor any suspected improper conduct by city employees or representatives.
4. Departments will be encouraged to review with the Kansas City Committee on Administrative Service Ethics any issue or proposed action that could be perceived as a potential violation of ethical standards.
5. Information in the city's Human Resources Policy Manual regarding the solicitation of gifts will be reviewed and clarified.

Item: Sacramento, California's parks department created a 501(c)(3) entity to solicit particular gifts and to accept designated and undesignated contributions. "Gifts To Share, Inc., is a 501(c)(3) nonprofit organization supporting the city of Sacramento's park, recreation, cultural, educational, and neighborhood improvement programs and facilities, and those of its partners."

The organization, which has evolved into a funder of competitive start-up grants for neighborhood groups, is a fiscal sponsor to community groups that need an official nonprofit to collect funds for their activities that include the city. Visit the Web site at www.giftstoshare.org.

Item: The city of White Bear Lake, Minnesota, has a formal policy that disallows most gifts and gratuities to employees and officials. Gifts to the city are handled on a case-by-case basis. Gifts from developers or persons/firms holding more than two acres of land within the city are refused in all cases. Other offers to contribute are considered by the city council at regular open meetings, and before they are accepted, a determination of public benefit is made.

Typical gifts accepted include public safety equipment, cash donations to a park fund, artwork, a clock tower, parkland, and cash for specific programs (e.g., a food shelf and youth counseling). Gifts that have conditions attached or significant ongoing maintenance costs generally are respectfully declined.

Item: The city of Phoenix, Arizona, has a policy stating that no city employee shall accept any gift, service, or favor that would lead toward favoritism or the appearance of favoritism in any way. Employees are instructed to "refuse any gifts or favors which may reasonably be interpreted to be offered to influence a municipal decision." They must be wary of accepting gifts from individuals doing business with the city or whose financial interests are affected by city action.

The policy advises employees that, "while you are the first to decide whether to accept any gift, you must recognize that others will decide if there is 'the appearance of favoritism' for your having accepted a gift." The policy specially outlines which gifts an employee must declare if accepted, such as Cardinals football tickets, Fiesta Bowl tickets, seats for NCAA Final Four games, and admission to symphony hall performances.

Item: A newly hired city manager was offered a full country club membership (value of \$25,000) shortly after he was appointed. ICMA's Committee on Professional Conduct advised him not to accept the gift, as it creates an image that the city manager is receiving a favor. Some local governments offer membership in clubs as part of an employment package, a better way to provide such compensation.

The ICMA Code of Ethics' guideline on gifts reads: "Members should not directly or indirectly solicit any gift or accept or receive any gift, whether it be money, services, a loan, travel, entertainment, hospitality, a promise, or any other form-under the following circumstances: (1) it could be reasonably inferred or expected that the gift was intended to influence them in the performance of their official duties; or (2) the gift was intended to serve as a reward for any official action on their part."

Ethics advice is a popular service provided to ICMA members. The inquiries and advice are reviewed by the Committee on Professional Conduct, the ethics committee of the ICMA Executive Board. Some of the inquiries are revised and published as a regular feature in *PM*, to give guidance to members in the big and little ethical decisions they make daily. If you have a question about your obligations under the ICMA Code of Ethics, call Elizabeth Kellar at 202/962-3611, e-mail, ekellar@icma.org or Martha Perego at 202/962-3668, e-mail, mperego@icma.org.