

NEW YORK STATE ASSOCIATION OF PERSONNEL AND CIVIL SERVICE OFFICERS

2025 Annual Conference

Ethics & Integrity in Public Service – Navigating Conflicts of Interest and Ethical Dilemmas

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1. Ethical Principles & Public Trust

a. **Public Service as a Public Trust**

- i. All public servants must place loyalty to the law and the public interest above personal gain.

b. **Core Ethical Values**

- i. Ethics in public service embodies *honesty, accountability, integrity, empathy*, and knowing right from wrong.
- ii. Public officials are held to higher standards of conduct to maintain citizens' confidence.

c. **Why Trust Matters**

- i. Unethical behavior by public officials (e.g. misusing funds or influence) erodes public trust and impedes effective governance

d. **Impartiality and Fairness**

- i. Decisions must be made objectively and without the appearance of favoritism. Equal application of rules promotes fairness and public confidence.

e. **Transparency**

- i. Openness in decision-making and operations is critical. Transparency helps the public understand actions and reduces suspicion of wrongdoing.

2. New York State Ethics Laws

a. **NY Public Officers Law §74 (Code of Ethics)**

- i. This is the cornerstone of NY's ethics law. It forbids using one's official position to secure unwarranted benefits for oneself or others and even addresses the *appearance* of a conflict of interest (*E.g., an official should avoid even seemingly biased conduct that could erode public confidence.*)
- ii. Standards of conduct:
 1. **Impartiality** – Maintaining your independent judgment.
 2. **Confidentiality** – Prohibits disclosing confidential information gained in public employment for personal gain.
 3. **Appropriate Care of Public Resources** – Public employees should not use or attempt to use their positions to secure unwarranted privileges or exemptions for themselves or others, including misappropriation of public property, services or other resources of the state for private business or other compensated non-governmental purposes.
 4. **Financial Conflicts of Interest** – Avoiding personal transactions that conflict with public duties.
 5. **Integrity** – Avoiding undue influence, or the appearance of undue influence.
 6. **Business with the State** – Employees with private business interests should not sell goods or services to any person, firm, corporation or association which is licensed or whose rates are fixed by the public agency for which the employee works.

b. **NY Public Officers Law §73**

- i. Contains specific ethical restrictions for state officers and employees. It covers a range of conflict controls– e.g. bans on certain outside employment or business interests, limits on accepting high-value gifts, nepotism rules, and “revolving door” post-employment restrictions.

c. **NY Public Officers Law §73-a (Financial Disclosure)**

- i. Requires designated officials to file annual financial disclosure statements. This law mandates transparency about officials' private finances to help detect conflicts of interest.

d. Civil Service Law §107

- i. Prohibits political coercion in civil service. For instance, a public official cannot use their authority to compel subordinates' political contributions or services. This ensures public employees are hired and served based on merit, not political favoritism.

e. Local Government Ethics Codes

- i. Beyond state law, municipalities in NY must enact ethics codes (per General Municipal Law Article 18) to govern their local officials. These typically include conflict of interest rules, disclosure requirements, and boards of ethics to advise on local issues. (Local officials should be mindful of both state law and their locality's ethics code.)

3. Ethics Oversight and Enforcement in New York State

a. State Ethics Commission

- i. New York's Commission on Ethics and Lobbying in Government (COELIG) is the watchdog agency that enforces the ethics laws. The Commission has jurisdiction over state officials and employees, and it enforces Public Officers Law §§ 73, 73-a, 74, etc.

b. Guidance & Training

- i. The Commission provides ethics training, advisory opinions, and guidance to help public servants comply. Agencies also have Ethics Officers or Counsel to advise employees on conflicts and help interpret the rules. Taking advantage of these resources can prevent inadvertent violations.

c. Penalties for Violations

- i. Breaching ethics laws can lead to serious consequences. The Commission can impose civil penalties – for example, intentional violations of gift or conflict rules under §73 can draw fines up to \$40,000 (plus the value of any illicit benefit), and violations of the Code of Ethics (§74) can lead to fines up to \$10,000.
- ii. Officials may also face disciplinary action, job termination, or even criminal prosecution in cases of corruption.

d. Accountability to the Public

- i. Many ethics disclosures and enforcement outcomes are public records. For instance, financial disclosure filings by top officials are open for public

inspection, and the Commission publishes summaries of significant enforcement actions.

4. Conflicts of Interest: Identifying Risks

a. **Definition**

- i. A conflict of interest arises when a public servant's personal interest (financial interest, family relationship, etc.) could improperly influence their official duties.
- ii. Your personal affairs should never interfere with your objective job performance.

b. **Actual vs. Apparent Conflicts**

- i. It's not only actual impropriety that matters, but also appearances.
- ii. State ethics law stresses avoiding even the *appearance* of a conflict.
- iii. If a situation might make an objective observer question your impartiality, that situation is problematic. *Even if you believe you can be fair, public trust can be damaged by circumstances that look like a conflict.*

c. **Common Conflict Scenarios:**

- i. **Personal Financial Interests:** Owning stock in, or having a partnership with, a company that your agency contracts with or regulates (self-dealing risk).
 1. For example, if you help select a vendor and you or your spouse have a stake in that vendor, that's a serious conflict.
- ii. **Gifts or Favors:** Receiving gifts, lavish meals, event tickets, or other perks from people or entities that do business with your agency.
 1. Even if a gift comes with no explicit "strings," accepting anything more than nominal value from an interested party is generally prohibited and creates an appearance that your decisions could be influenced by gratuities.
- iii. **Outside Employment ("Moonlighting"):** A second job or consulting gig can conflict with your public duties if the outside employer has dealings with your agency or if the time commitment interferes with your government job.

1. *Example:* A state inspector who also consults for an industry firm faces divided loyalties. Outside activities may require approval and must not conflict with official work (per POL §73).
- iv. **Family and Favoritism:** Involvement of relatives or close friends in decisions (hiring, contracting, supervision) is a conflict (more on **nepotism** shortly).
 1. Even beyond relatives, giving jobs or benefits to friends (“cronyism”) undermines fairness.
- v. **Post-Employment (“Revolving Door”):** Job negotiations or career moves can pose conflicts.
 1. If you’re discussing a job with a company while you oversee matters affecting that company, your impartiality is compromised.
 2. Likewise, after leaving government, ethics rules may bar you from immediately lobbying or doing business with your former agency for a period of time (e.g., NY’s two-year bar and lifetime bar for certain cases).
 3. This prevents officials from “cashing in” on their insider knowledge or contacts improperly.
- d. **Misuse of Information:** Using confidential information gained through your job for personal gain (like trading stocks based on non-public plans, or tipping off others) is both unethical and illegal in many cases. (This overlaps with confidentiality, covered later.)

5. Managing Conflicts of Interest

a. **Disclosure**

- i. The first step in handling a potential conflict is to **disclose it** to the appropriate authority (your supervisor, ethics officer, or counsel).
- ii. Transparency is key.
- iii. Many agencies have disclosure forms or processes for this. (Best practice is to encourage officials to disclose *any real or potential conflicts* and discuss them openly.)

b. **Recusal**

- i. Upon identifying a conflict, the typical remedy is **recusal** – i.e. removing yourself from all involvement in the matter.
- ii. *Example:* If your brother is bidding on a contract, you should recuse yourself entirely from the procurement process.
 1. Public officers should not act on matters where they have a personal stake, and the safest route is to “recuse yourself from any personnel decisions that involve a family member or a close personal friend” (and likewise for contracts or regulatory matters involving your own interests).

c. Guidance and Ethics Advice

- i. When in doubt, seek advice.
- ii. Consult your agency’s Ethics Officer or counsel, or request an advisory opinion from the Commission on Ethics.
- iii. The ethics rules can be nuanced, so getting guidance can protect you and the public interest.

d. Managing Outside Interests

- i. If a significant conflict can’t be resolved by simple recusal (for example, an ongoing outside business interest), an official may need to restructure or relinquish that interest.
- ii. This could mean divesting stock holdings, terminating an incompatible outside job, or reassigning certain duties to avoid the conflict.

e. Culture of Integrity

- i. Handling conflicts is not just a one-time action but part of an overall ethical culture.
- ii. Agencies should foster an environment where employees are not only aware of conflict-of-interest rules but feel confident in reporting and addressing conflicts.
- iii. Supervisors should set an example by proactively declaring and handling their own potential conflicts, showing that ethics come before personal gain.

6. Nepotism Policies and Avoiding Favoritism

a. **What is Nepotism?**

- i. Nepotism is favoritism toward relatives – e.g. hiring, promoting, or giving special treatment to a family member. In the civil service context, nepotism is a direct threat to fairness and morale.

b. **“Relative” Defined Broadly**

- i. Under POL §73, a *relative* includes “any person living in the same household as the public official, or any person who is a direct descendant of the official’s grandparents (or the spouse of such descendant)”.
- ii. This means siblings, parents, grandparents, aunts, uncles, first cousins, nieces, nephews – and in-laws of those – are all covered.

c. **No Favoritism either**

- i. Cronyism is unethical and can violate the general code of ethics (appearance of impropriety).

7. Confidentiality and Sensitive Information

a. **Duty of Confidentiality**

- i. Ethical conduct requires that you protect sensitive information – from personal data about citizens (addresses, health records) to confidential government plans (like contract bids, enforcement actions, or security protocols) and only use or share it as authorized for your job.

b. **No Misuse of Non-Public Info**

- i. Using insider knowledge for personal gain is a serious breach.

c. **Transparency vs. Confidentiality**

- i. Being transparent means being open about decision processes and policies – it **doesn’t** mean releasing confidential details inappropriately.

d. **Post-Employment**

- i. Confidentiality obligations often extend beyond your tenure.

8. Ethical Decision-Making in Hiring, Promotions, and Labor Relations

- a. **Merit-Based Hiring & Promotion**
 - i. At the core of civil service ethics is the principle of **merit and fitness**.
 - ii. Following civil service lists, objective interview scoring, and documented criteria helps ensure fairness.
 - b. **Avoiding Bias and Discrimination**
 - i. Ethical hiring/promotion also means complying with equal opportunity laws and just basic fairness.
 - ii. It's unethical (and illegal) to favor or disfavor candidates due to personal biases (race, gender, friendship, etc.).
 - c. **No Retaliation or Reward for Improper Reasons**
 - i. In labor relations and personnel management, integrity means employees are evaluated and disciplined based on merit and conduct, not because they carried favor with the boss or blew the whistle on misconduct.
 - d. **Labor Relations Integrity**
 - i. When dealing with unions and collective bargaining, maintain professionalism and honesty.
 - ii. Don't make promises you can't keep.
 - iii. Avoid any personal conflicts in negotiations.
 - iv. Adhere to labor contracts and laws. If you expect employees to follow rules, management must do so as well.
 - e. **Transparency and Documentation**
 - i. In hiring and promotion decisions, keep records of why decisions were made.
 - ii. Open posting of job opportunities, standardized interview questions, and diverse hiring panels are all tools that promote ethical, unbiased outcomes.
9. Practical Tools & Best Practices for Accountability and Transparency
- a. **Ethics Training & Education**
 - b. **Clear Policies and Codes of Conduct**

- c. **Tone at the Top**
- d. **Encourage Disclosure & Discussion**
- e. **Ethics Officers and Advisory Committees**
- f. **Whistleblower Protections**
- g. **Transparency Measures**
- h. **Accountability and Enforcement**
- i. **Financial Disclosure Requirements**