

**2009 ANNUAL REPORT
OF THE
BALTIMORE CITY BOARD OF ETHICS**

INTRODUCTION

This report provides the Mayor, Department of Legislative Reference, Board of Estimates, City Council, all employees of Baltimore City and the general public with information regarding the activities of the Baltimore City Board of Ethics ("Ethics Board") during calendar year 2009.

This report is made pursuant to the Baltimore City Charter which provides that "every municipal agency of the City shall prepare annually a written report of its work and proceedings." See Baltimore City Charter, Article I, Section 5(c). Boards and commissions are included in the City Charter's definition of "municipal agency", making this report mandatory. See Baltimore City Charter, Article I, Section 2(j).

This is the first report prepared by the Ethics Board. For this reason, general information regarding the history, purpose, goals, procedures, staffing and members of the Board is provided. Detailed information regarding some aspects of the Ethics Law is also included.

The Ethics Board is pleased to submit this report about the work that it has been asked to undertake. The Board looks forward to addressing any questions or suggestions that might arise following review.

HISTORY OF THE ETHICS BOARD

A brief history of the Ethics Board is found at the Board's webpage and provides:

"The Baltimore City Board of Ethics was established in 1963 by an amendment to the Baltimore City Charter. The purpose was to enforce certain new prohibitions against conflicts of interest. Financial disclosure requirements were added in 1974. In 1981 the State of Maryland enacted the comprehensive 'Maryland Public Ethics Law' which, among other things, mandated that each local jurisdiction adopt its own ethics laws. The local laws were required to be 'similar' or 'substantially similar' to the State of Maryland ethics law. Accordingly, the Baltimore City Charter and the Baltimore City Code were revised and expanded to comply with the Maryland State law. In 2004 the Baltimore City Ethics Law was expanded and clarified by Ordinance 04-795 (known as "Ethics – Raising the Bar"). The new law became effective in 2005."

The 2005 law is in effect today and it is this law that governs the considerations and deliberations of the Ethics Board.

PURPOSE, GOALS AND DUTIES OF THE ETHICS BOARD

The Baltimore City Ethics Law is meant to "guard against improper influence or even the appearance of improper influence and to ensure public trust in the government". As stated at the Board's webpage, the Ethics Law accomplishes this goal by:

- Setting ethical standards on the conduct of all Baltimore City officials and employees so as to prevent a conflict of interest or the appearance of one.
- Requiring Baltimore City officials and high-level employees, within 6 months of appointment, to undertake formal training in the requisites of the Ethics Law and to sign and to submit a certified "Conflicts Affidavit".
- Requiring Baltimore City officials, specified employees and specified members of Baltimore City boards and commissions to file annual financial disclosure statements that are certified and open to the public.
- Requiring legislative and executive branch lobbyists to file registration statements and periodic activity reports, open to public inspection.

The Ethics Board also:

- Issues advisory opinions on questions regarding the Ethics Law.
- Grants exemptions from certain provisions of the Ethics Law under appropriate circumstances.
- Investigates alleged violations of the Ethics Law; and
- Enforces compliance with the Ethics Law.

Though not stated at its webpage it is important to note that the Board does not:

- Prosecute criminal conduct. However, criminal conduct discovered by the Ethics Board during its investigation of a complaint is referred to the appropriate prosecuting authority for handling.
- Administer personnel matters or seek to resolve personnel conflicts.

MEETINGS OF THE ETHICS BOARD

The Board met in person six times in 2009 on an "as needed" basis. Meetings were held in the "Solicitor's Conference Room" located in City Hall. Advance notice of meetings and the possibility of closed sessions was given to the public and media.

Generally, meeting agenda topics included receipt of updates of ongoing investigations, consideration of requests for exemption from solicitation rules and consideration of draft regulations pertaining to charitable solicitations. Meetings during the first quarter of 2009 included discussion of staffing changes, effective transition of the administrative work of the Board, methods for periodic sharing of the results of the work of the Board, website updates and enhancements and, annual reporting.

MEMBERS OF THE ETHICS BOARD

The Ethics Board consists of five volunteer members. Members must be “of known personal integrity” and must possess “recognized knowledge and interest in government and civics”. The Ethics Law and City Charter require that three members be appointed by the Mayor and confirmed by the City Council. One member is to be a designee of the Mayor with no requirement of City Council approval. One member is to be a designee of the City Solicitor, with no requirement of City Council approval. Currently, four slots are filled. One mayoral appointee slot is vacant.

Pending legislation seeks to change the City Code's process for appointing persons to the Ethics Board as well as the qualifications for service. Submitted in January 2010, the legislation proposes that three members of the Board be appointed by the Mayor, one member be recommended to the Mayor by the Comptroller and one member be recommended to the Mayor by the President of the City Council. Employees of the City or State of Maryland would be precluded from serving. The current members of the Board support the proposal.

The Ethics Board is required to have at least one member from the minority party so as to assure that it is bi-partisan in representation. The law also provides that, excepting the Mayor, Board members may not be lobbyists. Current Board members are:

| <u>Name</u> | <u>Party</u> | <u>Origin of Appointment</u> |
|----------------------|---------------------|--|
| Dana P. Moore | Democrat | Member, Mayor O’Malley Appointee, February 2004 Chair, Mayor Dixon Appointee December 2008 Term Expires January 2011 |
| Alexander Chambers | Republican | Member, Mayor Dixon Appointee December 2008 Term Expires January 2011 |
| Donald Huskey | Democrat | Member, City Solicitors' Designee January 2002 Term Expires at Discretion of the City Solicitor |
| Deborah Moore-Carter | Democrat | Member, Mayor Dixon Designee April 2009 Term Expires January 2011 |
| VACANT | TBD | Member, Mayoral Appointee |

ETHICS BOARD ADMINISTRATION

The Baltimore City Charter provides that the Executive Director of the Baltimore City Department of Legislative Reference shall also serve as the Executive Director of the Ethics Board. Avery Aisenstark, Esquire serves this dual role.

Elena DiPietro, Esquire is the Administrator for the Ethics Board. She is an Assistant Solicitor with the Office of the City Solicitor for Baltimore, Maryland. Ms. DiPietro began administrative service with the Ethics Board by way of a delegation of responsibilities from Director Aisenstark, effective January 1, 2009. Ms. DiPietro can be reached at 410-396-3209 or via e-mail at Elena.DiPietro@baltimorecity.gov.

Additional support is provided by Anita Evans, Registrar. Ms. Evans can be reached at 410-396-4730. From time to time, the Board receives legal advice from private counsel who provide this service on a pro bono basis.

REQUESTS FOR OPINION SUBMITTED TO THE ETHICS BOARD

The Ethics Board received numerous requests for opinion in 2009. As reflected below, many requests came to the Board and its administrator via email communications. Requests come from all sectors of Baltimore City government, members of the City's boards and commissions, members of the public, and the media.

The Board's Executive Director and Administrator frequently responded to unwritten requests in person, by telephone or by e-mail. Typically these requests were simple or seeking easily ascertainable answers based on previous Board decisions. The Board encourages this informal means of securing information or answers to frequently asked questions. However, a cautionary note is important here. Section 4-4(1) of the Ethics Law provides that persons subject to the Ethics Law are entitled to rely on an advisory opinion "of the Ethics Board that is reasonably applicable to that person's circumstance" There is no similar provision for reliance on advice or opinions rendered outside of the Board processes or outside of the Board's published opinions. Consequently, questions of a unique or complicated nature should be directed to the Board for consideration.

Section 4-1(a) of the Ethics Law provides that "at the written request of a person who is subject to this article, the Ethics Board must provide an advisory opinion, in a timely fashion, on the article's application to that person under the circumstances described in the request." Inquiries submitted on behalf of persons who are not subject to the ethics laws *may* be responded to with an advisory opinion.

In 2009, every written request for an advisory opinion was considered by the entire Ethics Board, excepting those who recused themselves due to a real or perceived conflict of interest.

ADVISORY OPINIONS AND WRITTEN DECISIONS

Section 4-3 of the Ethics Law requires that the Board's advisory opinions be in writing and, after redacted as required, filed and made available for public inspection. Required redactions include removal of information naming or identifying the person who is the subject of an advisory opinion. The full text of each opinion is available through the Department of Legislative Reference. Contact Anita Evans, Department of Legislative Reference, City Hall, 100 N. Holliday Street, Baltimore, Maryland 21202. Ms. Evans can also be contacted by telephone at 410-396-4730.

In 2009 the Ethics Board received thirty written requests for opinion. Each request generated a written response. A summary of each request and the Board's response follows.

1. Whether any ethics issues exist with respect to a lobbyist registered with the City of Baltimore who is also in a partnership relationship with a private attorney who represents a Baltimore City elected official. This inquiry was received by letter dated January 12, 2009.
DECISION: This inquiry was closed on February 13, 2009 upon receipt of notification from the inquiring party that no decision was required because the partnership relationship with the private attorney had ended.
2. Beginning on January 27, 2009 the Board resumed the process of withdrawing as administrator of the Baltimore City Public School System's ethics policies and procedures.
STATUS: This process continues.
3. Whether a conflict of interest exists with respect to the offer of a registered lobbyist who lobbies before a Baltimore City commission to host a reception for the new director of that commission. This inquiry was received by e-mail communication dated February 9, 2009.
DECISION: Acceptance of the offer is prohibited under Baltimore City Ethics Code Sec. 6-27 which provides that you may not accept a gift from any person that does or seeks to do business with your agency or from someone who has a financial interest that might be substantially or materially affected, in a manner distinguishable from the public generally, by the performance or non-performance of your duties. No qualified exemption applies. Even if a qualified exemption did apply Code Sec. 6-29(2) would negate that exemption. Section 6-29(2) provides that exemptions do not apply if the gift is of significant value and the gift would give the appearance of impairing the recipient's impartiality and independent judgment.
4. Whether a conflict of interest exists with respect to a mayoral appointee's interest in pursuing secondary employment on behalf of a City charter school. This inquiry was received via e-mail communication dated February 11, 2009.

DECISION: Baltimore City Ethics Code Sections 6-11(1) and (2) preclude a public servant from being employed by any person or business that has entered into a contract with the agency with which the public servant is affiliated. As part of the Mayor's office the public servant is arguably affiliated with all City agencies and quasi-city agencies. Accordingly, an exemption under Sections 6-16(a) and (b) would be required in order for the public servant to pursue the secondary employment. Given the extraordinary circumstances and the unique qualities of the public servant the exemption was granted.

5. Request for exemption from the charitable solicitation prohibition in connection with gifts for honorees of two City endorsed events. This inquiry was received by letter dated January 28, 2009.

DECISION: Exemption allowed pursuant to Baltimore City Ethics Code Section 6-26(b) as the solicitation was "for the benefit of an official governmental program or activity or a City-endorsed function or activity."

6. Request for exemption from the charitable solicitation prohibition in connection with gifts to be distributed to attendees of a variety of events during Women's History Month. This inquiry was received by email communication dated March 18, 2009.

DECISION – Exemption allowed pursuant to Baltimore City Ethics Code Section 6-26(b) as the solicitation was "for the benefit of an official governmental program or activity or a City-endorsed function or activity."

7. Baltimore City Department request for exemption from charitable solicitation prohibition in connection with prizes for golf tournament to support activities of the Department. This inquiry was received by letter dated March 23, 2009.

DECISION: Exemption allowed pursuant to Baltimore City Ethics Code Section 6-26(b) as the solicitation was "for the benefit of an official governmental program or activity or a City-endorsed function or activity."

8. Whether a conflict of interest exists with respect to secondary part-time employment of an employee of the Office of the Mayor. This inquiry was received by email communication dated April 22, 2009.

DECISION: The secondary employment was approved pursuant to Baltimore City Ethics Code Section 6-16 which allows secondary employment when the Board determines that failure to grant the exemption or modification would limit the City's ability to recruit and hire highly qualified or uniquely qualified professionals for public service or, assure the availability of competent services to the public and where the Board finds that extraordinary circumstances exist.

9. Numerous inquiries regarding which Baltimore City employees must file financial disclosure forms and what must be disclosed. Inquiries were received by email communication and telephone during the month of April 2009.
DECISION: Generally, inquirers were advised that pursuant to Baltimore City Ethics Code Section 7-7(3) (viii) all non-clerical employees of Council members are required to file.
10. Request for exemption from the charitable solicitation prohibition in connection with raising funds to help refurbish local fire stations. This inquiry was received by letter in April 2009.
DECISION: The exemption request is approved as it would be for an official government program and therefore qualifies for an exemption under Section 6-26(b).
11. Whether a member of the City Council must recuse himself or herself from voting on a matter presented to the City Council and related to special benefits districts or management authorities for which the Council member serves on the board of directors.
DECISION: City Council members are not required to recuse themselves from voting if they are serving on the special benefits district or management authority board as the City Council representative at the direction of the City Council or the City Council President, the City has an economic or programmatic interest in the special benefits district or the management authority, the City Council member is not compensated for their service and the City Council member or a disqualifying family member has no financial interest in the matter.
12. Request for exemption from the solicitation provisions of the Baltimore City Public School System's (BCPSS) Ethics Code for the purpose of soliciting contributions from specific textbook vendors in order to fund an event honoring educators who use the textbooks provided by the specific vendors.
DECISION: Request denied because pursuant to Section 104.5 of the BCPSS Ethics Code the solicitation creates a conflict of interest or the appearance of a conflict of interest.
13. Whether a conflict of interest exists with respect to a staff person of a Committee of the Baltimore City Council and that employee's role as neighborhood liaison to a local development corporation.
DECISION: The staff member is not in a position with the committee that would require the staff person to affect the outcome of legislation involving projects of the local development corporation. Further, the staff person was not an officer or director of the local development corporation nor did the staffer have a contract relationship with the local development corporation. Accordingly, Baltimore City Ethics Code Section 6-6 does not prohibit the staff person's participation with the local development corporation.

14. Whether the Baltimore City Ethics Code is violated when a City Council person is a volunteer member of the board of directors of a local non-profit that from time to time applies for Baltimore City grants.

DECISION: Section 6-6(3)(iii) provides that a public servant may not participate in and must disqualify himself or herself from any matter if any business entity in which the public servant is an officer, director, trustee, partner or employee is a party. The inquiring City Council member must recuse himself or herself from any matter involving the non-profit that comes before the City Council.

15. Whether a conflict of interest exists with respect to the bidder on a consultant contract being bid by a local quasi-governmental agency when an employee of one of the bidders has a disqualifying relative who is an employee of that local quasi-governmental agency. This inquiry was received in May 2009.

DECISION: Pursuant to Baltimore City Ethics Code Section 6-6(b) a conflict exists. The employee of the bidder who has a disqualifying relative working for the local quasi-governmental agency is prohibited from being involved in the bidding process as is the disqualifying relative who is employed by the local quasi-governmental agency.

16. Whether a community association may give gift cards to police officers who patrol their community. This inquiry was received in May 2009.

DECISION: The gift cards cannot be accepted by the police officers, who are public servants. Baltimore City Ethics Code Section 6-27(2) prohibits a public servant from accepting a gift from any person who engages in activity that is regulated or controlled by the public servant's agency. The Baltimore City Police Department (BCPD) regulates the activities of the residents and members of the community association thereby precluding acceptance of the gifts. Acceptance of the gifts also violates long-standing policy of the BCPD.

17. Whether a conflict of interest exists with respect to an employee of a Baltimore City Commission who also volunteers at a local senior center, who has a disqualifying relative who serves on the board of directors of a second local senior center that receives a stipend from Baltimore City and who has been asked to engage in fundraising activities on behalf of the second senior center. This inquiry was received on or about June 17, 2009.

DECISION: There is no conflict of interest with respect to the Commission's employee's volunteer service at the first local senior center. Pursuant to Baltimore City Ethics Code Section 6-26 a conflict does exist with respect to fundraising on behalf of the second local senior center that receives a stipend from the City of Baltimore. The employee is precluded from soliciting funds from any entity that does business or seeks to do business with the City Commission, engages in an activity that is regulated by the City Commission or has a financial interest that is materially affected by the performance or non-performance of the employee's duties at the City Commission in a manner distinguishable from the public in general or who is a lobbyist with respect to matters involving the City Commission.

18. Whether a conflict of interest exists with respect to an employee of a Baltimore City Department and that employee's volunteer service as executive director of a local community development corporation. This inquiry was received via email communication dated May 11, 2009.
DECISION: No prohibition exists because the local community development corporation has no contracts with the Baltimore City Department, is not negotiating any contracts with the Baltimore City Department and, is not subject to the authority of the Baltimore City Department.
19. Request for an exemption from the charitable solicitation prohibition with respect to a City Commission event. This inquiry was received on July 27, 2009 by in-person presentation.
DECISION: Exemption denied for failure to request exemption in advance of solicitation activity as required by Baltimore City Ethics Code Section 6-26(b).
20. Request on behalf of a city endorsed fundraising campaign for an exemption from the charitable solicitation prohibition. This inquiry was received via letter dated August 7, 2009.
DECISION: The request appears to fall within the exemption permitted by Section 6-26 but more information regarding the entities to be solicited is requested.
21. Request that the Board of Ethics review the activities of a local foundation to determine if any ethics violations have occurred. This request was received by letter dated October 26, 2009.
DECISION: The Ethics Board deferred to the investigation already called by Chair of the City Council's Committee on Judiciary and Legislative Investigations and the audit already mandated by Baltimore City Comptroller.
22. Request for an exemption from the charitable solicitation prohibition with respect to a contractor's offer to renovate a city owned property at no cost to the City of Baltimore. Request received via e-mail communication on October 28, 2009.
DECISION: The request is approved because it is for an official government program and therefore qualifies for an exemption under Section 6-26 (b).
23. Whether the Office of the Mayor may distribute tickets to sporting and other entertainment events for which the Office of the Mayor has tickets to State and local legislators. This inquiry was received by email communication on November 8, 2009.
DECISION: Members of the City Council are not in violation of the Ethics Code if they solicit and/or accept tickets to sporting and other events for which the Mayor's Office holds tickets. With regard to State legislators an opinion should be sought from the State Ethics Commission. It is the Board's understanding however, that State legislators can not solicit any gift, including sports and entertainment tickets, for personal use. However, they may accept gifts/tickets from a governmental entity without violating the State Ethics Law.

24. Request for an exemption from the charitable solicitation prohibition with respect to a new health initiative. This inquiry was received by letter dated November 13, 2009.
DECISION: Request for exemption is denied due to lack of information regarding management of funds to be solicited.
25. Request for an exemption from the charitable solicitation prohibition so as to allow solicitation of contributions to assist with the rehabilitation and furnishing of a firehouse. This inquiry was received by email communication on November 20, 2009.
DECISION: The exemption request is approved as it would be for an official government program and therefore qualifies for an exemption under Section 6-26(b).
26. Whether a unit of a Baltimore City Department can accept a gift from a local non-profit located in the unit's service area. This inquiry was received on November 25, 2009 by email communication.
DECISION: Acceptance of the gift is permissible if the non-profit does not do business with or seek to do business with the City Department and is not regulated or controlled by the Department. Alternatively, if the non-profit is doing business with the Department or is regulated by the Department the gift can be accepted under the exception for a gift of nominal value.
27. Request for an exemption from the charitable solicitation prohibition so as to allow solicitation of gifts to distribute to children in local hospitals during the holidays. Request received by email communication on November 25, 2009.
DECISION: The request is approved as it would be for an official government program and therefore qualifies for an exemption under Section 6-26(b).
28. Whether service on the board of directors of a quasi-governmental agency is precluded because the proposed board member is an officer with a company that does business with the City of Baltimore. This inquiry was received via email communication on December 10, 2009.
DECISION: Section 6-14 allows a new board member, who holds prohibited employment at the time of the appointment to a Baltimore City board or commission, to serve if the employment is publicly disclosed to the appointing authority, the Ethics Board and, if the appointment is subject to City Council confirmation, to the City Council as well.
29. Whether the trustees of the Employees Retirement Systems Board (ERS) who are not employees of the City of Baltimore are public servants subject to the Baltimore City Ethics Law and thus subject to post-employment restrictions. This inquiry was received by letter dated December 11, 2009.
DECISION: ERS Board members are fully subject to the provisions of the Baltimore City Ethics Laws. The code itself specifically identifies ERS Board members as "public servants" subject to its laws.

30. Whether a Baltimore City Department can sponsor a fundraiser to support its activities. The event would be held in Baltimore County and include donation of a percentage of the proceeds from the event, a silent auction of donated items and a 50/50 raffle. Inquiry received by email communication on December 28, 2009. DECISION: The ethics provisions regarding acceptance of gifts does not preclude the City Department from accepting a percentage of the proceeds from the event because the site of the event is located in Baltimore County, does not do business or seek to do business with the department and, is not regulated by the department. Additionally, the ethics laws are not invoked by the silent auctioning of personal items with the proceeds then being donated to a fund established outside of City government. Last, the 50/50 raffle can be conducted so long as those selling the raffle tickets are not the superiors of those being asked to purchase the tickets.

MARYLAND PUBLIC INFORMATION ACT REQUESTS

The Ethics Board received one Maryland Public Information Act (MPIA) request for documents. Submitted by the Baltimore Sun on July 22, 2009, the MPIA requested access to public records of requests and responses for exemptions from solicitations prohibited under Article 8, Section 6-26 of the Baltimore City Code.

COMPLAINT PROCESS AND COMPLAINTS RECEIVED

The Baltimore City Ethics Law specifies the process and procedure for making and responding to complaints of a violation of the law. These are found at Subtitle 5.

Any person may file a complaint with the Ethics Board alleging a violation of the ethics laws. Complaints must be in writing, under oath and signed by the complainant. The Ethics Board itself can issue a written complaint. Once a complaint is received, the Board's Executive Director must send a copy of the complaint to the respondent. In the case of a complaint made by a person or entity other than the Board, the complainant's name and any other information identifying the complainant must be redacted.

The Director is required to investigate a complaint. Findings are then reported to the Board. If the Board determines that the facts do not merit further proceedings the Board must dismiss the complaint and notify the complainant and respondent of this.

If the investigation discloses a prima facie violation the Director must notify the respondent and, provide the respondent with an opportunity to cure the violation. If, within 15 days the respondent cures the violation and the Board finds that a dismissal would not be contrary to the purposes of this article the complaint may be dismissed. The respondent and the complainant are then notified of the decision to dismiss the complaint.

If a complaint is not dismissed the Ethics Board must provide the respondent with notice and an opportunity for a hearing before the Board. The respondent is entitled to be represented by counsel. After all of the evidence has been presented the Board must make written findings of fact and conclusions of law as to each alleged violation.

Alternatively, if the Board determines that the respondent has not violated the ethics laws the Board must dismiss the complaint and promptly notify the complainant and the respondent of the dismissal.

If the Ethics Board determines that the respondent has violated any provision of the Ethics Laws the Board may take one or more of the following authorized enforcement actions. Actions include:

- Issuing an order directing the respondent to cease and desist from the violation
- Issuing a reprimand
- Referring the matter to the appropriate official or authority for other disciplinary action authorized by law, including censure or removal
- Seeking judicial relief or other enforcement action
- Requiring a respondent who is a lobbyist to file any additional reports or information
- Imposing a \$1,000 civil penalty for each violation related to a respondent who is a lobbyist
- Refer the matter to the appropriate prosecuting authority if there are reasonable grounds to believe that the respondent has committed a criminal offense

Respondents can seek judicial review of a decision of the Ethics Board by petitioning the Circuit Court for Baltimore City. A party to that judicial review has the right to appeal the Circuit Court's final judgment. Appeal of the decision of the Circuit Court is to the Court of Special Appeals of Maryland in accordance with the Maryland Rules of Procedure.

Once a complaint is made the proceedings, meetings and activities of the Ethics Board and its staff relating to the complaint are confidential. Neither the Ethics Board nor its staff may disclose any information relating to the complaint including the identity of the complainant or the respondent.

The Ethics Board received three complaints of possible ethics violation in 2009. As required by law, the Board is precluded from disclosing the identity of the complainants and respondents involved in these complaints. The Board can share that two of the complaints were investigated and found to not be a violation of the ethics laws. One complaint remains pending.

LOBBYING RULES AND REGISTRATIONS

Lobbying activities are governed by Subtitle 8 of the Ethics Laws and fall into six categories. Each category is described below.

Legislative Lobbying - A person must register as a lobbyist if, during a reporting period, the person, for the purpose of influencing any legislative action, communicates with a public servant and, spends \$100 or more for gifts, including meals, beverages or special events, incurs any expenses of \$500 or more or, earns \$2,500 or more in compensation.

Executive Lobbying – In general, a person must register as a lobbyist if, during a reporting period the person, for the purpose of influencing any executive action, communicates with a public servant and in connection with that communication spends \$100 or more for gifts, including meals, beverages or special events.

Lobbying Related to Executive Orders – With respect to influencing the development, adoption, issuance or amendment of regulations or of an executive order, a person must register if during a reporting period the person communicates with a public servant regarding the executive order and in furtherance of that communication spends \$100 or more for gifts, including meals, beverages or special events, incurs any expenses of \$500 or more or, earns \$2,500 or more in compensation.

Lobbying Related to Procurement Matters – A person must register as a lobbyist if, during a reporting period the person, for the purpose of influencing executive action on a procurement contract that exceeds \$50,000, communicates with a public servant and spends \$100 or more for gifts, including meals, beverages or special events or, is compensated for his or her services. Bona fide salespersons are excepted so long as they engage in no other act during the reporting period that requires registration.

Lobbying Related to Business Grants or Loans – A person must register as a lobbyist if, during a reporting period the person, for the purpose of influencing executive action to secure for a business entity a grant or loan that exceeds \$50,000, communicates with a public servant and spends \$100 or more for gifts, including meals, beverages or special events to one or more public servants or, is compensated for his or her services. A bona fide full-time official or employee of a business entity that is seeking to secure a grant or loan or, a person seeking a grant or loan for the purpose of locating, relocating or expanding a business in or into the City of Baltimore is excepted.

Grass Roots Lobbying – A person must register as a lobbyist if, during a reporting period the person, for the purpose of influencing any legislative or executive action solicits others to communicate with a public servant and spends \$1,000 or more, including expenditures for salaries, contractual employees, postage, telecommunications services, electronic services, advertising, printing, or delivery services.

The Ethics Law requires that a lobbyist register within 5 days after first engaging in any act that requires registration. Registration forms are due on or before January 1 of each year if, on that date the lobbyist is engaged in lobbying. A separate registration form must be filed for each person or entity for which the lobbyist is lobbying. In 2009 the Ethics Board received registration forms from 64 lobbyists representing 83 clients.

Lobbyists are also required to file activity reports on an annual basis. Activity reports must include information regarding the total compensation paid to the lobbyist in connection with lobbying activities, office expenses incurred, gift expenses and, expenses related to publications, witnesses and research. Activity reports must also include the name of each public servant and/or qualifying relative of a public servant to or for whom the lobbyist or any person on their behalf has given one or more gifts with a cumulative value of \$150 or more, whether or not given in connection with lobbying activities.

Lobbyists Registered with the Board in 2009 and Their Clients

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| Gary R. Alexander | The Sherwin-Williams Company CH2M Hill |
| Dwayne M. Andrews | Edison Learning |
| Erin Appel | William-Stout Gannett Fleming DCI Group Altria Client Services |
| Peter C. Auchincloss | Bruce S. Spector of ETA, LLC Walter C. Trnka David Sadeshi, Big Steaks Management Edmund M. Cudworth, Electrolytic Technologies Corp. |
| Alfred W. Barry | Cambridge Iron & Metal Company Baltimore Scrap Atlantic Recycling Group Mike Decker, Decker's Salvage |
| Kenneth Battle, Jr. | The Sherwin-Williams Company |
| Lorenzo M. Bellamy | The Woda Group The Sherwin-Williams Company CH2M Hill |
| Bruce C. Bereano | Safeway, Inc. Maryland Auto & Truck Association Maryland Association of Tobacco & Candy Distributors |
| Jennifer Blasdell | NARAL Pro-Choice Maryland |

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| Frank Boston | TicketMaster Miller-Coors, LLC Maryland Hotel & Lodging Association Baltimore Licensed Beverage Association Greater Baltimore Board of Realtors Baltimore Retired Police Benevolent Association Altria Client Services, Inc. and Its Affiliates Multi-State Association, Inc., on Behalf of Cricket |
| Milton Branson | Constellation Energy |
| Eric L. Bryant | Wal-Mart Stores, Inc. Optotraffic Joseph Smith & Son, Inc. |
| David Carroll | William Stout-Gannett Fleming DCI Group Altria Client Services & Its Affiliates |
| Alexis Coates | Ausir Consultant |
| Joseph Daniels | Verizon Maryland, Inc. |
| Christopher DiPietro | Mid-Atlantic Financial Services Association |
| Robin Elliott | Planned Parenthood of Maryland |
| Gerard Evans | Atlantic Recycling |
| Stanley S. Fine | Two Farms, Inc. Chesapeake Paperboard Centre, LLC Menlo Industrial Park, Inc. Sylvia B. Priven, Trustee Future Care Health & Management Corporation A & R Development Corp. Baltimore Scrap Corp. 1001 S. Potomac, LLC Wylie Funeral Home Tiplett Avenue LLC MAFA Eastern Avenue Association, LLC |
| Gildea & Schmidt, LLC | Belle Grove Corp. Continental Realty Dillon Vat, LLC Cedley Street Properties, LLC Anderson Automotive |

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| Courtney Glass | Verizon Maryland, Inc. |
| Gill Glenn | Maryland Association of Chain Drug Stores |
| Aaron Greenfield | Bob Bonnes |
| Lisa Harris Jones | ACS State & Local Solutions, Inc. Wal-Mart Stores, Inc. Joseph Smith & Sons, Inc. Verizon Maryland, Inc. |
| Keiren Havens | Planned Parenthood of Maryland |
| Caroline L. Hecker | Chesapeake Paperboard Centre, LLC Menlo Industrial Park, Inc. Sylvia B. Priven, Trustee Future Care Health & Management Corporation A & R Development Corporation Baltimore Scrap Corp. 1001 S. Potomac, LLC MAFA Eastern Avenue Association, LLC |
| Claude Edward Hitchcock | Energy Answers International, LLC American Sugar Refining, Inc. La Cite' Development |
| Barbara H. Hoffman | CSX Transportation Aramark |
| Neal M. Janey | Frances Y. Hamilton |
| Robert Johnson | William Stout-Gannett Fleming DCI Group AZ, LLC |
| Gary R. Jones | Decker's Salvage Atlantic Recycling Group, LLC Cambridge Iron & Metal Baltimore Scrap Corp. |
| Melissa Kleder | NARAL Pro-Choice Maryland |
| Ivan V. Lanier | Wheelabrator Technologies, Inc. Garrett Trierweiler – Wheelabrator Technologies, Inc. |
| Jon Laria | WV Urban Development, LLC |

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| Fred M. Lauer | Brian Shulman/Scores – Baltimore Andrea Perry and Bruce Chapper |
| Thomas M. Lingan | Curtis Bay Energy |
| Sean R. Malone | ACS State and Local Solutions, Inc. Wal-Mart Stores, Inc. Joseph Smith & Sons, Inc. Verizon Maryland, Inc. |
| Nicholas Manis | Baltimore Ravens |
| Kathleen Murphy | Maryland Bankers Association |
| John W. Nugent | Planned Parenthood of Maryland, Inc. |
| Kevin O'Keeffe | Larry Bershtein-MAMOA |
| Daniel J. Pontious | CPHA |
| Hannah J. Powers | CH2M Hill |
| Brian Quinn | Baltimore Racing Development, LLC |
| Odette T. Ramos | Peer to Peer Youth Enterprises |
| Dennis F. Rasmussen | Multistates Associates, Inc. on Behalf of Sanofi Pasteur |
| Ellen Rehrmann | Fraternal Order of Police Aramark |
| Lawrence A. Richardson, Jr. | State Farm Insurance Company |
| Jeff Richman | Altria Client Services, Inc. and Its Affiliates |
| Joel D. Rozner | Optotraffic |
| John J. Scharf | George DiPetro, Owls Metals, Inc. Scrap Metal |
| Joseph A. Schwartz, III | Maryland Catholic Conference |
| Robin F. Shaivitz | The Sherwin-Williams Company CH2M Hill |
| Brian R. Shepter | ACS State & Local Solutions, Inc. Wal-Mart Stores, Inc. |

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| | Verizon Maryland, Inc. |
| Sushant Sidh | William Stout-Gannett Fleming DCI Group AZ, LLC Altria Services, Inc. and Its Affiliates |
| Joseph Smith | Johns Hopkins Institute |
| Toby Spangler | Altria Client Services, Inc. and Its Affiliates |
| Melvin R. Thompson | Restaurant Association of Maryland, Inc. |
| Paul A. Tiburzi | Baltimore Racing Development, LLC |
| Valentino-Benitez | 7-Eleven Maryland-Delaware-District of Columbia Beverage Assoc. |
| Rhoda Washington | Wal-Mart |
| Joseph R. Woolman, III | Broom Factory Redevelopment |
| Joseph R. Wyatt | Association of Maryland Pilots |
| Jeffrie Zellmer | Maryland Retailers Association |

FINANCIAL DISCLOSURE STATEMENT PROCESSING

The Ethics Board is charged with the responsibility of processing financial disclosure forms from elected officials, agency heads, select employees, candidates for office and members of Baltimore City boards and commissions. The categories of persons who are required to file financial disclosure forms are found at Sections 7-6 to 7-14 of the Ethics Law. The Board estimates that over 1,500 people file these forms each year.

Financial disclosure forms are due on or before April 30 of each year, must cover the calendar year immediately preceding the filing and must be notarized. A fine is imposed for late filings, up to a maximum of \$250 per late filing.

Financial disclosure statements are available for public inspection. Contact Anita Evans, Department of Legislative Reference, City Hall, 100 N. Holliday Street, Baltimore, Maryland 21202. 410-396-4730. As required by law, persons who have filed financial disclosure forms are advised of all requests to inspect their forms. In addition, documentation of the request to inspect is maintained with the form inspected.

EDUCATION AND TRAINING BY THE ETHICS BOARD

Ethics Law Section 3-20 requires the Board to develop and offer a training course of not less than two hours on the requirements of the City ethics laws. Every official must complete the training course within six months of appointment or reappointment. The requirement does not apply to an official who, within the five years preceding their appointment or reappointment, completed a training course provided under Section 3-20. The requirement is also not applicable to an individual who is an official only as a board member. On an annual basis, the Board must notify agency heads of the availability of the ethics training course. This was accomplished in 2009.

An individual who is appointed to fill a vacancy in a position must be given written notice of the requirements related to the filing of a financial disclosure statement, taking a training course and submission of a conflicts affidavit. The Mayor or the Mayor's designee must give notice to uncompensated appointees of the Mayor. For all other appointees, the notice must be given by the Director of Human Resources or the Director's designee.

In 2009 ethics training courses were provided by Ethics Board Administrator Elena DiPietro.

ETHICS BOARD PARTICIPATION IN LEGISLATIVE MATTERS

The Ethics Board becomes involved in legislative matters when it is referred proposed legislation for review and comment. The Board also has the authority to propose legislation that amends or regulates the Ethics Law. In 2009 the Ethics Board engaged in both activities.

In January 2009 the Board was asked to review and comment on Bill 09-261 establishing a "Land Bank Authority" and amending the Ethics Code so as to include the Land Bank Authority, its directors and its employees within the purview of the Ethics Code. The Ethics Board commented that if Bill 09-261 passed it would be able to enforce the change.

During the first quarter of 2009 the Board began to consider draft regulations governing the solicitation of charitable contributions. The regulations were adopted in January 2010 and became effective on March 1, 2010. In brief, the regulations require prior approval before charitable solicitations are begun, confirmation that the proposed solicitation is for a bona fide public purpose, identification of the amount to be solicited and the persons and/or businesses that will be solicited, periodic reporting regarding the progress of the solicitation and final reporting on the outcome of the solicitation. The regulations are available for review at www.baltimorecity.gov.

ETHICS BOARD AGENDA FOR 2010

The Ethics Board's primary agenda for 2010 is to promptly handle the wide variety of matters that come before it. The Board has already issued opinions related to requests for exemption from solicitation rules, responded to requests for review of pending legislation and, responded to requests for informal advice regarding the preparation of financial disclosure forms. While continuing to assure as much transparency as possible given the rules requiring confidentiality, the Ethics Board is instituting three changes in the way that it carries out its work.

First, the Ethics Board recognizes that there is great interest in the matters it handles, its deliberations and its decisions. In an effort to demystify its policies and procedures the Board will report on its work on a quarterly basis.

Second, as a means of advancing its obligation to educate and inform those subject to and utilizing the City's Ethics Laws the Board will make properly redacted opinions available for review at the Ethics Board pages of the City's website. The Board will continue the practice of making its redacted opinions available through the Department of Legislative Reference.

Third, believing that more inquiries will be directed to the Board were its meeting dates known well in advance, the Board has decided that it will meet on a regularly scheduled basis. Meetings will be held at 10:00 a.m. on the second Thursday of every month, in the Solicitor's Conference Room, at City Hall. Note that in 2010 the Board will meet on April 8, May 13, June 10, July 8, August 12, September 16 (so as to avoid conflict with Rosh Hashanah which falls on the second Thursday of September), October 14, November 18 (so as to avoid conflict with Veteran's Day which falls on the second Thursday of November) and December 9.

Looking forward to its next annual report, the Board anticipates that the report on its 2010 activities will include information regarding the funds earned and spent in connection with lobbying activities. The Board will also provide detailed information regarding the number of persons who were required to participate in ethics training and, those who actually participated in that training. The Board is welcome to suggestions regarding other information that recipients of this report might find useful.

CONCLUSION

In preparing this report the Ethics Board looked for guidance in the annual reports submitted by ethics boards and commissions established in other Maryland jurisdictions as well as the annual reports prepared by the Maryland State Ethics Commission. These documents provided the Board with useful information as to the kind of information that might be valuable to readers and users of reports like this. The Board acknowledges these resources with gratitude.

The Board also relied on information maintained on its webpage and the actual language of the Ethics Law. The Board elected to detail the complaint process and lobby rules as these are two areas of the law which the general public, as distinguished from City employees and elected officials, is likely to use.

The Ethics Board is committed to continuing its mission of assuring the public that the Baltimore City government is open and honest. We are committed to doing this work in a manner that is responsive, effective, transparent and without bias. Annual reporting is just one initiative that assures that this mission is accomplished.

As required by the Baltimore City Charter, a copy of this report will be filed with the Mayor and the Department of Legislative Reference. Comments regarding this report are welcome and can be directed to Elena DiPietro at 410-396-3209 or by e-mail at Elena.DiPietro@baltimorecity.gov . Letter comments may be directed to: Baltimore City Board of Ethics, Department of Legislative Reference, 100 N. Holliday Street, Room 626, Baltimore, MD 21202

We look forward to hearing from you.

Submitted March 10, 2010 By:

Baltimore City Board of Ethics

Dana P. Moore, Esq., Chair

Alexander Chambers

Donald M. Huskey, Esq.

Deborah Moore-Carter