



pennsylvania
STATE ETHICS COMMISSION

ANNUAL REPORT 2016





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INTRODUCTION

In accordance with the provisions of the Public Official and Employee Ethics Act, the Pennsylvania State Ethics Commission is releasing its annual report for the year 2016.

The Pennsylvania Public Official and Employee Ethics Act (“Ethics Act”) was enacted in order to strengthen the faith and confidence of the people of the Commonwealth of Pennsylvania in their government. The preamble of the Ethics Act provides that “any effort to realize a personal financial gain through public office other than compensation provided for by law is a violation of that trust.” Further, the citizens of the Commonwealth have a right to be assured that the financial interests of its public officials do not conflict with the public trust. To ensure the impartiality of public officials, the Ethics Act provides for certain restricted activities in which public officials and public employees cannot participate. Additionally, the law created the State Ethics Commission, an independent Commonwealth agency composed of seven members vested with the overall responsibility of administering and enforcing the provisions of the Ethics Act.

The Ethics Act vests three (3) main functions in the Commission. The Commission is authorized to administer and enforce financial disclosure requirements. The Commission is also mandated to provide advice and guidance in the form of written opinions to public officials and public employees (or their appointing authorities or employers) regarding their responsibilities and duties under the Ethics Act. Lastly, the Commission has jurisdiction to investigate, either upon its own motion or upon the receipt of a sworn complaint, alleged violations of the Ethics Act. The Commission’s jurisdiction in all three (3) of these areas is uniform in its application to local, county and state level public officials and public employees. Enumerated throughout this annual report are the activities of the Commission which occurred during 2016.

In November 2006, with the passage of Act No. 134-2006, the Lobbying Disclosure Law,

the Commission was vested with additional responsibilities relating to the activities of lobbyists and principals in the Commonwealth of Pennsylvania. The Commission issues advisory opinions as well as conducts investigations and enforcement actions in relation to violations of the Lobbying Disclosure Law.

The Commission holds additional responsibilities pursuant to the Pennsylvania Racehorse Development and Gaming Act (“Gaming Act”), and Act 16 of 2016, known also as the Medical Marijuana Act. Under both, the Commission is charged with generating a public listing of all state, county, municipal and other government positions meeting the definitions of the terms “public official” or “executive-level public employee” as set forth in the Act(s), as well as issuing “determinations” specific to the Gaming Act and the Medical Marijuana Act.

In order to better serve public officials/public employees and the public, the Commission, in 2014, began offering the ability to file Statements of Financial Interests electronically. In 2016 the Commission continued to expand the use of the on-line system for the filing of Statements of Financial Interests. Although the system was initially designed for state level officials mandated by law to file with the Commission, numerous former Commonwealth employees, and current Commonwealth employees who don’t file with the Governor’s Office of Administration, as well as local level officials/employees, have voluntarily filed using the Commission’s electronic system.

In order to maximize compliance with the provisions of the Ethics Act, the Commission has increased its training and educational programs to provide guidance to public officials and public employees regarding the ethical standards set forth in the Ethics Act.

The Commission has also remained active in the Council on Governmental Ethics Laws (COGEL) (see page 26 *infra*). Commission staff members have served on several COGEL committees throughout the years and have also served as officers in the COGEL organization.



ORGANIZATION AND STAFFING

During 2016, the Commission was comprised of six (6) members until the resignation of Commissioner Kathryn Lewis on July 18. Currently, two (2) Commissioner vacancies exist.

On March 21, 2016, Joyce Tomasko was appointed as Executive Secretary. On January 9, 2017, Jessica Wenger was appointed to fill a vacant support position created by the retirement of a long-time Commission employee. On May 12, 2017, Special Investigator Joseph Sherbaum, assigned to the Commission's Central Region office in Harrisburg, resigned from the Commission to pursue a career in the military.

COMMISSIONERS

The Ethics Act mandates that the Commission is to be comprised of seven Commissioners: one each appointed by the President Pro Tempore of the Senate, the Minority Leader of the Senate, the Speaker of the House, and the Minority Leader of the House; and three appointed by the Governor, two of whom may be of the same political party. Commission Members are appointed without confirmation.

CURRENT COMMISSIONERS

NICHOLAS A. COLAFELLA-CHAIR
MARK R. CORRIGAN, ESQUIRE-VICE-CHAIR
ROGER E. NICK
MARIA A. FEELEY, ESQUIRE
MELANIE F. DEPALMA

COMMISSIONER BIOGRAPHIES

NICHOLAS A. COLAFELLA, CHAIR

Nicholas A. Colafella, Ph.D. was appointed as a member of the State Ethics Commission on December 27, 2004. Dr. Colafella served as Vice-Chair of the Commission from January 28, 2013, until being elected Chairman of the Commission on January 16, 2015.

Dr. Colafella was a Member of the Pennsylvania House of Representatives from 1981 to 2002, serving the 15th Legislative District (Beaver County). As a Member of the House of Representatives, Dr.

Colafella served as the Democratic Chairman of the House Insurance Committee (1992–1998), and the House Education Committee (1999).

During this time period, Dr. Colafella also served as a member of the Board of Directors of the Pennsylvania Higher Education Assistance Agency, the Pennsylvania State Board of Education, the Council of Higher Education, and the State Board of Vocational Education. From 1969 until 1980, Dr. Colafella served as the Dean of Continuing Education and Community Service for the Community College of Beaver County as well as its Director of Evening Education. He also served as a business instructor at the same institution, and previously served as a high school business teacher at Center High School and Northwestern High School.

In 1992, Dr. Colafella was recognized as the Outstanding Legislator of the Year by the College and University Public Relations Association of Pennsylvania, and he was named Man of the Year in 1982 by the Upper Beaver Valley Jaycees.

Dr. Colafella has devoted substantial efforts towards community involvement, including his service as chairman of the Beaver County Drug and Alcohol Commission, the University of Pittsburgh Medical Center, Beaver Valley Hospital Advisory Committee, board member of the Pennsylvania State University Beaver Campus Advisory Committee, and the Beaver County Mental Health and Mental Retardation Agency.

From 1956 to 1958, he served in the United States Navy. He received his Ph.D. from the University of Pittsburgh, where he published his dissertation entitled *A Study of Voluntary Support for Pennsylvania Community Colleges*. He received his Master of Arts in Education from Duquesne University and his Bachelor of Science in Education from Youngstown State University.

MARK R. CORRIGAN, VICE CHAIR

Mark R. Corrigan, Esquire, was appointed as a member of the State Ethics Commission on July 2, 2012, by Senator Joseph Scarnati, President Pro Tempore of the Senate. The Commission elected



him Vice Chairman on March 6, 2015.

Mr. Corrigan graduated from the Université de Montpellier, France, 1972; Shippensburg State College, 1973; Pennsylvania State University, 1975; and Dickinson School of Law, 1979.

Mr. Corrigan is a member of the Bar of the Supreme Court of Pennsylvania. He taught in the Harrisburg School System from September 1973 to June 1976. Mr. Corrigan served as Law Clerk with the Pennsylvania Department of Education from June 1977 to October 1979. He was Legal Counsel to Senator J. Doyle Corman. Mr. Corrigan was the Executive Director of the Senate Local Government Committee from November 1, 1979 to June 30, 1981. He was elected Secretary of the Senate of Pennsylvania on June 30, 1981, and served in that position until retiring on December 31, 2011.

ROGER E. NICK, COMMISSIONER

Roger E. Nick was appointed to the State Ethics Commission on January 2, 2013, by then Speaker of the House, Samuel H. Smith.

Mr. Nick is a native of Smethport, Pennsylvania and a graduate of Edinboro State University, with a B.A. in Political Science. Mr. Nick was employed by the Pennsylvania General Assembly and the Pennsylvania Higher Education Assistance Agency from 1973 until his retirement in 2009. During his 36 year career with the Commonwealth, Mr. Nick held a number of positions with the Pennsylvania House of Representatives, including Executive Director of the House Transportation Committee (1973-1976), Legislative Liaison to the Pennsylvania Department of Transportation (1983-1985), and Chief of Staff to Speaker of the House Matthew J. Ryan from 1985 to 2003. Mr. Nick served as an Executive Assistant to State Senator Robert J. Kusse from 1976 to 1983. Mr. Nick also served as the Vice President of the Legislative and Board Affairs for the Pennsylvania Higher Education Assistance Agency from 2003 to 2005. Mr. Nick returned to the Pennsylvania House of Representatives in 2005, serving as the Chief Clerk from 2005 until his retirement in 2009.

Mr. Nick was active as a Member of the Legislative Audit Advisory Commission, a position

he held from 2011 to 2013.

THE HONORABLE KATHLEEN STREETER LEWIS, COMMISSIONER

(Served from June 28, 2013 to July 18, 2016)

The Honorable Kathryn Streeter Lewis was appointed to the State Ethics Commission on June 28, 2013, by the Honorable Jay Costa, Democratic Leader of the Senate of Pennsylvania.

Judge Lewis served for more than 20 years as a judge of the Court of Common Pleas of the Commonwealth of Pennsylvania, First Judicial District (Philadelphia). She was appointed to the bench by Governor Robert P. Casey in 1988; elected to a 10 year term in 1989; and retained for another term in 1999.

Judge Lewis presided in all three Divisions of the First Judicial District: Family, Trial, and Orphans Court. In 1992, Judge Lewis was appointed by the Pennsylvania Supreme Court to be Administrative Judge of the Orphans Court Division where, in addition to administrative duties, she presided over cases involving wills, trusts, estates, and guardianships. While assigned to the Family Court Division, she primarily presided over cases involving juvenile delinquency and dependency. During her tenure in the Trial Division, she presided over jury and non-jury trials of criminal cases including major felonies and homicides, non-capital and capital. Judge Lewis also supervised the Philadelphia County Investigating Grand Jury from 2004 to 2006.

Prior to her appointment to the bench, Judge Lewis served as the First Deputy City Solicitor for the City of Philadelphia. While serving in the City Solicitor's Office her areas of practice included major commercial and housing developments, public utilities, and publicly subsidized economic development projects.

After leaving the bench, Judge Lewis served as the Executive Director of Homemaker Service of the Metropolitan Area, Inc., a non-profit corporation providing home health, skilled, and personal care services to low income, disabled, elderly, and chronically ill persons in their homes.

Judge Lewis is also an Adjunct Professor of Law at Villanova University School of Law where



she teaches Trial Advocacy. She also is a member of the law school's Board of Consultants.

Throughout her career, Judge Lewis has remained active in the community by serving on the boards of numerous organizations including: Visting Nurses Association of Greater Philadelphia, The Haverford School, Philadelphia Bar Association Board of Governors, Pennsylvania Bar Association House of Delegates, Barristers Association of Philadelphia, Philadelphia Juvenile Justice Alliance, Villanova Law School Inn of Court, Self, Inc., Philadelphia Chapter National Bar Association Women Lawyers Division Foundation, and others.

Judge Lewis received her Juris Doctor (J.D.) from Villanova University School of Law and her Bachelor of Arts degree from the University of Pennsylvania.

MARIA A. FEELEY, COMMISSIONER

Maria Feeley was appointed to the State Ethics Commission on April 2, 2014 by the Honorable Tom Corbett, then Governor of the Commonwealth of Pennsylvania.

Ms. Feeley is Chair of the Board of Trustees of Rosemont College, where she has served as an adjunct business law professor. She also serves as Vice President, General Counsel and Secretary of the University of Hartford.

Ms. Feeley was a partner with the law firm of Pepper Hamilton LLP, resident in the Philadelphia office, where she was chair of the firm's Women's Initiative, vice chair of the firm's Diversity Committee, and a member of the firm's Hiring and Contributions Committees. While remaining a Pepper partner, she also served as a senior consultant for Freeh Group International Solutions LLC, a global risk management company former FBI Director Louis J. Freeh founded and Pepper acquired.

Ms. Feeley has received numerous awards and appointments. In 2016, Philly Biz honored her as a "Top Business Attorney." Profiles in Diversity Journal included her among the 2012 honorees in its 10th Annual WomenWorthWatching® issue. The Legal Intelligencer and Pennsylvania Law Weekly named Feeley one of Pennsylvania's

25 Women of the Year in 2008. In 2008, the Philadelphia Bar Association presented her with the F. Sean Peretta Award. She is also a recipient of the Philadelphia Business Journal's "40 Under 40 award." American Lawyer Media named her one of Pennsylvania's "Lawyers on the Fast Track" and she has repeatedly been listed in the Pennsylvania edition of Super Lawyers Magazine as a Rising Star.

In 2011, Ms. Feeley was appointed to the Archbishop's Cabinet of the Archdiocese of Philadelphia, and since 2011, she has served on the Strategic Planning Committee for the Archdiocese of Philadelphia, Catholic Social Services, one of the largest private non-profit providers of social services in Southeastern Pennsylvania, benefiting more than 165,000 individuals annually. She was also selected to be a member of the Archdiocesan Professionals' Society. Ms. Feeley also served as a member and Chair of the Executive Board of the Stewards' Alliance, an organization dedicated to supporting the special needs schools of the Archdiocese of Philadelphia.

Since 2008, she has served as the Philadelphia liaison to the American Bar Association's Commission on Women in the Profession, a commission first chaired by Hillary Rodham Clinton. She is also the technology vice chair of the ABA Tort & Insurance Practice Section Dispute Resolution Committee.

Feeley has served as a Zone 1 Delegate to the Pennsylvania Bar Association House of Delegates and member of the Executive Council of the Association's Commission on Women in the Profession. She was elected to the Board of Governors of the 13,000 member Philadelphia Bar Association, appointed to the Association's Commission on Judicial Selection and Retention, and chaired the Association's Women in the Profession Committee, Annual Bench Bar and Continuing Legal Education Conference, Women's Rights Committee, Sandra Day O'Connor Award Committee, Justice Brennan Distinguished Jurist Award Committee, Drafting Committee for the Development of a Call to Action and Best Practices for the Retention and Promotion of Women Lawyers, and the First Women in the Profession



Summit.

Ms. Feeley is an arbitrator for the Philadelphia County Court of Common Pleas, and is often appointed to chair civil arbitration panels. She has also served as the Treasurer of the Lawyer's Club of Philadelphia, and a member of the Young Women's Initiative Advisory Board of Women's Way, the country's oldest and largest women's funding federation.

Ms. Feeley obtained her JD from Washington and Lee University School of Law, where she is one of 24 elected members of the Law Council. While there, she served as senior articles editor, as well as a case note author, for the Washington and Lee Journal of Civil Rights and Social Justice f/k/a Race and Ethnic Ancestry Law Digest. She was also a National Moot Court quarterfinalist, and a John W. Davis Moot Court semifinalist, resulting in appointment to the National Moot Court Team.

Ms. Feeley obtained her BA, cum laude, in Mathematics and History from Rosemont College.

MELANIE F. DEPALMA, COMMISSIONER

Melanie F. DePalma was appointed to the State Ethics Commission on January 14, 2015, by the Honorable Tom Corbett, then Governor of the Commonwealth of Pennsylvania. Ms. DePalma is a native of the Harrisburg area and a graduate of the Pennsylvania State University, Capital College. She earned a Bachelor of Science degree, with distinction, in Public Policy.

Over the course of her career, Ms. DePalma held positions in both the private and public sectors before retiring from the Commonwealth of Pennsylvania in 2014. Most recently, Ms. DePalma served in the Pennsylvania Office of Administration as Director of the Bureau of State Employment from 2011 to 2014. Prior to this, Ms. DePalma was appointed by the Honorable Tom Corbett as Deputy Director in the Governor's office of Public Liaison. Ms. DePalma was employed as a Legislative Liaison in the Pennsylvania Office of the Attorney General from 1997 to 2011 serving Attorneys General Fisher, Pappert and Corbett respectively in this capacity. Ms. DePalma was employed by the Government Affairs Division of the Westinghouse Electric Corporation from

1986 to 1996, serving as a Legislative Analyst and registered lobbyist for the Corporation from 1992 to 1996. Prior to spending several years at home raising her children, Ms. DePalma was also employed by the Pennsylvania House of Representatives from 1974 to 1979.

STAFF

EXECUTIVE DIVISION

Robert P. Caruso, Executive Director
 Brian D. Jacisin, Deputy Executive Director/
 Director of Investigations
 Joyce E. Tomasko, Executive Secretary

OFFICE OF CHIEF COUNSEL

Robin M. Hittie, Chief Counsel
 Martin W. Harter, Senior Assistant Counsel
 Esther Estelle, Legal Assistant

ADMINISTRATIVE DIVISION

Leticia Powell, Director of Administration
 Stanley G. Weaver, Clerk Typist
 Jessica Wenger, Clerk Typist
 Sean M. Firestine, Information Technology
 Manager

INVESTIGATIVE DIVISION (HEADQUARTERS)

Jeffery S. Frankenburger, Assistant Counsel
 Daniel M. Bender, Senior Special Investigator
 Gregory Curran, Senior Special Investigator
 Joseph C. Sherbaum, Special Investigator
 Heather L. Mulhollan, Secretarial Support

INVESTIGATIVE DIVISION (WESTERN REGIONAL OFFICE)

Jason P. Bricker, Regional Supervising
 Investigator
 Daniel P. Cali, Special Investigator
 Joseph Grado, Special Investigator
 Cynthia L. Hershberger, Secretarial Support



COMMISSION MEMBER & EMPLOYEE RESTRICTIONS

The Ethics Act places certain obligations upon the Commission and its staff members. No individual while a member or employee of the Commission, shall:

1. hold or campaign for any other public office.
2. hold office in any political party or political committee.
3. actively participate in or contribute to any political campaign.
4. directly or indirectly attempt to influence any decision by a governmental body, other than a court of law or as a representative of the Commission on a matter within the jurisdiction of the Commission.
5. be employed by the Commonwealth or a political subdivision in any other capacity whether or not for compensation.

Additionally, no member of the Commission shall have served as an officer in a political party for one year prior to appointment.

The State Ethics Commission has also implemented an internal Code of Conduct to govern the members of the Commission. That code is set forth in the Commission's regulations, at 51Pa. Code §11.1 et seq.

CONTACT INFORMATION FOR THE PENNSYLVANIA STATE ETHICS COMMISSION:

PHYSICAL ADDRESS / HOURS OF OPERATION:

Room 309 Finance Building
Commonwealth Avenue and North Streets,
Harrisburg
Office Hours: Monday – Friday, 8:00 a.m. – 5:00 p.m.

Website: www.ethics.pa.gov

E-mail address: ethics@pa.gov

MAILING ADDRESS:

Pennsylvania State Ethics Commission
P.O. Box 11470
Harrisburg, PA 17108-1470
Telephone: (717) 783-1610
Fax: (717) 787-0806
Toll free: (800) 932-0936

PITTSBURGH REGIONAL OFFICE:

Pennsylvania State Ethics Commission
1 Forestwood Drive, Suite 102
Pittsburgh, PA 15237
Telephone: (412) 635-2816
Fax: (412) 635-2818

FOR THE OPEN-RECORDS OFFICER OF THE PENNSYLVANIA STATE ETHICS COMMISSION:

Robert P. Caruso, Executive Director
Pennsylvania State Ethics Commission
309 Finance Building / P.O. Box 11470
Harrisburg, PA 17108-1470
Telephone: (717) 783-1610 or 1-800-932-0936
Fax: (717) 787-0806
E-mail: RA-ethicsRTKL@pa.gov

FOR THE PENNSYLVANIA OFFICE OF OPEN RECORDS:

MAILING ADDRESS:

Commonwealth of Pennsylvania
Office of Open Records
Commonwealth Keystone Building
400 North Street, 4th Floor
Harrisburg, PA 17120-0225
Telephone: (717) 346-9903
Fax: (717) 425-5343
E-mail: openrecords@pa.gov
Executive Director: Eric Arneson



PUBLIC INFORMATION

ETHICS COMMISSION WEBSITE

www.ethics.pa.gov

ETHICS COMMISSION E-LIBRARY

www.ethicsrulings.state.pa.us

STATEMENTS OF FINANCIAL INTERESTS FILINGS:

All Statement of Financial Interests forms filed with the Commission are available for public inspection and copying. There is a charge of 25 cents per page for copies.

Statements of Financial Interests filed with the Commission are also available for public inspection via the Commission's website at

www.ethics.pa.gov.

For calendar year 2016, the Commission's online Statement of Financial Interests filing system continued to gain popularity with county and local public officials, candidates, former public officials and employees, and public employees not required to file with the Governor's Office of Administration.

COMMISSION DECISIONS

Commission decisions (orders, opinions, advices of counsel, and determinations) are available at the offices of the Commission and may also be available at county law and public libraries and via the Commission's website at

www.ethics.pa.gov.

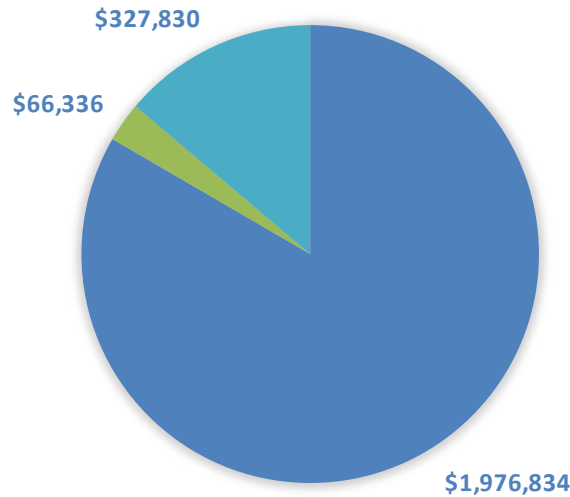
The Commission may require payment for a large quantity of pamphlets or decisions.



BUDGET

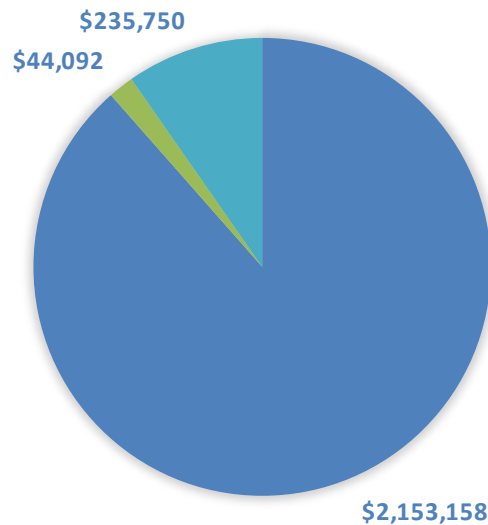
TWO-YEAR BUDGET ANALYSIS APPROPRIATION 2015-2016

Employee salaries/benefits	\$1,976,834
Miscellaneous personnel services	\$66,336
Agency Operations.....	\$327,830
Total.....	\$2,371,000



APPROPRIATION 2016-2017

Employee salaries/benefits	\$2,153,158
Miscellaneous personnel services	\$44,092
Agency Operations.....	\$235,750
Total.....	\$2,433,000





POWERS AND DUTIES

The powers and duties of the Commission under the Ethics Act include:

- Issuing prospective advisory opinions regarding an individual's duties and responsibilities under the Ethics Act.
- Receiving and reviewing Statements of Financial Interests filed pursuant to the Ethics Act.
- Investigating alleged violations of the Ethics Act, holding hearings, and issuing decisions in relation to said investigations.
- Preparing and publishing an annual report, special reports, educational materials, and technical studies to further the purposes of the Ethics Act.
- Prescribing rules and regulations to implement the provisions of the Ethics Act. (See 51 Pa.Code § 11.1 et seq.).
- Holding at least two public hearings each year to seek input from persons and organizations which represent individuals subject to the Ethics Act.

RESTRICTED ACTIVITIES

The Ethics Act restricts certain activities as detailed in Section 1103 of the Ethics Act.

Section 1103(a) of the Ethics Act restricts public officials and public employees from using the authority of the public position, or confidential information received by being in such position, for a prohibited private pecuniary benefit. The Ethics Act provides certain exceptions to the prohibition.

Sections 1103(b) and 1103(c) of the Ethics Act prohibit improper influence involving offering/giving or soliciting/accepting something of monetary value based on the understanding that the vote, official action, or judgment of a public official, public employee, nominee, or candidate for public office would be influenced thereby.

Section 1103(d) of the Ethics Act prohibits public officials and public employees from accepting an honorarium.

Section 1103(e) of the Ethics Act prohibits the solicitation or acceptance of a severance payment or anything of monetary value contingent upon the assumption or acceptance of public office or employment. The Ethics Act provides certain exceptions to the prohibition.

Where a public official/public employee, his spouse or child, or a business with which he, his spouse or child is associated, is otherwise appropriately contracting with the public official's/public employee's governmental body, or subcontracting with any person who has been awarded a contract with the governmental body, in an amount of \$500.00 or more, Section 1103(f)

of the Ethics Act requires that an "open and public process" be observed as to the contract with the governmental body. Section 1103(f) of the Ethics Act also provides that the public official/public employee may not have any supervisory or overall responsibility as to the implementation or administration of the contract with the governmental body.

Section 1103(g) of the Ethics Act prohibits a former public official/public employee from representing a person, with promised or actual compensation, before the governmental body with which he has been associated for one year after he leaves that body.

Section 1103(h) of the Ethics Act prohibits the use of information from Statements of Financial Interests for a commercial purpose.

Section 1103(i) of the Ethics Act provides that for two years following termination of employment with the Commonwealth of Pennsylvania, a former executive-level State employee may not be employed by, receive compensation from, assist or act in a representative capacity for a business that he actively participated in recruiting to the Commonwealth or that he actively participated in inducing to open or expand a plant, facility or branch in the Commonwealth, through a grant or loan of money or a promise of a grant or loan of money from the Commonwealth to such business.

Section 1103(j) of the Ethics Act provides procedures to be used when voting conflicts occur.



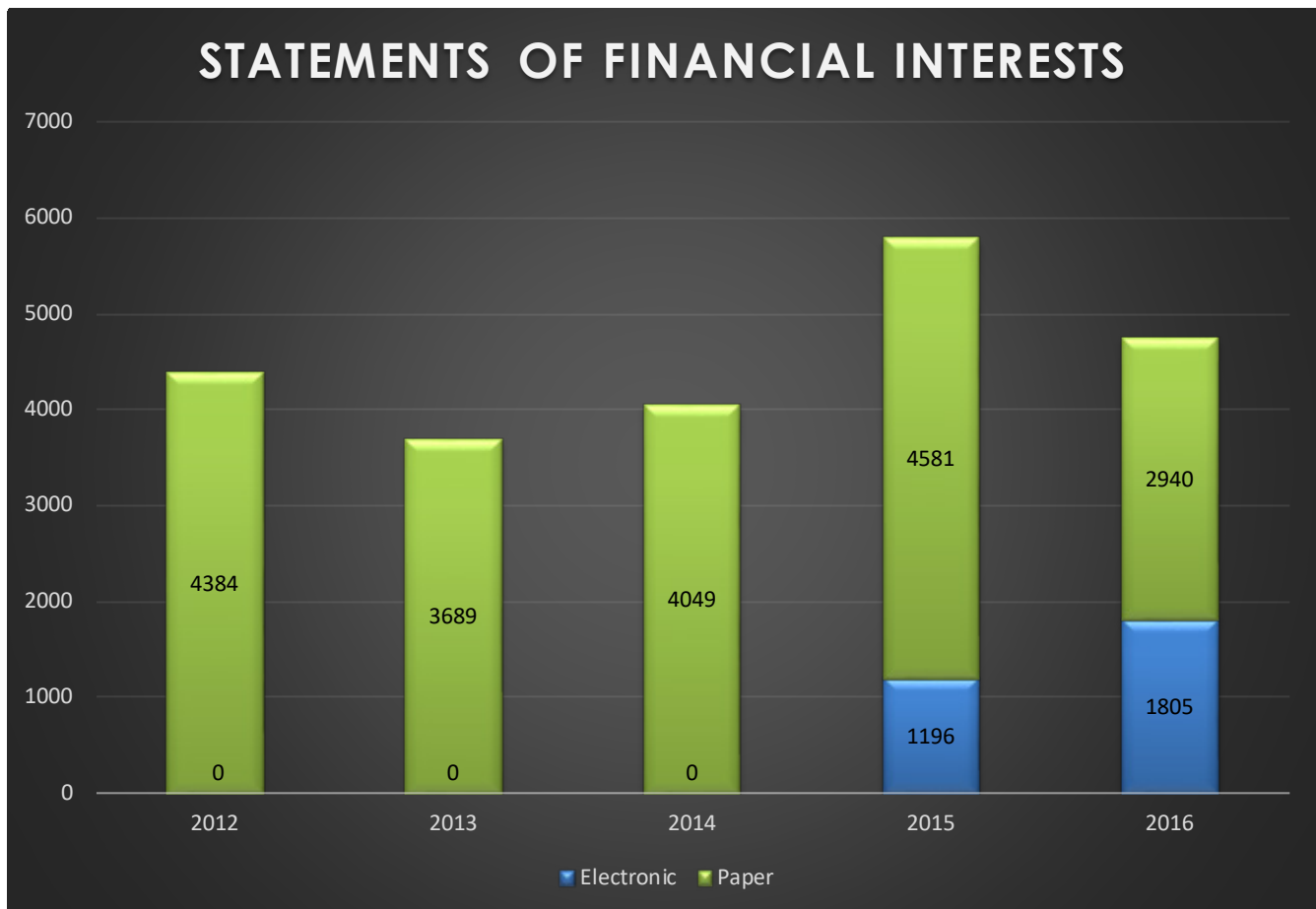
FINANCIAL DISCLOSURE

Section 1104 of the Ethics Act (65 Pa.C.S. § 1104) requires that public officials, public employees, solicitors, nominees, and candidates for public office file Statements of Financial Interests. Section 1105 of the Ethics Act (65 Pa.C.S. § 1105) describes the information to be reported.

In preparation for the May 1, 2017 filing deadline for calendar year 2016, a total of 200,868 forms were distributed from December 2016 to mid-January 2017 to 7,001 state, county, and local government entities for distribution to public officials, public employees, and candidates required to comply with the Ethics Act. All filers are given the option to electronically file at the Commission's website in lieu of completing a paper form.

For calendar year 2015 (filing year 2016), there were 4,745 individuals who filed Statements of

Financial Interests with the Commission. Of those who filed, 1,805 (38%) filed electronically through the Commission's web site, which is a 51% increase in electronic filings from last year. Direct filers with the Commission consisted of 649 candidates for public office; 1,123 constables and deputy constables and 396 cabinet members and staff. An additional 1,733 direct filers included state officials, former state employees and members of state boards and commissions. Indirect filers totaled 844, and consisted of local government individuals who filed voluntarily with the Commission. Statements of Financial Interests filed with the Commission are public documents, and are available for public inspection at the Commission's e-library.





CIVIL PENALTIES

Those public officials/public employees, solicitors, nominees, and candidates for public office, who are required to file Statements of Financial Interests pursuant to Section 1104 of the Ethics Act (65 Pa.C.S. §1104), and have failed to do so or have filed deficient Statements of Financial Interests, may be subject to an assessment of a civil penalty as delineated in Section 1109(f) of the Ethics Act (65 Pa.C.S. §1109(f)).

Pursuant to the Ethics Act (65 Pa.C.S. §1101 et seq.), the Regulations of the Commission (51 Pa. Code §11.1 et seq.), as well as the Policies and Procedures of the Commission, upon learning that an individual has failed to file/filed a deficient Statement of Financial Interests, the Commission must first notify the individual of such non-compliance. A Warning Notice letter is sent to an individual who has either not filed or filed a deficient Statement of Financial Interests. The Warning Notice letter(s) afford the individual twenty days to cure the deficiency and/or to file a Statement of Financial Interests without penalty. If the individual fails to file within the cure period(s), the Commission may levy a civil penalty of not more than \$25.00 per day up to a maximum of \$250.00 against the individual and order the filing of the Statement of Financial Interests.

Should an individual fail to comply with an Order of the Commission to either remit the assessed civil penalty and/or to file a Statement of Financial Interests, the Commission is authorized to pursue the matter in the Commonwealth Court of Pennsylvania for the purposes of enforcement of the Commission's Order.

For the calendar year 2015 filing, the Commission identified 498 current and/or former state-level public officials/public employees who either failed to file and/or filed deficient Statements of Financial Interests. Those 498 individuals received an initial or First Warning Letter directing them to file the outstanding forms. Of those 498 individuals who were sent First Warning Letters, only 41 failed to cure their filings within the twenty-day period, prompting the need for Second or Final Warning Notice

Letters.

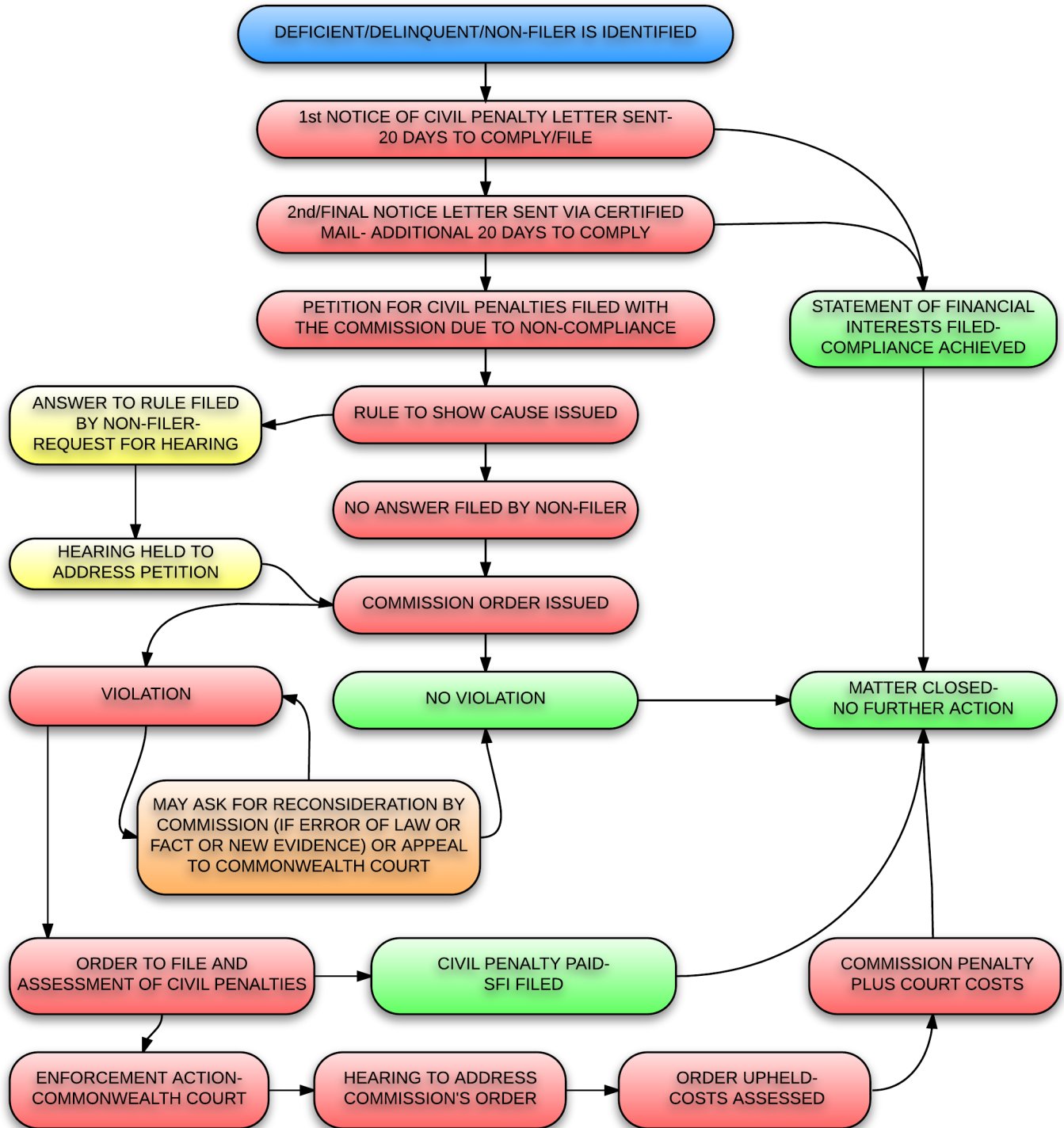
During the third quarter of 2016, a list of all constables and deputy constables was requested from PCCD for the years 2013-15, for purposes of conducting a compliance review. Upon completion of the compliance review, the Commission identified 636 constables/deputies who either failed to file and/or who filed deficient Statements of Financial Interests. Of the 636 constables/deputies who were sent First Warning Letters, 190 failed to file/amend within the twenty-day cure period. As of calendar year-end 2016, 580 (91%) of the originally identified deficient/non-filing constables/deputies had filed their Statements of Financial Interests.

Compliance activities from other Investigative and Administrative Compliance Reviews, as well as from members of the public, resulted in identification of 874 delinquent and/or deficient filers, all of which were sent First Warning letters followed by 28 who were sent Second/Final Warning letters. As of year-end 2016, 699 (80%) of those identified individuals have filed corrected/amended Statements of Financial Interests.

During calendar year 2016, the Commission issued a total of sixty (60) Orders ruling on Petitions for Civil Penalties and imposed civil penalties totaling \$15,250 (payable to the Commonwealth of Pennsylvania) against public officials/public employees who failed to correct delinquent/deficient Statements of Financial Interests.



NOTICE OF NON-COMPLIANCE FLOWCHART





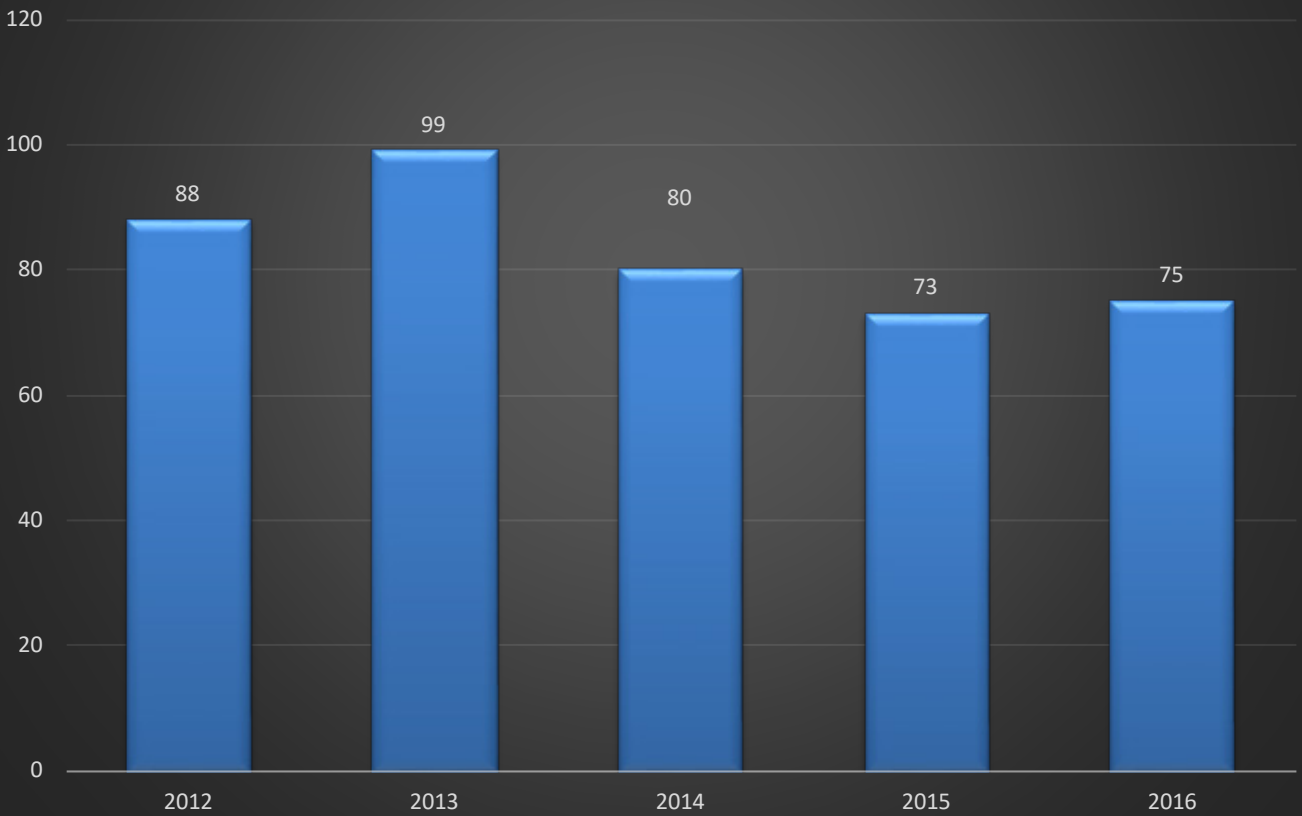
OPINIONS AND ADVICES

From January 1, 2016, through December 31, 2016, the Commission issued a total of 75 advisories under the Ethics Act, consisting of 6 Opinions and 69 Advices of Counsel.

Opinions and Advices are public records. However, a requester may require that the Opinion or Advice contain such deletions and change as shall be necessary to protect the identity of the persons involved. Pursuant to the Ethics Act, the Commission is required to provide specified libraries throughout the Commonwealth with copies of Advices of Counsel, Opinions, and Orders that are a matter of public record. Copies of Opinions and Advices are available online in the eLibrary free of charge at www.ethics.pa.gov.

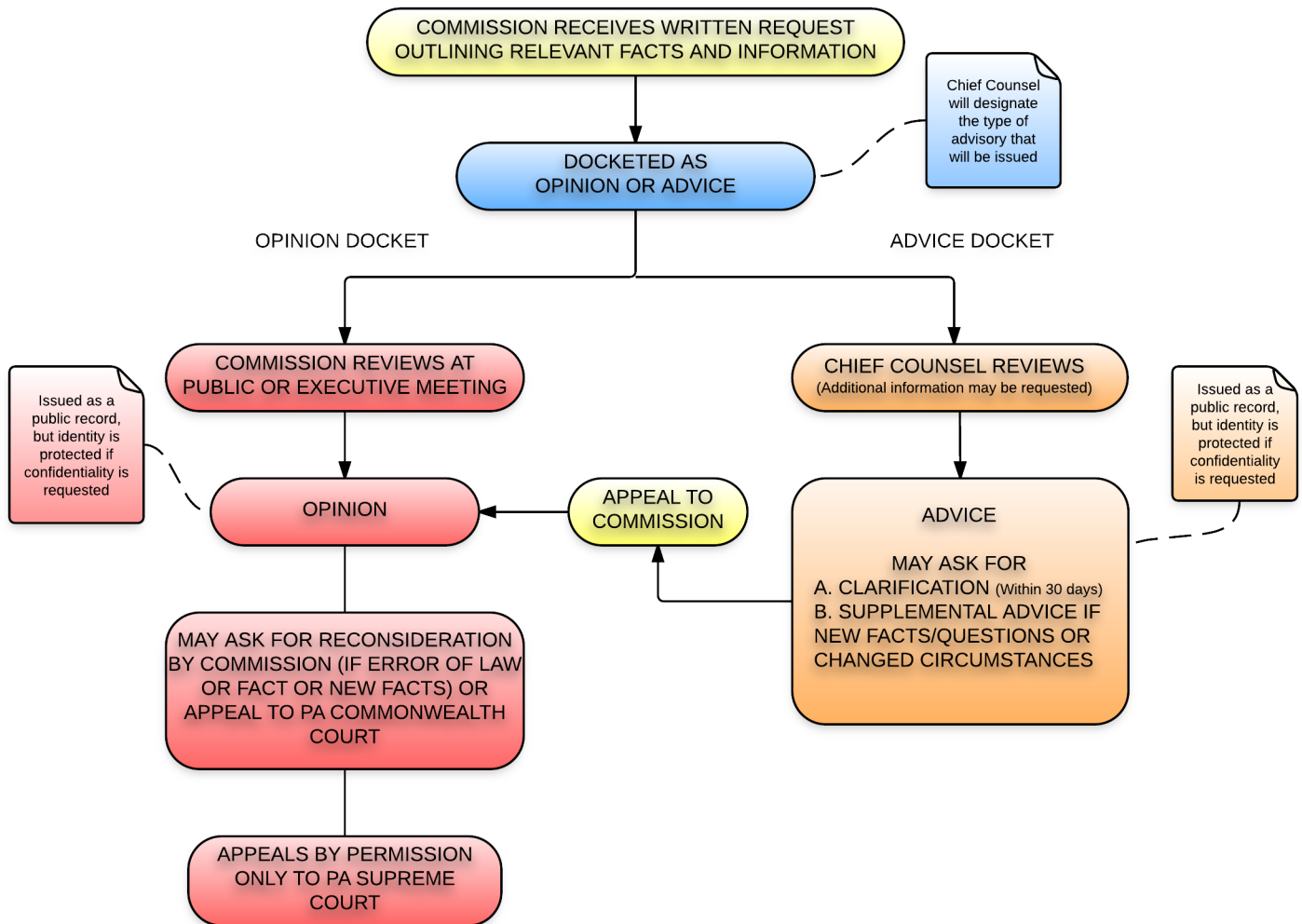
Sections 1107(10)-(11) of the Ethics Act directs the Commission to provide an Opinion or Advice to any person about his or her duties under the Act. An Opinion or Advice may also be provided to the employer or appointing authority of such person. Opinions and Advices provide a complete defense against enforcement action initiated by the Commission. An Advice of Counsel is evidence of good faith conduct in any other civil or criminal proceeding if the requester truthfully disclosed all material facts and acted in reliance on the Advice. An Opinion is an absolute defense to any criminal or civil penalty provided all material facts are truthfully disclosed and the requester acts in good faith on the Opinion.

ADVICES/OPINION STATISTICS 2012-2016 (ADVICES/OPINIONS ISSUED BY THE ETHICS COMMISSION UNDER THE ETHICS ACT)





OPINIONS AND ADVICES FLOWCHART





COMPLAINTS/INVESTIGATIONS

The Commission is authorized to investigate matters upon receipt of a sworn complaint and/or to initiate investigations upon its own motion. In order for a sworn complaint to be valid, it must include the full name(s) and address(es) of the complainant and respondent; contain allegations related to a specific individual(s); be signed by the complainant; and be properly notarized.

The Commission’s Investigative Division will initially acknowledge receipt of a complaint; however, if the complained of matter is not within the Commission’s jurisdiction or if the complaint lacks sufficient information, it will not be processed and the complainant will be notified of the deficiencies in the complaint. If a matter is to be investigated, the Commission’s Investigative Division will initiate a preliminary investigation which must be either terminated or opened as a full investigation. If a matter is opened as a full investigation, the complainant will be notified within 72 hours, and both the complainant and subject of the investigation (respondent) will be notified every 90 days thereafter of the status of the matter. The respondent must be notified prior to the initiation of a full investigation of the allegations against him/her. If after a preliminary

investigation the matter is terminated, both the complainant and the respondent will be notified.

Once a full investigation has been initiated, and upon the conclusion of the field investigation, the respondent will be issued an Investigative Complaint/Findings Report containing the relevant findings of fact. The Investigative Complaint/Findings Report must be issued within 360 days of the initiation of the full investigation and the respondent must file an Answer to said report within 30 days after its issuance. Following the issuance of the Investigative Complaint/Findings Report a respondent may choose to negotiate a settlement of the matter. If a respondent chooses to challenge the allegations contained within the Investigative Complaint/Findings Report the respondent will be afforded a full and fair opportunity to do so following the filing of an Answer.

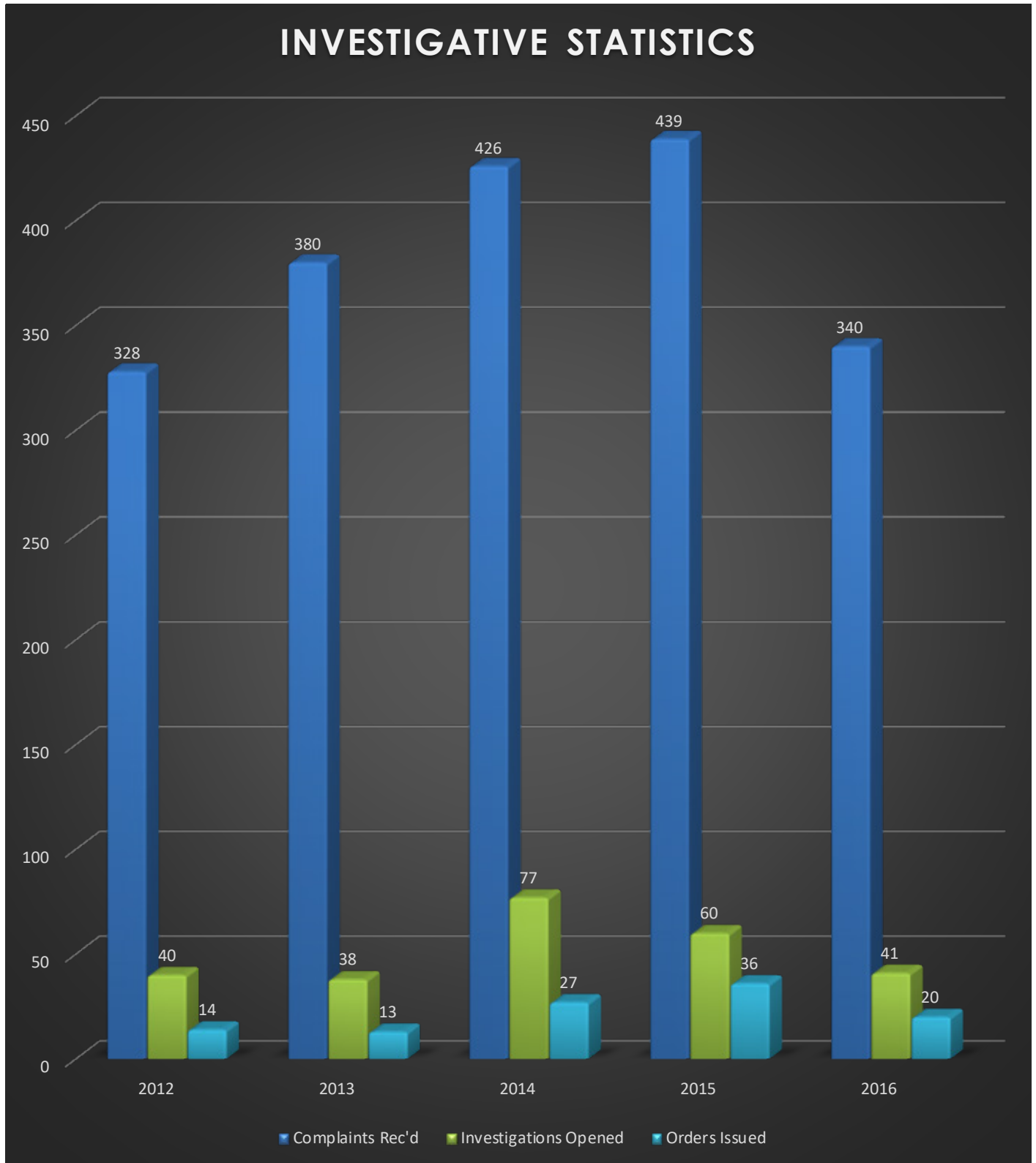
Upon the conclusion of the investigation and all other proceedings, the Commission will issue a final order containing findings of fact and conclusions of law. Final orders issued by the Commission are public documents and will be released as such.

2016 INVESTIGATIVE COMPLIANCE STATISTICAL SUMMARY

Complaints received:.....	340
Investigations opened:.....	41
Ethics Orders issued:.....	20
Lobbying Orders issued:.....	12
Civil Penalty Orders issued:.....	60
Restitution/Penalties ordered:	
Ethics:.....	\$107,753.50
Lobbying:.....	\$45,285.00
Civil (see page 11, infra):.....	\$15,250.00
Costs:.....	\$5,234.12
Total:	\$173,522.62

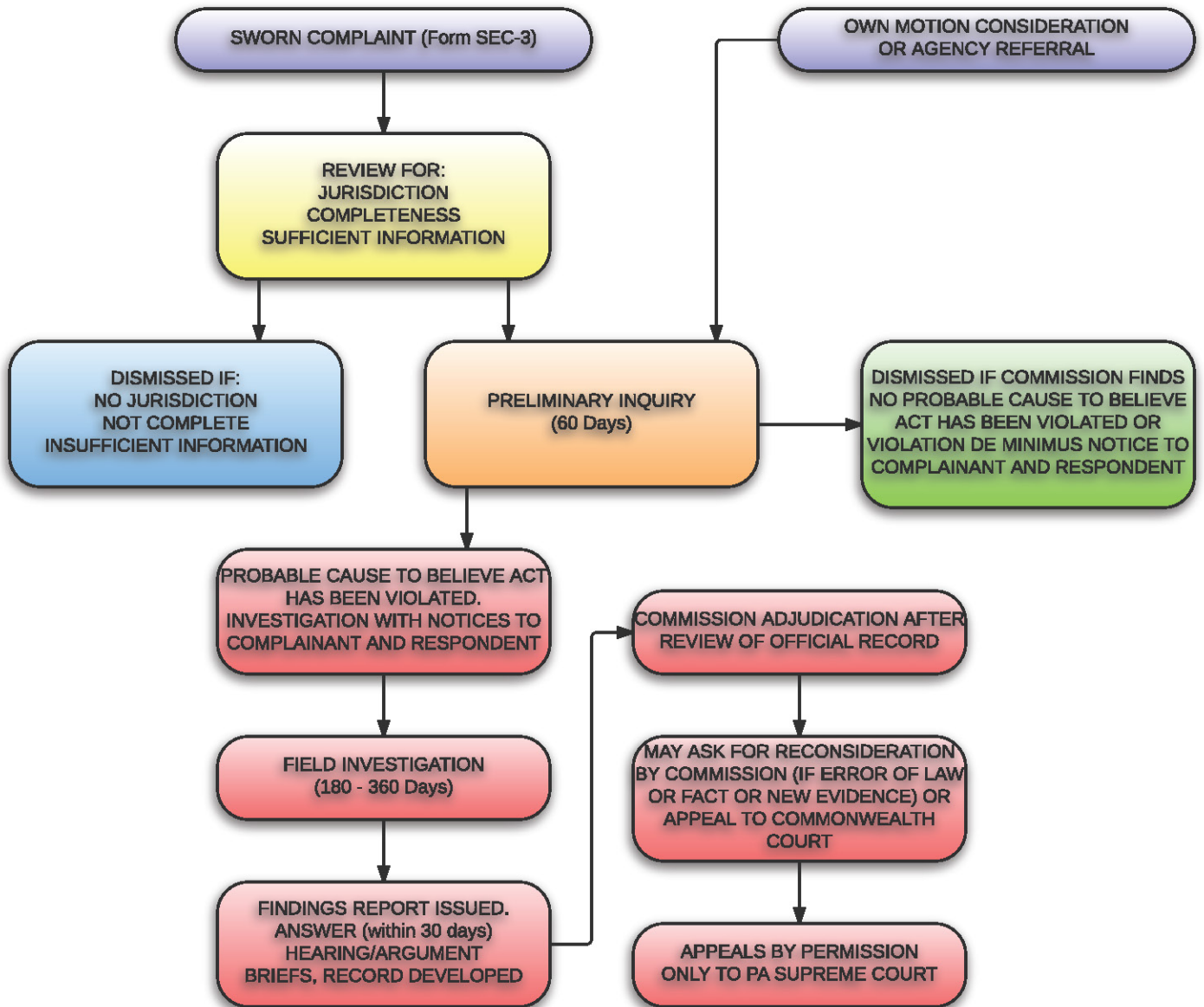


INVESTIGATIVE STATISTICS





INVESTIGATIVE FLOW CHART





PENNSYLVANIA LOBBYING DISCLOSURE LAW

OVERVIEW

Under the Lobbying Disclosure Law, 65 Pa.C.S. § 13A01 et seq., the Commission’s responsibilities include enforcement, issuing advisories, and participating on the Lobbying Disclosure Regulatory Committee through the Commission Chair or his designee. Responsibility for the administration of the registration and reporting requirements is vested in the Pennsylvania Department of State.

ADVISORIES

From January 1, 2016, through December 31, 2016, the Commission issued one (1) advisory under the Lobbying Disclosure Law, consisting of an Opinion.

The Commission issues advisories under the Lobbying Disclosure Law to persons with standing (legal authority) to submit such requests. The process for issuing advisories under the Lobbying Disclosure Law is similar to the process under the Ethics Act. Advisories are issued as to prospective conduct only.

ENFORCEMENT

The Commission has authority to enforce the registration and reporting requirements (Sections 13A04 and 13A05) and to some extent, the “prohibited activities” section (Section 13A07) of the Lobbying Disclosure Law.

With regard to enforcement of the registration and reporting requirements, the Lobbying Disclosure Law provides a process (see, Section 13A09) whereby the Commission is to issue a “Notice of Alleged Noncompliance” to a person (hereinafter referred to as the “non-filer”) who has failed to register or report as required. The non-filer is given an opportunity to appeal to the Commission and have a hearing. Intentional violations are referred to the Office of Attorney General and in some instances to the Disciplinary Board of the Supreme Court of Pennsylvania (“Disciplinary Board”) as discussed below. For negligent violations, the Commission may impose

an administrative penalty up to \$50.00 for each late day. The Commission may also prohibit a non-filer from lobbying for economic consideration for up to five years if the non-filer fails to comply after notice of non-compliance and a hearing, if requested.

With regard to enforcement of the “prohibited activities” section of the Lobbying Disclosure Law, Section 13A07, the Commission has authority to receive complaints, conduct investigations, hold hearings, and impose administrative penalties as to: (1) lobbying “conflicts of interest” as described in subsection (d); and (2) 10 categories of “unlawful acts” listed in subsection (f). For violations as to these particular types of “prohibited activities,” the Commission has authority to impose financial penalties of up to \$2,000.00 per violation and to prohibit a lobbyist from lobbying for economic consideration for up to five years.

For all other prohibited activities detailed in Section 13A07 of the Lobbying Disclosure Law, the Commission may initiate investigations through the Executive Director and hold hearings pursuant to the Commission’s general authority under Section 13A08(g).

However, the only penalty the Commission may impose for these types of violations is prohibition against lobbying for economic consideration for up to five years in the event of an intentional violation. 65 Pa.C.S. § 13A09(e)(4).

For all of the above types of matters, if the Commission has reason to believe that an intentional violation of the Lobbying Disclosure Law has been committed, the Commission must refer all relevant information to the Office of Attorney General and, if the lobbyist or principal is an attorney, to the Disciplinary Board. 65 Pa.C.S. § 13A09(h). Referrals to the Attorney General and Disciplinary Board would generally not preclude the Commission from conducting its own proceedings. However, matters involving alleged conflicts of interest on the part of attorneys would be handled exclusively by the Disciplinary Board. 65 Pa.C.S. § 13A07(d)(8).

An alleged violation of the “unlawful acts”



provision by an attorney would be referred to the Disciplinary Board. 65 Pa.C.S. § 13A07(f)(3)(ii). Matters involving an attorney's failure to register or report would be heard by the Commission with the Commission referring cases involving intentional conduct to the Disciplinary Board as well as the Attorney General. In the event of an attorney's negligent failure to register/report, the Commission could impose an administrative/civil penalty but would be required to inform the Disciplinary Board of such action. 65 Pa.C.S. § 13A09(b)(2)-(3), (c)(3).

LOBBYING COMPLIANCE ACTIVITIES

The Commission continues to engage in compliance efforts regarding lobbying activities undertaken in calendar year 2016. The Commission, through the Investigative Division, monitors and enforces the Lobbying Disclosure Law (65 Pa.C.S. § 13A01 et seq.) through compliance reviews of Registration Statements, as well as Quarterly Expense Reports, filed by Principals, Lobbyists and/or Lobbying Firms with the Pennsylvania Department of State.

During calendar year 2016, the Pennsylvania Department of State did not identify any Lobbyists, Principals, or Lobbying Firms, which had filed deficient Registration Statements and as such, the Commission did not pursue any penalties against same. The Commission received a complaint regarding a Principal's failure to register under the Lobbying Disclosure Law and issued an Order, by Consent Agreement, finding no violation. During the reporting period for calendar year 2016, the Commission did issue a total of 121 Warning Notice Letters to Principals, regarding their failure to file Quarterly Expense Reports, as required by the Lobbying Disclosure Law. Of those 121 Warning Notices sent, 11 Principals did not file their Quarterly Expense Reports and/or otherwise comply with the Warning Notices within the cure period. Those 11 Principals were the subject of Notices of Non-Compliance, an action undertaken by the Investigative Division of the Commission seeking the assessment of a monetary penalty

against non-complying Principals. In all, the Commission directed that a total of \$45,285 in penalties be paid to the Commonwealth and \$2,500 in costs be paid to the Commission. Of the 11 Orders issued by the Commission, nine (9) were negotiated agreements, and two (2) were the result of a default judgement.



PENNSYLVANIA RACE HORSE DEVELOPMENT AND GAMING ACT

Pursuant to the Pennsylvania Race Horse Development and Gaming Act (“Gaming Act”), 4 Pa.C.S. § 1101 et seq., the Commission has responsibilities for:

(1) Biennially publishing a list of all state, county, municipal, and other government positions meeting the definitions of the terms “public official” set forth in Section 1512(b) of the Gaming Act or “executive-level public employee” set forth in Section 1103 of the Gaming Act, for the purpose of enabling the identification of persons who would be subject to certain prohibitions of Section 1512 of the Gaming Act;

(2) Biennially publishing a list of all positions of employment with the Gaming Control Board or with independent contractors to the Board that are subject to the “revolving door/post-termination” restrictions of Sections 1201(h)(13) and (13.1) of the Gaming Act;

(3) Biennially publishing a list of all positions within the Pennsylvania State Police, the Pennsylvania Office of Attorney General, and the Pennsylvania Department of Revenue that are subject to the “revolving door/post-termination” restrictions of Section 1512.1(a) of the Gaming Act;

(4) Making a determination, upon request, as to whether a particular individual/person would be subject to various prohibitions or “revolving door/post-termination” restrictions within the Gaming Act (see, 4 Pa.C.S. §§ 1201(h)(14), 1512(a.5)(1), 1512.1(e)(1)); and

(5) Determining whether to extend deadlines by which executive level public employees, public officials, party officers, or their immediate family members would be required to divest themselves of financial interests that they would be prohibited from holding under Section 1512 of the Gaming Act.

GAMING ACT DETERMINATIONS

From January 1, 2016, through December 31, 2016, four (4) Determinations under Section

1512(a.5) (1) of the Gaming Act, 4 Pa.C.S. § 1512 (a.5) (1) were issued by the Commission. Determinations under the Gaming Act are public records.

Paper copies of Commission Determinations are available at cost from the Commission or free of charge via the Commission’s “e-Library,” which may be accessed via the Commission’s website at www.ethics.pa.gov.

GAMING LISTS

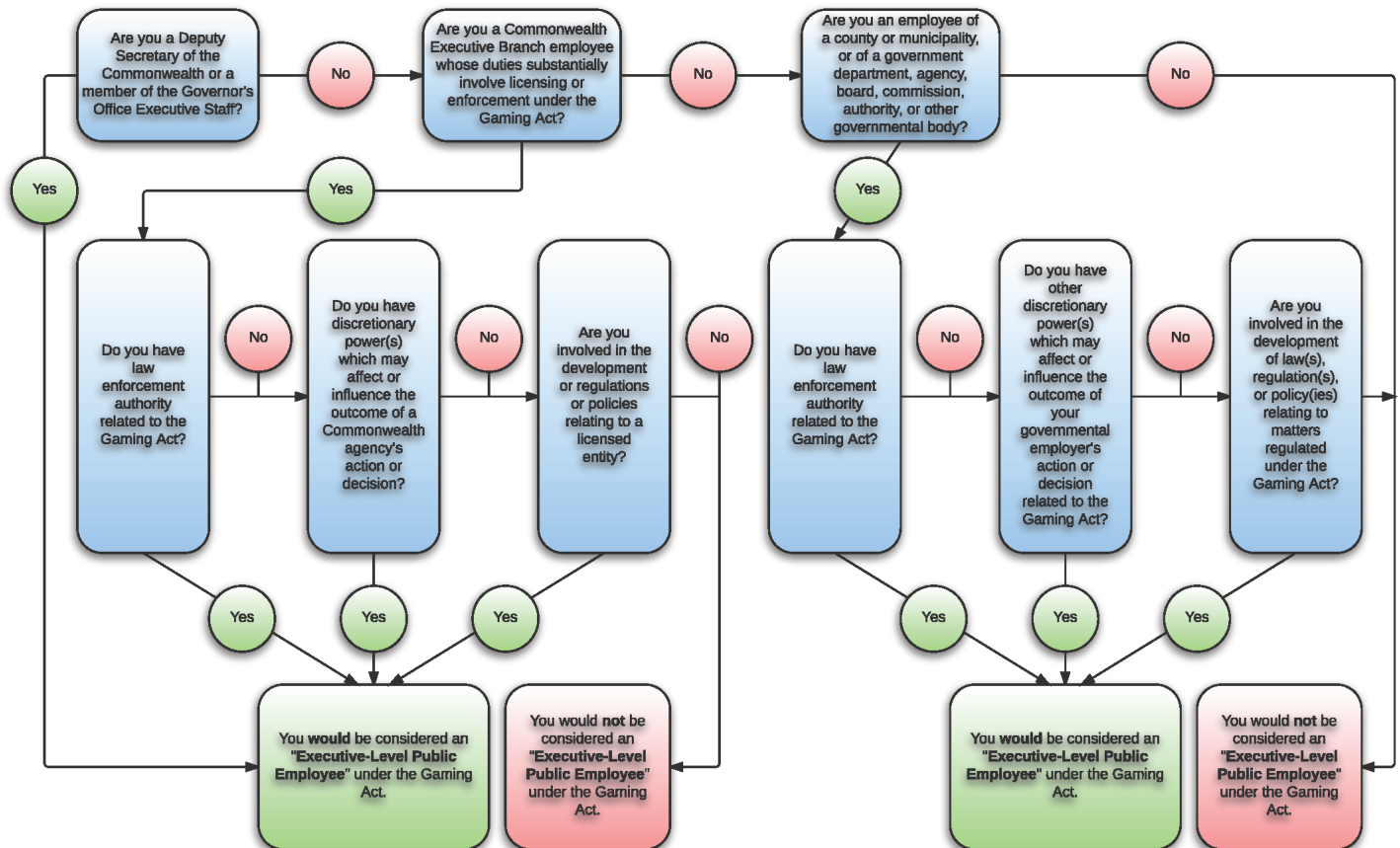
Lists developed by the Commission pursuant to the Gaming Act are published biennially in the Pennsylvania Bulletin, and they are also accessible via the Commission’s website within its e-Library at www.ethics.pa.gov and via the Pennsylvania Gaming Control Board’s website at www.gamingcontrolboard.pa.gov, which features a link to the Commission’s e-Library.

STATUS AS AN EXECUTIVE-LEVEL PUBLIC EMPLOYEE OR PUBLIC OFFICIAL

The term “executive-level public employee” is defined in Section 1103 of the Gaming Act. The term “public official” is defined in Section 1512(b) of the Gaming Act.

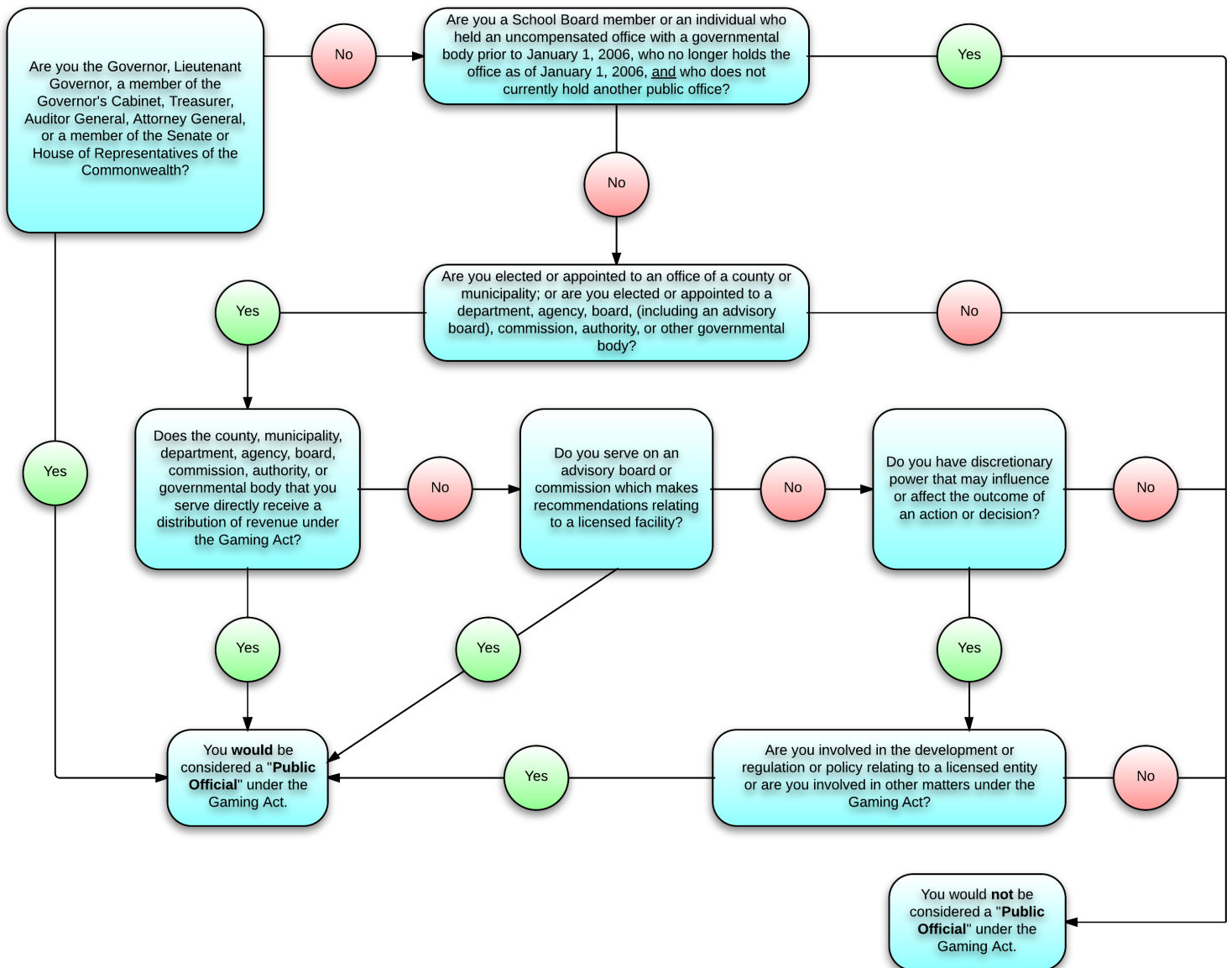


GAMING ACT: EXECUTIVE LEVEL PUBLIC EMPLOYEE FLOWCHART





GAMING ACT: PUBLIC OFFICIAL FLOWCHART





PENNSYLVANIA MEDICAL MARIJUANA ACT

On April 17, 2016, the Governor of Pennsylvania signed into law Act 16 of 2016, the Medical Marijuana Act, which charged the Commission with new duties.

Pursuant to Section 2101.1 of the Medical Marijuana Act, the Commission now has responsibilities for:

1. Issuing determinations as to whether particular persons would be subject to restrictions regarding holding a financial interest in, or being employed by, a medical marijuana organization or a holding company, affiliate, intermediary or subsidiary thereof; and
2. Biennially publishing a listing of all State, county, municipal and other government positions meeting the applicable definitions of the terms “public official” or “executive-level public employee,” which are two of the categories of persons subject to the aforesaid restrictions.

STATUS AS AN EXECUTIVE-LEVEL PUBLIC EMPLOYEE OR PUBLIC OFFICIAL

The term “executive-level public employee” is defined as it is defined at Section 1103 of the Gaming Act, 4 Pa.C.S. § 1103, with any references to “this part” referring to the Medical Marijuana Act rather than the Gaming Act. See, Knox, Determination 17-3001. The term “public official” is defined in Section 2101.1(e) of the Medical Marijuana Act.

MEDICAL MARIJUANA ACT DETERMINATIONS

From January 1, 2016, through December 31, 2016, one (1) Determination under Section 2101.1(d)(1) of the Medical Marijuana Act, 35 P.S. § 10231.2101.1(d)(1), was issued by the Commission. Determinations under the Medical Marijuana Act are public records.

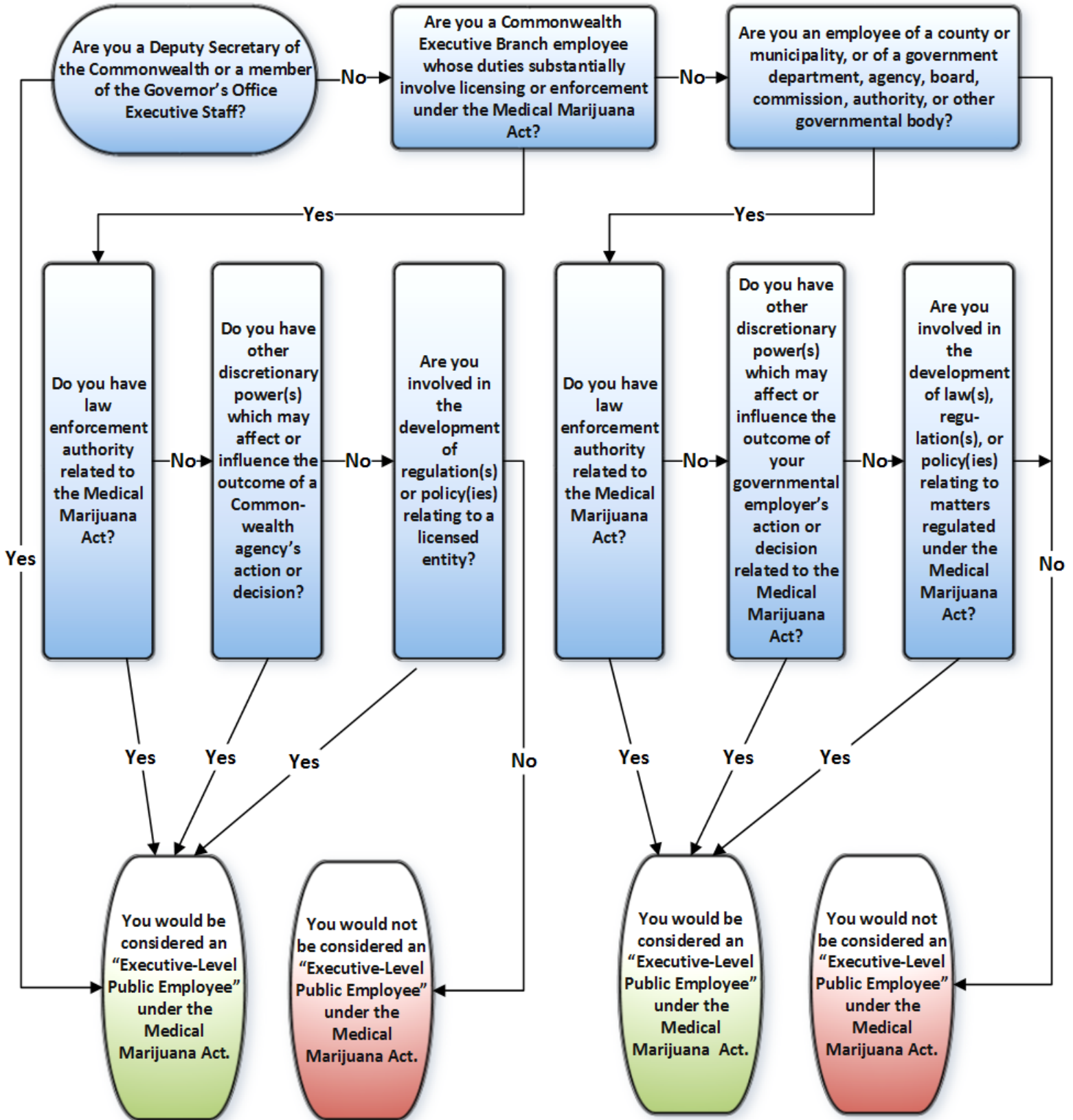
Paper copies of Commission Determinations are available at cost from the Commission or free of charge via the Commission’s “e-Library,” which may be accessed via the Commission’s website at www.ethics.pa.gov.

MEDICAL MARIJUANA ACT LISTS

Lists developed by the Commission pursuant to the Medical Marijuana Act will be published biennially in the Pennsylvania Bulletin, and will also be accessible via the Commission’s website within its e-Library at www.ethics.pa.gov.

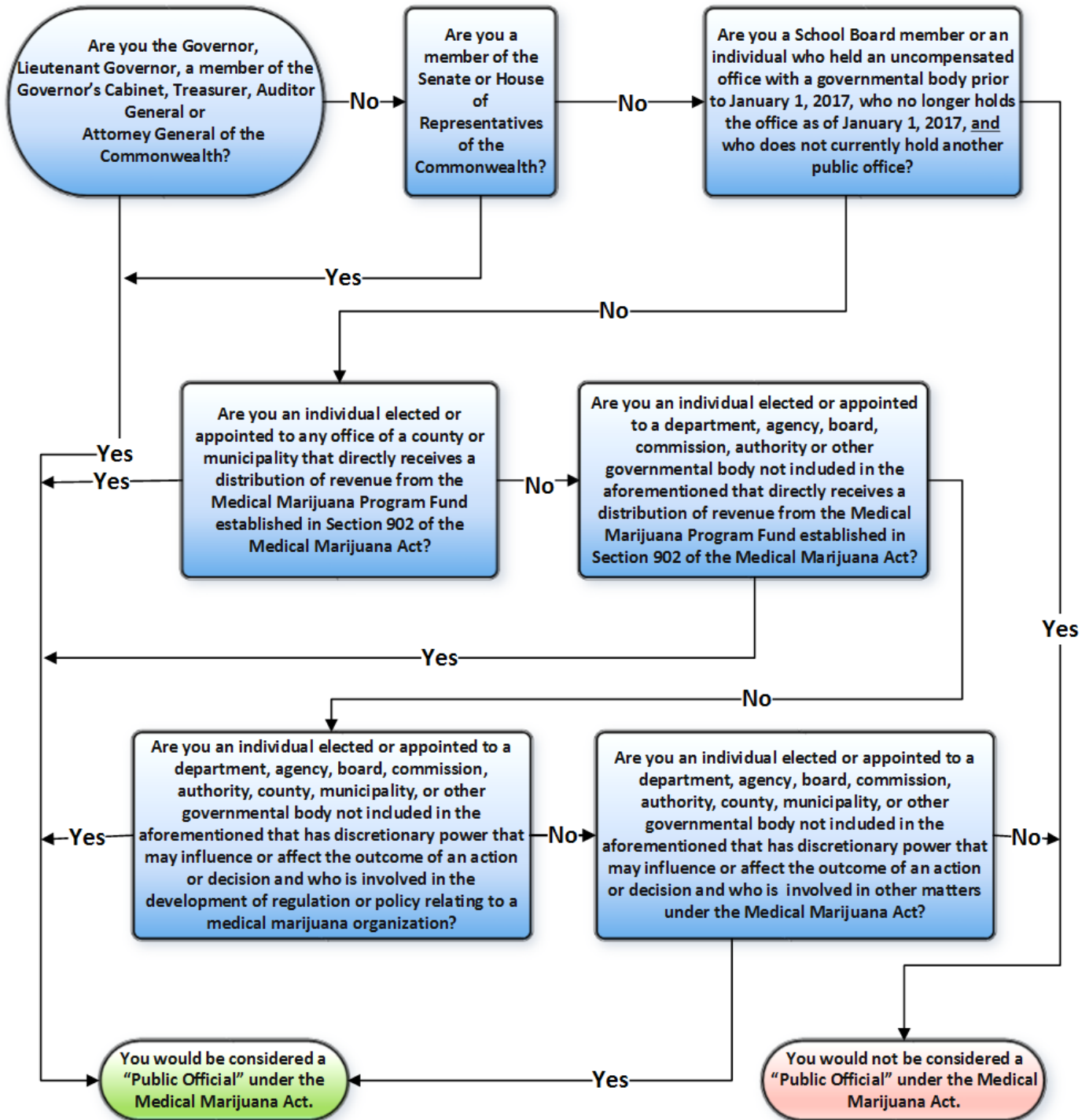


MEDICAL MARIJUANA ACT: EXECUTIVE LEVEL PUBLIC EMPLOYEE FLOWCHART





MEDICAL MARIJUANA ACT: PUBLIC OFFICIAL FLOWCHART





COGEL: COUNCIL ON GOVERNMENTAL ETHICS LAWS

The Commission has continued to be active in the activities of the Council on Governmental Ethics Laws (COGEL). COGEL is an international professional association of agencies, organizations, and individuals with duties and responsibilities relating to governmental ethics, lobbying registration and reporting, campaign finance reporting and administration, election, and freedom of information laws. More information on COGEL may be found at www.COGEL.org.

The 2016 Annual COGEL Conference was held from December 11-14, 2016, in New Orleans, Louisiana, and several staff members and Commissioners of the Commission were in attendance.

The 2017 Annual COGEL Conference will be held from December 3-6, 2017 in Toronto, Ontario, Canada.

PUBLIC OUTREACH AND TRAINING

The Commission considers its duty to educate public officials/employees, as well as members of the public in general, a key factor to fulfilling its responsibilities under the Ethics Act. Through the Commissions' public outreach efforts, thousands of Pennsylvanians, who might otherwise receive no education or training regarding the Ethics Act, have been provided guidance in a seminar/classroom-type setting to encourage discussion. In addition, Commission Staff have attended numerous state-wide conferences where attendees are afforded an opportunity to view Commission informational booths and informally meet with staff.

During calendar year 2016, Commission staff participated in over twenty-six (26) separate training and/or outreach events which were held at various locations throughout the Commonwealth of Pennsylvania. The in-state training and outreach programs consisted of various levels of presentations geared towards local, as well as state public officials and employees. In addition, the Commission hosted an Ethics Exhibit at the Pennsylvania Municipal Authorities Association's (PMAA) 7th Annual Conference and Trade Show, as well as the Pennsylvania State Association of Township Supervisors (PSATS) convention.

Training/presentations occurred at the statewide conferences of the Pennsylvania State Association of Boroughs, the Pennsylvania State Association of County Controllers, The Pennsylvania State Association of Township Commissioners, the Pennsylvania Municipal

League, the Pennsylvania Society of Professional Engineers and the Pennsylvania State Tax Collectors Association. Presentations were also made to the following State agencies and City offices: the Independent Regulatory Review Commission (IRRC), the quarterly meeting of the Labor and Employment Law Practice Group, the Philadelphia Parking Authority, the City of Philadelphia and the City of Bethlehem, League of Women Voters.

Ethics trainings/presentations were also held at three locations of the Pennsylvania Municipal Authorities Association (Breinigsville, Mars and Camp Hill).

Local training efforts occurred at the Local Government Academy, the Land Use Institute, the Monroe County Tax Collectors Association, the combined meeting of the Montgomery County and Bucks County Tax Collectors Association, the Municipal Law Symposium, Penn State Office of Ethics and Compliance, and the Pennsylvania Association of School Administrators. These presentations were well received and were attended by hundreds of individuals in total. We expect to continue our training efforts for calendar year 2017. It is the belief that anywhere between 1,000 and 5,000 individuals will have the opportunity to attend and participate in various educational/training programs hosted by the Commission. Individuals seeking training by the Commission can do so by submitting a written request to the Commission. Training Request Forms are available on the Commissions' website.



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