

May 10, 2007

***By Electronic Mail Only***

RE: AO-07-37

You inquired whether county employees may accept gift cards to local retailers, valued at \$80 each, donated by the Anne Arundel County Employees Credit Union as prizes for the winners of the “logo” contest.<sup>1</sup> The logo contest is open to all county residents, students, and county employees, each of these groups having its own category. Three prizes will be awarded in each category. Prizes worth about \$75, including free passes to county pools and parks, are being offered to the student and citizen winners by the department of recreation and parks. The office of personnel solicited donations from the Credit Union, which responded with the offer of these gift cards. The Credit Union advised that it would only make these prizes available to county employees, since the employees support the Credit Union.

According to its website, the credit union is:

a not-for-profit, member owned, democratically controlled financial institution that is mutually organized and operated entirely by and for its members. Chartered in 1964, the Credit Union's basic purposes are to promote thrift through savings, bring financial services to people who are unable to obtain them elsewhere and provide credit for worthwhile reasons at the lowest possible rates. It exists to provide you, the member with quality and low-cost services.

Because of the cooperative nature of the Credit Union, each share in the Credit Union makes the depositor a member/owner. Members own and control the Credit Union by electing a volunteer Board of Directors who establishes policies that guide the Credit Union in achieving its objectives. A professional staff, under the guidance of a President/CEO, carries out these policies. Our **"Once a member, always a member"** philosophy holds true regardless of whether you move, change jobs, or retire.<sup>2</sup>

The credit union is not a “controlled donor” within the meaning of the gift provisions of §7-5-106(b) because it does not do any business with the county, is not regulated by or subject to the authority of the county, and has no financial interest that may be substantially affected by the performance of any employee’s official duties. For this reason, the prohibition on acceptance of gifts from these types of donors would not apply. On the other hand, the Credit Union does have a relationship with many county employees, and it is good business to offer these gifts as prizes to the people who do

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<sup>1</sup> Information about the contest is available at: <http://www.aacounty.org/LogoContest/index.cfm>.

<sup>2</sup> <http://www.aacefcu.org/html/membership.html>

business with the credit union. Under §7-5-107(a), a county employee may not use the prestige of the employee's position for private financial gain. These gift cards are being offered solely to county employees- not to other contestants. For this reason, acceptance of the gift would constitute the intentional use of the employee's position for personal gain.

Another issue with this offer of gift cards is that the offer was solicited by county employees, not as part of a charitable fund raising effort or as part of a public purpose or program, but for the sole personal benefit of employees. County employees are not permitted to solicit gifts for these purposes. §7-5-106(a). See also, [AO-97-165](#).

For these reasons, the ethics commission advises that county employees may not accept prizes from a private entity that have been solicited by the county for the sole benefit of those employees. County employees may only accept the same prizes, on the same terms and conditions that are offered to the other contest participants.

Thank you for your inquiry. If you have any other questions, please call the commission office.<sup>3</sup>

The Anne Arundel County Ethics Commission

By: Betsy K. Dawson, Executive Director

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<sup>3</sup> One of the commission members and the director are members of the Credit Union. Pursuant to §7-5-101(b), the commission concluded that both the member and the director could participate in this matter without creating any appearance of a conflict of interest because any decision reached by the commission would have no significant impact upon the interests of the Credit Union or the interests of the member and director.