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medical or psychiatric records, reports about juvenile abuse, etc.). It is not proper, for example, to leak information simply to give one news organization a competitive advantage over another about matters that will be made public in due time (e.g., revealing the contents of a report a few days before it is to be formally issued). Nor is it proper to leak information simply as a means of affording the leaker some personal or political advantage.

iii) *Leaks Concerning the Rights of Others.* An especially troublesome category of leaks concerns information that could unjustifiably damage reputations, improperly prejudice court proceedings, unfairly affect elections, or unreasonably endanger the safety of others. It is almost always improper, for example, to leak information about undercover operations, criminal investigations, unsubstantiated charges or secret grand jury testimony. Supervisors in departments which possess potentially damaging information should take steps to protect the rights of those who would be injured by leaks and to hold leakers accountable for their actions.

20.60.160. DUTY TOWARD COLLEAGUES AND SUBORDINATES

(a) *General Rule.* No legislator or legislative employee shall knowingly engage in conduct that violates rights of others to be treated fairly, with dignity and respect, nor shall they engage in any improper act of discrimination, sexual harassment or abuse of any person in the course of legislative activities.

(b) *Enforcement.* Violation of this section will subject the violator to all civil remedies authorized under AS 20.60.020 but shall not affect liability for any other civil or criminal action arising from the conduct.

Guidelines and Commentary

i) This section simply makes it clear that improper or illegal conduct with regard to subordinates or colleagues is a legitimate matter for the LEC.

20.60.161. DUTY TO ADVANCE PRINCIPLES OF REPRESENTATIVE DEMOCRACY.

(a) *General Rule.* No legislator or legislative employee shall knowingly use improper artifices or schemes to circumvent the clear purpose of laws or these rules, use procedural powers or processes in a way that prevents appropriate consideration of a matter, nor exercise leadership authority and power arbitrarily, arrogantly or in any other way that violates the spirit of representative democracy.

(b) *Enforcement.* Violation of this section will subject the violator to all civil remedies authorized under AS 20.60.020.

Guidelines and Commentary

i) *Principles of Representative Democracy.* This provision is likely to seem naive to some who believe that "all is fair in love and politics" but this is, after all, a statement of ethical principles. The fact is, that notwithstanding various "might makes right" power theories, the ideals of democracy are clear -- one person, one vote; the majority rules but never in a way that tramples the rights of the minority; matters of import should be decided on their merits after full and open debate, not on the basis of power politics which squelches dissent and coerces compliance.

Though it is unlikely that a provable violation of this provision will arise, conduct which is inconsistent with this representative democracy standard is serious in spite of contrary customs, traditions and political rationalizations.

ii) *Abiding by the Spirit as Well as the Letter of the Law.* Legislators and legislative employees should not engage in artifices and schemes to exploit loopholes or ambiguities in the law in a way that undermines their spirit and purpose. When public servants seek to circumvent the spirit or purpose of laws they tend to undermine the public's confidence in government and diminish the public's commitment to civic responsibility by legitimizing self-interested evasions of public policy.

iii) *Fair Use of Procedures.* In using procedural rules, legislators and legislative employees should maintain the integrity, fairness and efficiency of the process by honoring the substance and spirit of the rules and by refraining from conduct which undermines the principles of representative democracy. The importance of technical procedures in the legislative and administrative process encourages legalistic manipulation to achieve political goals. While this is not inherently improper, there is a tendency to adopt an "ends-justifies-the-means" philosophy which can elevate process over substance and power over principle in a way that undermines fundamental assumptions of democratic government. The public interest is not served when public servants engage in trickery or procedural extortion to achieve their ends. Generally, the public views parliamentary machinations with cynicism. Responsible public servants recognize that no specific political victory is worth damaging the delicate structure of democratic government. Legalistic maneuvering which creates unfair or anti-democratic results inevitably spawns ill will and draconian countermeasures. Too often political scheming becomes so prevalent that it demeans the inherent nobility of the democratic process and reduces politics to a cynical game. For example, a fundamental rule of fairness is notice. Thus, it is improper to suspend the rules or force a vote in a way that violates customary practices and expectations of fair notice and, therefore, prevents legitimate opposition from having its say.

iv) *Use of Leadership Power.* Legislative leaders and committee chairs should use their leadership powers only in a manner consistent with representative democracy. It is typical of government processes that administrative, screening and information gathering tasks are delegated to agencies, committees and individuals. The purpose of such delegation invariably should be to improve the process so that the organization's general will can be carried out more effectively. The purpose of such delegation never should be to grant individual leaders increased power to subvert or make public policy in a manner that derogates the prerogatives of the policy-making body as a whole. Skilled politicians can properly use leadership power to bring factions together, to fashion compromises and to break unhealthy gridlock situations. On the other hand, Lord Acton's admonition that "power corrupts and absolute power corrupts absolutely, applies to legislative leaders who use their position in inappropriate ways to block consideration of important issues, to bully, bribe or intimidate fellow legislators to support positions and programs favored by the leader. A legislator who controls the parliamentary process or is otherwise in a position to facilitate or prevent the consideration of an issue, has an ethical obligation to avoid any use that effectively undermines representative democracy. For example, it is improper for legislative leaders, including committee chairs to unilaterally prevent measures from receiving appropriate consideration either on the floor or before the committee.

v) *Civil Disobedience.* In rare cases, a legislators or legislative employees may exercise the prerogative of conscientious objection by disobeying the law. In such cases, the illegal behavior should be open and the official should be willing to bear the appropriate legal and political consequences. There is a long and revered history in this country of civil disobedience--the open and public refusal to abide by a law as a means of protest and as an impetus to change the law.

CHAPTER 60
ALASKA LEGISLATIVE ETHICS ACT OF 1990

ARTICLE 3. Legislative Ethics Commission

Section

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20.60.200. ESTABLISHMENT OF LEGISLATIVE ETHICS COMMISSION.

There is hereby established the Legislative Ethics Commission, also referred to in this Act as the "LEC" or "Commission."

(a) *Composition.* The LEC shall consist of nine members, who shall be selected as follows:

- (1) One member appointed jointly by the President of the Senate and the Senate minority leader.
- (2) One member appointed jointly by the Speaker of the House and the House minority leader.
- (3) Two members appointed by the Supreme Court.
- (4) One member appointed by the Governor.
- (5) One member appointed by the Lieutenant Governor.
- (6) One member appointed by the Alaska Public Offices Commission.
- (7) Within thirty days of the composition of the members appointed as above, the appointed members shall select an additional two members who shall be promptly appointed.

Guidelines and Commentary

The composition of the LEC responds to the need for an independent, highly qualified and respectable agency to implement the provisions of the Alaska Legislative Ethics Act. It includes two representatives selected by each branch of government, a representative selected by the commission most involved with the enforcement of general campaign and disclosure laws (APOC), and two additional persons selected by the combined special appointees. In making their appointments, the Supreme Court and the Alaska Public Officials Commission shall develop their own procedures. It is expected that this Commission will take a broad public view of legislative ethics and enable major stakeholders in the legislative

process to participate in administering the Act. In making appointments to the LEC, the appointing authorities should seek a representative group, diverse in terms of ethnic background, sex, region, and political orientation (including registered independents).

(b) *Certification.* Upon appointment, each Commissioner shall execute a written oath that shall include the following undertaking: "I will solemnly perform the duties of this office in a manner that is consistent with both the letter and spirit of the Alaska Legislative Ethics Act and I shall conform my own conduct to the provisions therein. I acknowledge the obligation and need to interpret and apply all its provisions, and the ethical principles that underlie them, vigorously, promptly, fairly and in good faith. All my actions, decisions and votes on matters relating to my duties will be made purely on the merits, objectively, independently, and without political, regional or ideological partisanship." Upon executing the oath or affirmation, an appointee shall be certified as a Commissioner of the LEC (hereinafter referred to as a "Commissioner") and shall immediately be deemed to have begun serving the appointed term.

(c) *Legislative Option to Decertify.* Anytime within forty-five days of certification, a Commissioner may be decertified by a majority vote of both houses of the legislature, if the legislature is in session, or by a two thirds vote of the members of the Legislative Council if the legislature is not in session. If decertified, the Commissioner is disqualified and a replacement must be appointed to fill the vacancy.

Guidelines and Commentary

This decertification process, in effect, gives the legislature veto power over individual nominations. It is a power that should not be exercised lightly or used for political purposes. Other provisions of the Act establish the ethical responsibility of legislators to rise above partisan politics especially when dealing with the LEC. Still, the legislature should be comfortable with the integrity, character and capacity of each Commissioner and, for good cause, they may decertify a newly appointed Commissioner.

(d) *Limitations.* No Commissioner or LEC employee shall be a legislator, a legislative employee, an elected or appointed public official (including the commissioner of another governmental body), an officer of any political party, or a candidate for public office.

(e) *Terms.* Commissioners shall serve staggered terms of five years. However, the initial Commissioners shall serve the following terms:

(1) The members appointed by the Senate and the House and one commission-appointed member shall serve a term of five years

(2) The member appointed by the governor and one commission-appointed member shall serve a term of four years.

(3) The member appointed by the Alaska Public Offices Commission shall serve a term of three years.

(4) The member appointed by the Lieutenant Governor shall serve a

term of two years.

(5) The members appointed by the Supreme Court shall serve a term of one year.

(f) *Limitations on Terms.* No Commissioner shall serve for more than ten consecutive years, except that a Commissioner shall continue in office until a successor has been appointed and confirmed.

(g) *Filling Vacancies.* A vacancy for the remainder of an unexpired term shall be filled within thirty days of the occurrence of the vacancy in the same manner as an original appointment.

(h) *Appointment and Certification.* The appointing authorities shall make their appointments within thirty days of written request by the LEC or their appointment shall be made by the LEC itself.

(i) *Chair and Vice Chair.* At its first meeting, the LEC shall elect a chair and a vice chair, each to serve for a two year term with a limit of two consecutive terms. The vice chair shall act as chair in the absence of the chair or in the event of a vacancy in the chairmanship.

(j) *Executive Director.* The LEC, by a majority vote, shall hire an executive director who shall serve at its pleasure.

(1) The executive director shall appoint and discharge employees, including special investigators, consistent with applicable laws and administrative policies and shall fix the compensation of employees and prescribe their duties.

(2) Each year the commission shall review the performance of the executive director with the executive director.

(k) *Legal Counsel.* The LEC, on recommendation of its executive director hire legal counsel to manage, direct and prosecute cases, such counsel to serve at the Commission's pleasure.

(l) *Special Investigators.* In instances in which the LEC determines an investigation is necessary which cannot be efficiently, promptly or adequately handled by the LEC staff, the Executive Director shall nominate a Special Investigator to be appointed upon ratification by the LEC.

(1) The Executive Director shall create and maintain a list of individuals qualified to serve as a Special Investigator by virtue of their experience, reputation, likely availability, willingness to serve and freedom from conflicts of interest.

(2) Special Investigators shall be subject to the same restrictions as Commissioners and LEC employees.

(m) *Other Staff and Services.* The LEC may employ the services of such technical, professional and clerical services experts and consultants as are necessary to carry out its duties. The LEC may also contract for services which cannot be satisfactorily performed by its employees, including legal counsel.

(n) *Removal from Office.* A Commissioner may be removed from office by a vote of two-thirds of both houses of the legislature for good cause, including substantial neglect of duty, inability to discharge the powers and duties of office, violation of the Act, gross misconduct or conviction of a felony.

Guidelines and Commentary

As with the power to decertify, the legislature is given the power to remove a Commissioner but only for good cause.

(o) *Compensation.* Commissioners shall receive compensation of \$175 dollars for each day in which they attend or participate in a Commission meeting of at least one hour in length, either in person or by teleconference. The Chair and Vice Chair shall receive an additional stipend of \$500 per year. The LEC shall develop and implement policies consistent with those employed by other state commissions for the reimbursement of travel costs and the payment of per diem expense allowances.

(p) *Applicability of the Act to Commissioners and Employees.* Commissioners and LEC employees (including person hired by the LEC to perform investigatory or legal counsel functions) shall comply with all provisions of this Act and shall be held to the same standards and requirements, including disclosure, as legislative assistants.

(q) *Additional Restrictions on Commissioners and Employees.*

(1) In addition to being bound by the Act and other applicable statutes, no Commissioner or LEC employee shall:

(A) participate in political management or in a political campaign during the member or employee's term of office or employment; nor

(B) participate in the campaign of, attend campaign fund raising events for, or make a financial contribution to (i) a candidate for the legislature, (ii) any current legislator or legislative employee who is a candidate for any other office, or (iii) any person running against a present legislator or legislative employee; nor

(C) be a registered lobbyist or participate in lobbying activities that would require the individual to register as a lobbyist; nor

(D) take any action or make any statement which is likely to create in the mind of a reasonable objective observer a belief that the

Commissioner or LEC employee is not impartial or independent or is otherwise unable to properly perform public duties.

(2) Violations or alleged violations of this provision shall be treated as violations of any other provision of this Act and shall be dealt with by the LEC accordingly. During the pendency of any complaint against a Commissioner or LEC employee, the Commissioner or employee shall not participate in any official actions of the LEC.

Guidelines and Commentary

Commissioners and LEC staff must not be involved with any political activities with respect to the legislature or individuals over whom they have adjudicatory responsibility in any way that casts reasonable doubt on their impartiality, objectivity or lack of partisanship. Similarly, it is improper to engage in any form of inappropriate conduct which casts reasonable doubt on their ability to serve. For example, the public expression of prejudices or opinions about a legislator or a matter which might come before the LEC is inconsistent with the neutral objective temperament demanded by the position.

20.60.201. MEETINGS AND ACTIONS.

The LEC shall meet at the call of the chair or a majority of Commissioners, but in no event less than once every three months.

(a) *Quorum.* A quorum of the LEC shall consist of five Commissioners.

(b) *Majority Vote.* A vote of the majority of Commissioners present at a meeting in which a quorum is present shall be required for any action in which a vote is required.

20.60.202. GENERAL POWERS AND DUTIES OF THE COMMISSION.

The LEC shall administer the provisions of the Alaska Legislative Ethics Act and shall have the following powers and duties:

(a) *Informal Advice.* The LEC shall authorize and train its staff to give informal or and written advice regarding the spirit and requirements of this Act;

(b) *Formal Advisory Opinions.* The LEC shall, on request or its own initiative, shall issue formal written advisory opinions on specific situations or clarify any provision of the Legislative Ethics Act;

(c) *Exemptions.* The LEC shall consider requests for, and grant or deny, exemptions from the provisions of the Act;

(d) *Investigate and Adjudicate Complaints.* The LEC shall investigate and adjudicate complaints and recommend disciplinary actions to the legislature;

(e) *Educational Programs.* The LEC shall authorize research in the field of legislative ethics and carry out such educational programs which are required by the Act and additional programs as it deems necessary to effectuate the policy and purposes of the Act.

(f) *Ethics Manual.* The LEC shall prepare and distribute an ethics manual to legislators, legislative employees and lobbyists as provided in this Act.

(g) *Report to the Legislature.* The LEC shall prepare a bi-annual report to the legislature summarizing its activities over the previous two years, evaluating the effectiveness of the Legislative Ethics Act in accomplishing its stated purposes, and recommending legislative reforms it thinks necessary to improve the administration of the Act and to better advance its goals.

20.60.203. INFORMAL NONBINDING ADVICE

The LEC may authorize and train its staff to give oral advice or provide a written "Informal Nonbinding Advice Letter" to persons seeking guidance as to the spirit or legal requirements of the Act, provided that such advice is given with the express stipulations that:

- (a) the opinions given are not necessarily those of the LEC; and
- (b) that, though the advice will be given in good faith, the person seeking the advice relies on it at his or her own risk since it is in no way binding upon the LEC; and
- (c) that information voluntarily provided to a LEC employee is not necessarily confidential and may be used against the person seeking the advice if it becomes material to any proceeding before the LEC.

Guidelines and Commentary

Ethical behavior is encouraged when legislators and staff are able to raise ethical issues freely and receive informed advice, both formally and informally. Individuals seeking to conform their actions to ethical principals deserve the guidance which informal letters and telephone conversations may give them. Often, unethical conduct can be avoided, and ethical principles maintained, by a simple recitation of the code as applied to any given circumstance. Advice given personally, over the telephone or by informal letter can provide valuable guidance relating to decisions which must be made rapidly or immediately and, thereby, advance behavior consistent with this Act. However, the duties of the Commission to interpret and implement the Act cannot be delegated to staff nor can one seeking informal advice expect it to be preceded by the thorough discussion and research associated with a formal advisory opinion. Therefore, the person seeking advice must be explicitly informed that the opinions given are in no way binding on the LEC. If the person is unwilling to take the risk, he or she may request a formal advisory opinion which is binding, seek the nonbinding opinion of the committee of the legislature charged with ethics matters, or hire outside personal counsel to get additional guidance.

20.60.204. FORMAL BINDING ADVISORY OPINIONS.

(a) *Who May Request.* The LEC may issue a formal written advisory opinion on its own initiative, on the request of a person to whom the Act applies or on the request of a person elected to the legislature who at the time of election is not a member of the legislature.

(b) *Requests Must Be in Writing.* Requests for written advisory opinions shall be in writing and shall set forth with reasonable specificity the facts and circumstances of a real or hypothetical case.

Guidelines and Commentary

To assure clarity of facts and the seriousness of the request, requests for formal binding advisory opinions must be in writing. Subject to the provisions below, the request shall be kept confidential by the LEC and the staff.

(c) *Discretion to Issue.* The LEC shall expeditiously determine whether to issue an advisory opinion addressing the issues raised.

Guidelines and Commentary

Undertaking to research, discuss and prepare a formal written advisory opinion involves a substantial commitment of time and resources. Not all requests will justify this commitment either because they relate to minor or moot issues or because it is clear from the provisions of the Act or from previous opinions how the questions should be answered.

(d) *Issuance.* An opinion may be issued by a majority of a quorum of Commissioners at any meeting. The vote of each Commissioner participating in the opinion shall be indicated on the opinion and it shall be forwarded to the person requesting it and made a part of the public records of the LEC.

(e) *Binding.* Written formal advisory opinions issued by the LEC are binding on the LEC in any subsequent proceedings concerning the facts and circumstances of the particular case. If, however, any fact deemed to be material by the LEC was omitted or misstated in the request, the LEC shall not be bound by the opinion.

(f) *Revisions.* The LEC may at any time review, withdraw, or elaborate on an advisory opinion.

(g) *Normal Time Frame.* Under normal circumstances, the LEC shall issue its opinion within thirty days of receiving the request, if the request is received during the first hundred days of the legislative session, or within sixty days of the request if the request is received at any other time. The period for issuing an opinion may be shortened or extended by the chair of the LEC when such action is deemed necessary or appropriate to meet the goals of the Act.

(h) *Qualified Confidentiality of Request.* The LEC and all LEC employees shall keep the identity of the requester confidential unless the request, the identity of the person making it, or any information conveyed orally or in writing relating to the request is or becomes material to a matter before the LEC.

Guidelines and Commentary

Confidentiality is important to enable individuals to seek advice without fear of reprisal or self-incrimination. And, unless matters revealed to the LEC or LEC staff are pertinent and important to a matter before the LEC, the identity of a requester of an advisory opinion and other collateral facts should be kept confidential and not be mentioned in public meetings or in public records. On the other hand, the LEC's responsibilities as an independent enforcement agency cannot be

compromised by claims of confidentiality with respect to information freely and voluntarily disclosed to the Commission. Persons requesting a formal opinion should be informed of this policy to avoid any misunderstandings.

20.60.205. EXEMPTIONS PROCESS.

(a) *General Rule.* In situations in which principles of fundamental fairness are best served by exempting certain individuals or acts from specified provisions of the Act, the LEC may grant qualified or unqualified exemptions.

(b) *Petition for Exemption.* The person seeking the exemption (the "petitioner") shall submit a written petition under oath stating:

- (1) the relevant provisions involved in the exemption request; and
- (2) the essential facts on which an exemption is requested; and
- (3) the specific nature of the exemption sought; and
- (4) the anticipated unfair or unreasonable consequences that would result from a failure to grant the petition.

(c) *Standard of Proof.* In order to grant an exemption a majority of a sitting quorum of the LEC must find that the petitioner, by a preponderance of the evidence, has shown that the:

- (1) harm caused by strict application of the Act substantially outweighs the benefit of its enforcement in the particular situation; and
- (2) application of the rule or provision under the circumstances presented would be inconsistent with the spirit and purpose of the provision or the Act as a whole; and
- (3) purposes of the Act and the public interest will be best served by granting the applicant an exemption.

(d) *Hearings and Appearances.* The LEC may, at its sole discretion, require or permit the personal appearance of the applicant before the LEC and hold hearings regarding the exemption request.

(e) *Normal Time Frame.* Unless a shortened or expanded time is deemed necessary or appropriate by the LEC, decisions on petitions for exemptions shall be made within thirty days of filing of the petition. Unless the petitioner consents, extensions of time ordered by the LEC shall not exceed an additional sixty days.

Guidelines and Commentary

This subsection was created to address occasional cases where strict application of the provisions of the Act would be contrary to the purposes of the Act. Exemptions should be granted only in rare and exceptional circumstances. The burden of proof is on the applicant to prove the three criteria necessary for exemption.

20.60.210. INITIATING INVESTIGATORY AND ADJUDICATORY PROCESSES.

(a) *Complaint Process.* The filing of a complaint shall be the first step in the in-

investigatory and adjudication process. It is the purpose of the Act to assure that complaints should provide sufficient information on which to proceed, yet not be so complex or burdensome that the requirements unduly discourage or screen out valid good faith complaints.

(1) *Who Can File.* A complaint may be initiated by any person or by the LEC on its own motion.

(2) *Form.* The LEC shall provide a simple form for complaints which shall include:

(A) name and address of complainant; and

(B) a statement of the facts known or believed to be true which form the basis of the complaint and the sources of the information including the approximate dates of the acts alleged and names and addresses of persons with personal knowledge of the facts alleged; and

(C) a certification that the complainant verifies under penalty of perjury that the facts stated are true to the best of the complainant's knowledge and that the complainant knows that it is a violation of state law to intentionally initiate a false complaint.

(3) *Complaint to Respondent.* Unless the chair of the LEC concludes that immediate notification would prejudice a preliminary investigation or subject the complainant to an unreasonable risk, a copy of the complaint shall be sent to the person charged (the "respondent") with misconduct within two working days. If the matter is to be kept from the respondent for more than ten days, a majority of the LEC must approve and indicate the conditions under which the respondent will be informed of the complaint.

(4) *Confidentiality of Complaint.* Until a preliminary finding on the validity of a complaint has been properly made, the existence and substance of a complaint shall be kept confidential except that all members of the LEC and necessary staff may be informed about it.

(b) *Formal Sufficiency.* Upon receiving a complaint, staff of the LEC shall review it for formal sufficiency within five days of filing. If the complaint is unsigned or otherwise deficient on its face it shall be returned to the complainant with a statement of the nature of the deficiency.

(c) *Preliminary Determination of Validity.* Once a complaint has been determined to be formally sufficient, staff of the LEC shall evaluate the complaint and advise the chair as to its opinion as to whether it states a valid complaint that should be investigated. If the Executive Director is a member of the bar, the Executive Director may provide such advice. Otherwise, the Executive Director shall appoint a duly qualified legal counsel to assist in making the determinations herein. To be valid,

the complaint must:

(1) allege facts which, if true, establish a violation of this Act; and

(2) the conduct providing the basis of the complaint has occurred within five years of the complaint or the complaint alleges that the person charged with misconduct intentionally concealed or otherwise sought to prevent discovery of the relevant facts; and

(3) the person charged with misconduct is either a legislator or legislative employee at the time of the complaint or was a legislator within one year of the filing.

(d) *Dismissal or Certification of Complaints.* Within twenty days of the filing of the complaint, or within forty five days if the chair of the LEC certifies additional time is required, a determination shall be made on the substantive validity of the complaint.

(1) If the chair of the LEC concludes there is no substantial reason to question the opinion of staff as to the validity of a complaint, the complaint shall either be dismissed or certified for further consideration in accordance with the opinion.

(2) The chair or any other Commissioner, however, may request a hearing on the validity of the complaint at a meeting of the LEC.

(e) *Dismissal for Invalidity.* If a complaint is dismissed because of invalidity, it shall be returned to the complainant with a Notice of Dismissal stating in detail the reason for dismissal.

(1) If the LEC finds that the complaint was frivolous, malicious or was filed in bad faith, it shall so state in the Notice of Dismissal.

(2) If the LEC finds that the complaint alleges violations outside the scope of this act, it shall so state and forward the complaint to the appropriate enforcement body for disposition.

(3) The Notice of Dismissal shall be sent to the respondent.

(4) The Notice of Dismissal shall be a public record.

(f) *Certified for Further Consideration.* If the LEC concludes that some or all of the allegations of the complaint, if proven, would constitute a violation of this Act, or if the LEC has initiated the complaint, the complaint shall be certified and a factual investigation shall commence. The record of certification for further consideration shall be confidential subject to subsequent actions which may make it part of the public record.

20.60.211. INVESTIGATIONS.

(a) *General Requirements.* Investigation into ethics charges should be un-

undertaken in a manner which assures the public of an impartial and comprehensive review, is fair to the respondent and which elicits the information the LEC needs to make a decision.

(b) *Scope of Investigation.* Before commencing an investigation, the LEC shall adopt a written resolution defining the scope of the investigation, a copy of which shall be supplied to both the complainant and the respondent.

(1) If, during the investigation, additional facts are discovered which justify an expansion of the investigation and the possibility of additional charges beyond those alleged in the complaint, the resolution shall be amended accordingly with copies sent to the complainant and the respondent.

(2) The resolution, and the fact that an investigation has been undertaken, shall be kept confidential by the LEC except that, upon inquiry, the LEC may verify that it is investigating a complaint along with a statement that no finding of probable cause has been made and that no adverse inference of impropriety or guilt should be drawn from the decision to investigate. No other facts concerning the nature or results of the investigation shall be revealed except as provided herein after a determination of probable cause has been made.

(c) *Investigation Requested by Legislator or Legislative Employee.* A legislator or a legislative employee may request in writing that the LEC investigate charges of impropriety made against the legislator or legislative employee.

(1) The request must state with specificity the nature of the investigation requested.

(2) The LEC will determine whether it will undertake the investigation.

(3) If the LEC agrees to commence an investigation, the investigation will not necessarily be limited in scope by the request and, once begun, it shall be handled as any other investigation with the person requesting the investigation formally treated as a respondent.

(d) *Nature of the Preliminary Investigation.* The investigation will be conducted by the staff of the LEC and such outside counsel and investigators as the LEC deems necessary. The purpose of the preliminary investigation is to determine whether there is probable cause to proceed with a full adjudicatory hearing.

(e) *Oath and Subpoena Powers.* The LEC's investigator shall have the power to order a hearing and subpoena witnesses and documents, conduct depositions under oath, require the participation of the respondent, and issue interrogatories to be answered under oath.

(1) No oral or written statements, whether incriminating or exculpatory, shall be considered in the investigator's report unless made under oath.

(2) The respondent shall be given an adequate opportunity to provide testimonial and documentary evidence and, upon request, shall be allowed to inspect and make copies of all evidence relating to the allegations.

(f) *Report to the Commission.* Upon completion of the investigation, a confidential written report summarizing the evidence, evaluating its credibility and detailing findings on each of the allegations investigated shall be submitted to the LEC along with recommendations as to whether the complaint, or any portion of it, should be dismissed or whether the matter should proceed to the full hearing stage.

(1) The report shall be prepared so as to exclude unreliable information and uncorroborated and irresponsible allegations.

(2) The investigator's notes, records of interviews and any other investigatory matter deemed unreliable or unduly prejudicial by the LEC shall remain confidential.

20.60.212. PROBABLE CAUSE DETERMINATION.

(a) *Standard of Proof.* The LEC shall consider the report in closed session and determine whether substantial credible evidence exists to believe that it is probable that a violation of the Act has occurred.

(b) *Negative Finding and Dismissal.* If the LEC does not find that substantial credible evidence exists to warrant a full adjudicatory hearing, it shall dismiss the complaint and so notify the complainant with a Notice of Dismissal stating in detail the reason for dismissal.

(1) If the LEC finds that the charges were frivolous, malicious, made in bad faith, or that, in its opinion the respondent should be exonerated of the charges (found to be innocent), it shall so state in the Notice of Dismissal.

(2) If the LEC finds that the evidence supports violations outside the scope of this Act, it shall so state and forward the complaint and its report to the appropriate enforcement body for disposition.

(3) The Notice of Dismissal shall be sent to the respondent.

(4) The Notice of Dismissal and the investigator's report containing findings and recommendations, but not the underlying investigatory materials, shall be made public unless the LEC determines that this would unfairly prejudice either the respondent or complainant. Nothing herein shall be construed to prevent either the complainant or respondent from making the Notice of Dismissal and the report public.

(c) *Affirmative Finding and Adjudicatory Hearing.* If the LEC finds that substantial credible evidence exists establishing probable cause that a violation has occurred, it shall serve on the respondent in a manner consistent with the service of summons under the rules of civil procedure, a formal charge stating the specific al-

legations and scheduling a hearing.

(d) *Date of Hearing.* The hearing shall not be scheduled to commence sooner than twenty days after service of the formal charge on the respondent.

(1) If the respondent requests an earlier date, LEC may, but is not required to, consent.

(2) The LEC shall, upon request, grant respondent reasonable additional time to prepare a defense.

(3) The respondent shall have the right to file a responsive pleading admitting or denying the various allegations.

(4) The LEC may suspend further proceedings if the respondent acknowledges violation and agrees to corrective actions and sanctions deemed appropriate by the LEC. If the LEC suspends the proceedings or dismisses the charges as a result of a negotiated settlement, the terms and conditions of the settlement and the reasons for entering into the agreement shall be stated in a written report that shall be sent to the complainant and made part of the public record.

(e) *Public Record.* Upon determining that probable cause exists to conduct a full adjudicatory hearing, the LEC shall make public the investigator's report containing findings and recommendations, but not the underlying investigatory materials.

20.60.213. ADJUDICATORY HEARING.

(a) *General Requirements.* A formal hearing on ethics charges against a legislator or legislative employee shall be conducted in a manner that inspires confidence in the integrity and objectivity of the process and demonstrate full consideration for the rights and reputation of the respondent.

(b) *Procedures.* The LEC will hold public hearings in accordance with the requirements of the state administrative procedure act, except as otherwise expressly provided.

(c) *Powers of Commission.* The LEC may:

(1) administer oaths and affirmations and subpoena individuals, including the respondent, to testify or to submit to written interrogatories under oath;

(2) compel the production of documentary or tangible evidence;

(3) pay witnesses the same fees and mileage reimbursements paid in similar circumstances by the courts of the state;

(4) seek enforcement of subpoenas by written application of the LEC to a judge with jurisdiction over administrative matters under state law.

(d) *Rights of the Respondent.* The respondent may:

- (1) appear before the LEC and submit testimony or other evidence;
- (2) personally, or through counsel, subpoena, examine and cross-examine witnesses, raise objections and make arguments;
- (3) exercise any pretrial discovery procedures available in civil actions.

(e) *Appointment of Hearing Board.* The adjudicatory hearing shall be before a hearing board composed of five Commissioners. The chair of the LEC shall serve on board and appoint four other Commissioners. If the chair cannot attend all hearing sessions without undue inconvenience, the vice chair shall serve in the chair's place. If neither the chair nor the vice chair is available, the chair shall appoint another Commissioner. Hearings shall be conducted by the chair of the Commission with the advice and counsel of the Executive Director or other legal counsel as directed by the LEC.

Guidelines and Commentary

Ethics complaints against public officials should be resolved as quickly as possible consistent with fundamental rules of fairness and the needs of both the respondent and the investigators to prepare. Ethics complaints put a cloud of suspicion over those charged and inevitably hinder their ability to fully and effectively perform their public duties until they are resolved. Thus, the adjudicatory process has been designed to allow for maximum speed and efficiency. Commissioners who have active business and personal lives will not always be available on short notice to alter their schedules to meet the intense time demands that an adjudicatory ethics hearing may require. By having nine confirmed Commissioners, any five whom may sit on the hearing board, the LEC is more likely to be able to impanel a tribunal quickly. In selecting the hearing board the chair should assume all Commissioners are qualified and shall select a board that can perform the adjudicatory function as efficiently as possible. The chair should avoid any appearances of impropriety in the selection process and, where possible, rotate assignments so that all Commissioners are asked to serve on hearing boards.

20.60.214. FINDINGS AND RECOMMENDATIONS.

(a) *Findings.* Within ten days of the completion of hearings, the hearing board shall vote on each charge to determine whether it was established by a preponderance of the evidence and prepare a written opinion along with recommendations, if any. A vote of three commissioners shall be necessary to find a violation.

(1) *Unproven Charges.* As to each charge on which the evidence was found to be insufficient to establish a violation, the hearing board shall issue a written opinion stating their findings.

(A) If the board finds that the charges were frivolous, malicious, made in bad faith, or that, in its opinion the respondent should be exonerated of the charges (found to be innocent), it shall so state in its opinion.

(B) If the board finds that the respondent should be exonerated, it shall recommend that the legislature reimburse the respondent for all

or part of reasonable legal fees incurred as a result of the charge. Unless the board makes such a recommendation, however, such fees shall not be paid from public funds.

Guidelines and Commentary

Since the Commission had previously found probable cause to believe that a violation had occurred, it should be very rare that, after a full hearing, it finds that the respondent has been exonerated. If, however, the evidence produced at the hearing clearly establish the falsity or unfairness of the charges, the respondent should have the opportunity to recoup legal fees. Without such a determination, however, the mere acquittal of the respondent should not be construed as a vindication warranting the state to pay for the defense.

(2) *Proven Charges.* As to each charge on which the evidence was found to be sufficient to establish a violation, the hearing board shall issue a written opinion stating their findings of fact and law along with recommendations as to appropriate sanctions. As provided in AS 20.60.018, the recommendation may include, but are not limited to:

(A) civil fines of not more than \$5,000 for each offense, or equal to twice the amount improperly gained by the misconduct, whichever is the greater;

(B) divestiture of specified assets or withdrawal from specified relationships;

(C) detailed disclosure, with or without additional periodic reporting requirements;

(D) suspension from legislative service, with or without pay;

(E) restitution or reimbursement;

(F) suspension of pay until orders are complied with;

(G) forfeiture of pension benefits;

(H) written reprimand;

(I) voiding any legislation or other action resulting from conduct in violation of the Act;

(J) censure (a legislator censured shall not serve as a chair or a co-chair on any legislative committee for the remainder of the legislator's pending term in office);

(K) expulsion of a legislator or dismissal of a legislative employee;

(L) payment of costs related to the investigation and adjudication of the charge;

(M) any other sanction fashioned to achieve the purposes of this act.

(b) *Recommendations to the Legislature Where Violator is a Legislator.* If the person found to have violated the Act is or was a member of the legislature, the

hearing board's recommendations shall be forwarded by the chair of the LEC to the presiding officer of the house of the legislature to which the member belongs.

(1) If the legislature is in session, the entire house shall determine what sanctions, if any, are to be imposed. Such vote shall be taken within ten legislative days of receipt of the LEC's recommendations.

(2) If the legislature is not in session, the presiding officer may either call a special session to put the matter to a vote within thirty days, or submit the recommendations to the Legislative Council which shall vote on the LEC's recommendations within thirty days. If either expulsion or censure is recommended the matter must be voted on by the legislature in a special session.

(3) Except in the case of expulsion which shall require a two-thirds vote, all other sanctions shall be determined by a majority vote.

(4) In determining what sanctions, if any, to impose, the legislature shall scrupulously observe the rule of nonpartisanship. It shall not retry the basic facts nor question the hearing board's findings of fact. The only issue before it shall be the determination of the appropriate sanction assuming the validity of the board's findings.

(c) *Recommendations to the Legislature Where Violator is a Legislative Employee.*

If the person found to have violated the Act is a legislative employee, the hearing board's recommendations shall be forwarded by the chair of the LEC to the Select Committee on Ethics which shall, as soon as is reasonably possible, determine what sanctions, if any, are to be imposed. The committee shall scrupulously observe the rule of nonpartisanship. It shall not retry the basic facts nor question the hearing board's findings of fact. The only issue before it shall be the determination of the appropriate sanction assuming the validity of the board's findings.

20.60.220. ADMINISTRATIVE PROVISIONS.

(a) *Actions by the Attorney General.* The attorney general shall assist the LEC and the legislature in enforcing all lawful orders and sanctions. The attorney general may independently bring civil or criminal actions relating to violations under this act regardless of the outcome or settlement of a charge before the LEC, provided that the cumulative civil fines imposed for any violation do not exceed the amount that could be assessed in an action before the LEC.

(b) *Maintenance of Documents.* Documents filed with or produced by the LEC as public records must be retained for at least six years.

(c) *Cooperation of Others.* The LEC may require the cooperation of a state agency, official, employee and other person whose conduct is regulated by this act and all such persons are required to cooperate with the LEC. An individual shall make information reasonably related to an investigation available to the LEC on

written request. The LEC may request and shall receive from every officer, department, division, board, bureau, commission, chamber of the legislature, or other agency of the state, cooperation and assistance in the performance of its duties.

(d) *General Authority.* The LEC may perform the other acts, duties and functions authorized by or in connection with the administration of this Act, consistent with Alaska administrative acts.

(e) *Confidentiality.* Individuals subject to the provisions of this Act shall not knowingly and improperly disclose any confidential information acquired in the course of official duties.

(f) *Waiver of Confidentiality.* The LEC may publicly respond to a statement or interpretation made concerning the contents of an advisory opinion or decision it has issued or is purported to have issued. A person who publicly identifies himself as the requester of an advisory opinion shall be deemed thereby to have waived the confidentiality of his identity and of all records obtained by the LEC in connection with the request for the advisory opinion.

20.60.230. APPROPRIATION.

There is hereby appropriated from the General Fund to the Legislative Ethics Commission funds sufficient to support the Commission and its purposes and a like sum, adjusted for cost of living changes, during each fiscal year thereafter. The Legislature and the Finance Committees of both the Senate and the House of Representatives shall appropriate such additional amounts to the LEC as may be necessary to carry out the provisions of the Act.

CHAPTER 60
ALASKA LEGISLATIVE ETHICS ACT OF 1990

ARTICLE 4. Legislative Ethics Education Program

Section

- 300. Ethics Education Program
- 301. Ethics Education Manual
- 302. Education Advisory Committee
- 303. Legislative Orientation Training Course
- 304. Current issues and Application Seminar
- 305. Lobbyist Training Course
- 306. Administrative Provisions

20.60.300. ETHICS EDUCATION PROGRAM

(a) *Statement of Intent.* The central function of an ethics code is to prevent, rather than punish, unethical conduct. Prevention depends almost entirely on an effective and comprehensive ethics education program. The purpose of this article is to assure that legislators and staff have the means and opportunity to learn and understand the rules and principles underlying the standards of conduct.

(b) *Components.* The LEC shall oversee and develop the following components of a comprehensive ethics education program:

- (1) publish an Ethics Education Manual.
- (2) establish an Education Advisory Committee.
- (3) design and implement a Legislative Orientation Training Course, a Current Issues and Applications Seminar, and a Lobbyist Training Course.

Guidelines and Commentary

(i) *Components of Ethics Education: Letter and Spirit of the Law.* In order for ethics rules to be sufficiently specific to provide meaningful guidance and enforceable standards, they must be detailed. If they are to reach the subtleties of the choices that must be made, they sometimes must be complex. In many cases, they dictate results that are not intuitively obvious. It is unrealistic to expect that, without any special effort, that most legislators and legislative employees will read, let alone understand them. Ethics education will serve to explain the rules and regulations that legislators and their staffs must follow. But effective education goes far beyond reading the rules or getting instruction on the filing of disclosure forms. If public servants are to live lives consistent with these standards, they must internalize and remain sensitive to the norms of expected behavior. They need to understand the difference between what is legal and what is ethical, and they must know what procedures can and should be followed if they are to adhere to the highest aspirations of the Act. The ethics education program prescribed should help individuals develop the ability to apply rules, standards, values and ethics codes to specific situations. Public officials are constantly faced not only with hard decisions as to right and wrong, but even harder choices requiring them to choose among conflicting goods or the lesser of evils. Ethics education courses help public servants sort through and deal with the enormously complex ethical issues they are bound to face and emphasize the vital importance of the notion that public office is a public trust.

20.60.301. ETHICS EDUCATION MANUAL.

(a) *Content.* The LEC shall prepare and publish a Legislative Ethics Manual ("Manual") which shall contain all ethics statutes, rules, regulations, and related information, including detailed explanations of technical and specific legal requirements as well as the underlying purposes and ethical principles which comprise the "spirit" of such requirements. The Manual shall include realistic examples with recommended actions, as well as questions and answers regarding common problems and situations.

(b) *Revisions.* The LEC shall issue a revised and updated version of the Manual no later than 30 days after the commencement of each two year session.

(c) *Distribution.* The Manual shall be distributed to all legislators, legislative employees, and registered lobbyists. The Manual shall also be available to all other members of the public.

Guidelines and Commentary

All that can be done should be done to educate public servants on their legal and ethical obligations. One of the overarching principles of this Act is that it must be strictly enforced and that ignorance of the rules or their meanings will not be an acceptable excuse. The LEC should thoroughly distribute this Manual at each time of issuance and develop procedures, in cooperation with the Personnel Office of the Legislative Affairs Agency, to assure that the Manual reaches all new legislators, legislative employees, and lobbyists.

20.60.302. EDUCATION ADVISORY COMMITTEE.

(a) *Composition.* The LEC Chairman shall appoint five members to the Education Advisory Committee which shall include at least two members of the LEC, a legislator, and a legislative employee. The Education Advisory Committee may also include an outside expert in the field of ethics.

(b) *Functions.* The Education Advisory Committee shall oversee the implementation of, and recommend the content for, the following ethics education programs:

- 1) Legislative Orientation Training Course,
- 2) Current Issues and Applications Seminar, and
- 3) Lobbyist Training Course.

20.60.303. LEGISLATIVE ORIENTATION TRAINING COURSE.

(a) *Initial Course.* Commencing in 1991, and for every year thereafter, the LEC shall conduct a Legislative Ethics Orientation Training Course ("Course") which shall be mandatory for all legislators and legislative employees.

(b) *Subsequent Courses.* In subsequent years, all new legislators and new legislative employees, who have not already attended the Course, shall attend the Course in January of each year unless otherwise decided by the LEC.

(c) *Content.* The Education Advisory Committee shall determine the specific content of the Course, and it shall cover the ethics laws, internal rules and policies, as well as the technical and specific legal requirements that legislators and legislative employees must follow. The Course shall also cover the underlying purposes and ethical principles of all ethics laws, internal rules and policies, and any other related regulations. The Course shall highlight the principles of public service ethics and the intent of ethics laws, including their application to practical situations.

(d) *Structure.* The LEC shall offer separate sessions of the Course for legislators and for legislative employees, and shall offer as many sessions as necessary to accommodate the number of people required to take the Course. Unless the LEC decides otherwise, the course should be at least six hours long and given in one or two sessions. To afford meaningful participation and direct involvement, the LEC shall limit the attendance of each session to approximately 50 people.

Guidelines and Commentary

An Orientation Training Course covering both the "letter" and "spirit" of all ethics laws should be a minimum of six hours. The material is both extensive and in depth, involving many laws and complex issues surrounding those laws. The LEC should remember that the public's trust and confidence in government is based on the highest ethical standards which can, in fact, be taught. Legislators should attend Orientation Courses and Workshops separately from legislative employees in order to allow the Courses to focus on issues which only affect one or the other group of people. Legislative employees have many different ethical issues to deal with from those of legislators and, as well, will benefit from the more confidential atmosphere achieved by the absence of their superiors. Limiting attendance to fifty people will afford every attendee ample opportunity to ask questions and fully participate in discussions, case studies, and other educational activities. Effective ethics education deals with complex issues of both a professional and personal nature, and therefore depends on the active participation of all attendees and should avoid the development of a passive learning environment.

20.60.304. CURRENT ISSUES AND APPLICATIONS SEMINAR.

(a) *Annual Seminar.* Commencing in 1991, and for every year thereafter, the LEC shall conduct a Current Issues and Applications Seminar ("Seminar") which shall be mandatory for all legislators and legislative employees who have previously completed the Legislative Ethics Orientation Training Course.

(b) *Content.* The specific content of the Seminar shall be determined by the Education Advisory Committee, and shall include an overview of all new substantive changes in the laws in the form of amendments, revisions, and new ethics advisory opinions. The Seminar shall include discussions on problem solving skills, practical ethical issues likely to confront a legislator or legislative employee, and the underlying principles of public service ethics.

(d) *Structure.* The LEC shall offer separate sessions of the Course for legislators and for legislative employees, and shall offer as many sessions as necessary to accommodate the number of people required to take the Seminar. Unless

the LEC decides otherwise, the course should be about three two hours long in order to accommodate specific problem-solving. The LEC shall limit the attendance of each session to approximately 50 people.

20.60.305 LOBBYIST TRAINING COURSE.

(a) *Mandatory Course.* Lobbyists shall complete a Lobbyist Training Course ("Training") conducted by the LEC, as a condition of registering as a lobbyists with the State of Alaska.

(b) *Content.* The specific content of the Training shall be determined by the Education Advisory Committee, and shall include a review of all ethics statutes, the rules and regulations relating to appropriate lobbyist conduct, and the principles of public service ethics.

(c) *Certification.* Certifying completion of the Training shall be a part of the lobbying registration process conducted by the Alaska Public Offices LEC.

(d) *Length.* Unless the LEC determines otherwise, the course should be about four hours in length.

(e) *Reinforcement and Updating.* Lobbyists shall repeat the Training at least once every three years, and the LEC shall update the Training accordingly.

(f) *Fees.* At the LEC's discretion, lobbyists may be charged reasonable fees to attend the Training.

Guidelines and Commentary

Lobbyists play an integral role in the political process and substantially influence public policy formation. Therefore, it is essential that lobbyists know and understand the specific legal requirements which regulate the lobbying profession. Furthermore, and more importantly, lobbyists share the ethical obligation to not act in ways which will impede the legislature's ability to perform its duties according to the highest standards of public service ethics. The LEC should cooperate, and coordinate, with the Alaska Public Offices LEC in order to most effectively implement and enforce lobbying regulations.

20.60.306. ADMINISTRATIVE PROVISIONS

(a) *General.* The LEC shall assure the continued implementation, improvement, and modification of the ethics education programs. The LEC shall develop procedures to assure the attendance of, and course completion by, all legislators, legislative employees, and lobbyists, including procedures to review requests for exemptions.

(b) *Records of Attendance.* The LEC shall assure the attendance of legislative employees who are not in, and cannot travel to, the State Capital by offering the programs by teleconference. When a teleconference connection is unavailable, the LEC shall distribute video tapes to the employees or arrange to have them travel to a site where a live or teleconference course is available.

(c) *Sanctions.* The LEC shall have the authority to impose sanctions, including suspension of pay and dismissal of legislative employees, recommendations for disciplinary action for legislators, and recommendations to deny or revoke lobbyist registrations, upon any legislator, legislative employee, or lobbyist who fails to complete the ethics education requirements within a reasonable amount of time, as determined by the LEC.

(d) *Lists.* The LEC shall supply the Senate President and House Speaker with the names of those legislators, legislative employees, and lobbyists who have not complied with the ethics education requirements.

(g) *Times and Places --* The LEC shall offer all of the education programs at appropriate times and locations and shall fairly publicize them.

Item 4

**THE STATE OF LEGISLATIVE ETHICS
IN THE STATE OF ALASKA**

FINDINGS

RECOMMENDATIONS

STATISTICAL ANALYSIS

**OPINION SURVEY OF LEGISLATORS,
NONLEGISLATIVE PUBLIC OFFICIALS AND LOBBYISTS**

**A REPORT TO THE
Alaska State Senate**

APRIL 2, 1990

**Prepared by the
GOVERNMENT ETHICS CENTER
Joseph & Edna Josephson Institute for the Advancement of Ethics
a national nonprofit public benefit corporation
Headquarters: 310 Washington Street, Suite #104, Marina del Rey 90292**

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BACKGROUND

On February 20, 1990, the Josephson Institute was commissioned by the state Senate of Alaska to perform the following tasks:

- Review the present laws and rules of the Alaska Legislature.
- Draft legislation and prepare a report regarding matters of legislative ethics including but not necessarily limited to:
 - (a) Process and procedures for resolving ethics charges;
 - (b) Gifts, gratuities and honoraria;
 - (c) Conflicts of interest--including outside income, financial interests and disclosures;
 - (d) Post employment restrictions;
 - (e) Use of public facilities and staff;
 - (f) Conduct discrediting the Legislature
 - (g) Lobbying regulations;
 - (h) Use of campaign funds.
- The report shall recommend legislative changes required for a comprehensive, integrated, practical set of rules and procedures that will establish clear and reasonable standards of conduct for Alaska state legislators and staff.
- According to the contract: "An objective of the proposal is to put Alaska in a nationally recognized leadership role for standards and enforcement of ethical conduct, providing a model for all other states."

PREPARATION

In preparing this report, its Findings and Recommendations and the entire ethics package contained in the Alaska Legislative Ethics Act of 1990, the Josephson Institute through its GOVERNMENT ETHICS CENTER undertook to familiarize itself in detail with the people, laws and political culture of the state.

- We personally met with and interviewed almost one hundred men and women in the state (including virtually every legislator in both the House and the Senate, numerous current and former public officials, former journalists, lobbyists, legislative staff members, and various other members and former members of state boards, commissions, and committees).
- We conducted what we believe has been the most extensive written survey of Alaskan legislators, lobbyists and nonlegislative public officials ever taken.
- We reviewed the current statutes, proposed amendments, committee minutes, correspondence concerning ethics matters, ethics committee formal advisory opinions, reports on various aspects of Alaska law and procedures from APOC, reports from the Attorney General and a report of the National Conference of State Legislatures.

GOALS

► Integrate and expand on all existing and relevant Alaska statutes in order to establish comprehensive, clear and reasonable guidelines for Alaska's legislators, legislative staff members, and lobbyists who must function in a morally complex world where traditions and expediencies often conflict with ethical principles.

■ Invoke Alaska's legislators and their employees to view the specific ethical obligations entailed in preserving public trust in a positive way, not as restraints based on cynicism or suspicion, but as guidelines which establish clear expectations and preclude conduct which undermines public respect.

■ Offer the Alaska State Legislature an ethics law which is comprehensive, realistic, sensitive, and inspiring: one which can serve as a model for the nation.

FINDINGS AND RECOMMENDATIONS

THE LANDSCAPE

#1. REPUTATION AND STATURE. The reputation and image of the legislature is unacceptably low and it greatly needs an infusion of active, idealistic ethical leadership.

#2. NATIONAL PERSPECTIVE. As bad as things are, there is no evidence that the actual conduct of Alaska legislators warrants the amount of distrust demonstrated or that their behavior is materially worse than in other states. In part, the present state of cynicism is a function of a pervasive national attitude driven by a seemingly endless stream of high level wrongdoing. *Still, the problem is very serious and must be addressed seriously since in the area of public trust, perception is reality.*

#3. NEED FOR BEHAVIORAL CHANGES. The public trust in Alaska has been substantially undermined by specific behaviors that, in the opinion, of a large majority of governmental insiders, raise serious ethical problems that need to be addressed by behavioral changes.

#4. NEED FOR MORE REGULATION RECOGNIZED. Legislators and others involved in state government overwhelmingly believe regulation of the type provided in the Legislative Ethics Act is needed to prevent actual conflicts of interest and appearances of impropriety.

#5. STRICT REGULATION WILL NOT SERIOUSLY AFFECT EXISTING LEGISLATORS. Very few legislators will be so adversely affected by any provision in the Legislative Ethics Act which bans or restricts outside income sources that it would materially affect their willingness to serve.

THE LEGISLATIVE ETHICS ACT

#6. NEED FOR DETAILED COMPREHENSIVE STATUTE. Regulating ethical issues involving conflicts of interest arising from outside income and close personal relationships is especially difficult in Alaska because some outside earnings to supplement legislative salaries is often essential and some questionably close personal relationships are inevitable. Rather than simple categorical prohibitions, fair and realistic restrictions must be carefully crafted to prohibit no more or less than is necessary to protect public trust. This means general rules must have specific exceptions and explicit guidelines, tending to make the regulations long and complex.

#7. NEED FOR UNIQUE FORMAT. A code establishing standards of ethical conduct designed to restore public trust must be based on commonly accepted ethical principles that drive public perceptions. These principles impose affirmative as well as negative duties and they do not lend themselves to traditional legalistic approaches which assume that if an act is not prohibited, it is proper; that if conduct is legal, it is ethical. Circumvention techniques of all sorts must be anticipated and discouraged by extensive guidelines and commentary expressing clearly the "spirit" of the law and elaborating on the underlying principles of various provisions are necessary and they must be made part of the law. We found legislators particularly apt to approach campaign limitations and disclosure requirements with a minimalist, almost gamesmanship approach. The Legislative Ethics Act directly addresses and disapproves of such an approach.

#8. NEED FOR MORE THAN LAWS. New laws alone will not make a difference. To restore public trust, behaviors and perceptions must change. A comprehensive ethics package, therefore, must include an extensive and continuous educational component and an interpretation and enforcement procedure that generate confidence that all legislators will be consistently held to the high standards established in the code.

#9. THE EDUCATIONAL COMPONENT IS VITAL. Those who are expected to comply with the Legislative Ethics Act should be given the opportunity and incentive to learn both the letter and spirit of the laws applicable to them. In addition, the importance of ethical behavior should be continually demonstrated by a pervasive emphasis on commitment to principle rather than merely compliance with law. In the context of a priority-driven legislature, ethics education should be both continuous and mandatory.

#10. NEED TO PIECEMEAL AMENDMENTS. The Legislative ethics Act seeks to fairly and objectively address all the major ethical issues in an integrated fashion. It is somewhat like a watch with endlessly interrelating parts. While there will be disagreements in policy, and it is inevitable that some legislators will find certain provisions personally undesirable, we strongly recommend that every effort at self-restraint be made so that the code remains essentially in tact. We think those who seek changes should have a very heavy burden of persuasion since piecemeal amendments can easily prevent the Act from accomplishing its purposes.

#11. NEED FOR AN INDEPENDENT ETHICS COMMISSION. We found that a major source of distrust was a lack of confidence in the existing process of adjudicating ethics complaints. A new process is needed which puts the investigatory and adjudicatory phase in the hands of a respected and independent panel free of partisanship and collegial conflicts of interest. We respectfully chose not to place active legislators on the panel because we concluded that they were not likely to have either the time or the image of nonpartisan objectivity that is required.

#12. NEED FOR FLEXIBILITY. A law as comprehensive as the Legislative Ethics Act is bound to cause some unanticipated results. It is essential, therefore, that the ethics commission is given sufficient authority to interpret and apply its provisions according to the law's spirit and purposes, and not mechanically or arbitrarily. To accomplish this, the Act grants broad authority to the Commission to grant exemptions, issue regulations and propose amendments.

#13. LEGISLATURE MUST RETAIN ACCOUNTABILITY. Principles of accountability justify the conclusion that the legislature have an important say in the composition of the ethics commission without being able to dominate it. The Legislative Ethics Act gives the legislature the right to decertify any Commissioner and requires a floor vote on recommended sanctions.

#14. ASSURED FUNDING. In order for the ethics commission to gain and maintain the public confidence it will require, there should be adequate assurance that individual legislators, or the body as a whole, will not use the power of the budget to undermine its ability to vigorously carry out its functions. We propose no special provision to guarantee adequate funding, choosing instead, to rely on the good faith of the legislature. If funding becomes a problem in the future, alternative means of assuring the Commission's independence will be required.

#15. INADEQUATE DISCLOSURE. Disclosure of potential conflicts of interest is an integral part of the present system of ethics regulation and an even more important part of the Legislative Ethics Act. Disclosure, however, is only useful if it includes sufficient detail to permit objective analysis of the nature of the interest disclosed and other facts which bear on its capacity to interfere with objective judgment. The law must also provide sufficient deterrence against inaccurate or misleading statements. We find that present laws both imposed as part of the APOC system and as imposed in present legislative Standards of Conduct are seriously inadequate. We have remedied the situation as it applies to some disclosures covered by the Legislative Ethics Act but we recommend other

provisions be amended to assure that the purposes of the requirements are accomplished.

#16. DIGNITY AND DECORUM. Legislators have an obligation to do all they can to maintain public respect and to treat others respectfully. We found instances of behavior which, while not an appropriate source of legislation, warrant concern. It is not necessary that legislators be stuffy or aloof but conduct which tends to undermine the dignity and decorum associated with high public office ought to be avoided.

OTHER IMPORTANT RECOMMENDATIONS

#17. EXPANSION OF ACT TO ALL PUBLIC EMPLOYEES. There is no reason why all public employees ought not to be held to the same high standards and benefit from the educational programs established in the Legislative Ethics Act. Since, however, it is urgent that the legislature address the issue of its own ethics this term, we recommend no changes now. We do, however, recommend that efforts begin now to modify the Act so that in the future it can be made to apply to all public employees under the auspices of an independent Office of Government Ethics, merging the offices of APOC and the Legislative Ethics Commission.

#18. NEED FOR ETHICAL EMPLOYEE RELATIONS. We found that employees of the legislature are not afforded normal protections incorporated in labor laws. We also encountered evidence that some legislative staff members are regularly asked by superiors to perform personal tasks which are inappropriate to their jobs -- walking a dog, doing laundry, running personal errands, caring for a child or pet in the office. The Legislative Ethics Act prohibits such requests but without institutionalized procedures to protect individual employees, it will be very difficult for some staff members to simultaneously meet the demands of their superiors and their obligations to the state. We recommend that the legislature establish a grievance procedure which provides reasonable guidance to supervisors and protections for legislative staff regarding all matters of fair employment practices.

#19. PARTISAN ALLOCATION OF FUNDS. We found that, regardless of the party, person or coalition in power, the tradition has been that the "ins" discriminate against the "outs" in the allocation of discretionary funds for legislative staff, equipment and travel allowances. Since each legislator represents a population of approximately the same size, misallocation unjustifiably work unfair disadvantage on citizens in some districts. We recommend that procedures be adopted to assure that legislative resources are equitably allocated based on needs of official government business, and no other consideration.

#20. INAPPROPRIATE USE OF COMMITTEE POWERS. We found a pervasive and urgent concern among legislators, lobbyists, and nonlegislative public officials that present customs allowing committee chairs to exercise undue control over the legislative process were unfair and anti-democratic. We recommend that policies and procedures be adopted to remedy this situation.

#21. STATE SHOULD PAY ITS OWN WAY. We found that one continuous source of pressure to accept outside gratuities concerned travel that was related to legislative business but which was not paid for by the legislature. The Legislative Ethics Act bans private parties from paying for such travel in most cases but permits other government entities or bona fide educational institutions to do so. We recommend that the legislature adopt policies to assure that all necessary and reasonable official travel be paid for by the state.

#22. THE PRESENT OFFICE ACCOUNT PROCEDURE SHOULD BE REPLACED. Presently, legislators are given a yearly sum of \$4,000 which they report as personal income but from which they are expected to pay most normal office expenses (other than staff employment). We found that there was consensus that the amount was inadequate and that individual legislators often had to supplement this allocation to cover activities and services which are legitimate public expenses. We recommend that this system be replaced with an official office allowance which shall not be paid to the legislator but will be used to pay for actual legitimate office expenses. The legislature should determine what amount is appropriate, but we suggest \$6,000.

#23. INCREASED SUBSTANTIVE COMMUNICATION WITH CONSTITUENTS. We find that legislators rarely communicate to their constituents in any detail about their votes and actions. To encourage such communication, we recommend that the office allowance be established at a rate that permits the distribution of up to two simple, inexpensive newsletters but only if at least one full page is devoted to a clear statement of the following: 1) a description of each bill introduced or sponsored by the legislator, with a brief narrative as to the legislators goal's and reasons; 2) a record of each vote made on significant substantive matters on the floor, and a description of all major committee activities and votes; 3) the names of campaign contributors over \$250, if any, since the last newsletter; 4) any other information that will help the constituent assess the effectiveness and understand the political positions of his or her representative.

#24. INCREASED TRAVEL ALLOWANCE DURING SESSIONS. We found that for many legislators the obligation to live in the capital city for the four-

month legislative session required them to separate from their families and personal business interests in a manner that causes substantial psychological and economic stress. Many felt a need to return to their districts at least twice during the session for personal or political reasons. While the long term per diem allowance may be adequate to cover these costs, most feel so financially pressed that they look for other ways of subsidizing the travel (such as accepting free travel from private companies or by concocting legislative business such as a hearing which might otherwise be unnecessary). We recommend that the legislature pay the transportation costs for up to two trips back to the legislator's district during the session.

#25. INCREASE LEGISLATIVE PAY. The job of state legislator is simply and clearly worth considerably more than what is being paid. Legislators work harder and longer than most people expect, the position is becoming both more important and more complex, the new ethics laws will make it harder to find proper ways of supplementing income so that the financial and personal sacrifices involved in legislative service will make it harder to attract quality leaders unless a substantial increase is provided. We recommend that in conjunction with enactment of the Legislative Ethics Act, the legislature raise its pay to \$40,000, the amount recommended by the State Officer's Compensation Commission, provided that interim per diem compensation payments are abolished.

#26. REPLACE THE INTERIM PER DIEM SYSTEM. Whether or not an overall salary increase is adopted, the compensation established ought to take into account the reasonable expectation that a legislator will be involved in legislative business during the interim between sessions. The present system which allows legislators to claim per diem payments for days worked in between sessions is cumbersome, unseemly and fraught with the potential for abuse. We recommend the procedure be abandoned and that a fixed sum be added to the compensation.

#27. UNHEALTHY PRESS RELATIONS. We found there is more than the usual amount of hostility and cynicism between the press and the legislature. Portions of the press have inappropriately tend to impute improper motives to legislators, making every negative assumption possible, never affording the benefit of doubt about ambiguous conduct. Likewise, we found legislators who invariably assume that journalists act in bad faith and are incompetent. Since these attitudes tend to focus undue attention and energy of legislators on how to deal with the media, rather than on the business of public policy-making, a constructive effort by both sides to understand each other's mission and treat each other with more respect is very much in order.

HIGHLIGHTS OF LEGISLATIVE ETHICS ACT

- Based on affirmative ethical principles: good faith, nonpartisanship, public trust, public interest, accountability, democratic leadership, respectability, independent judgment.
 - Establishes strict standards re: intervention on behalf of constituents.
 - Imposes penalties for bad faith delay or misleading disclosures.
 - Imposes post-service lobbying restrictions: everyone, 1 year with legislature; committee chairs and presiding officers, 1 year with agencies subject to legislator's oversight.
 - Bans fund raising during sessions, everywhere, for legislators and public officials.
 - Bans off-year fund raising: creates period from June 1-December 31 of year before election and June 1 through election for fund raising.
 - Bans post-election fund raising to retiree campaign debts.
 - Bans conversion of campaign surplus to personal funds.
 - Limits carryover of excess funds to \$2,500 for house, \$5,000 for senate.
 - Strictly bans use of state property and staff for campaign purposes.
 - Imposes duty on subordinates to refuse to perform improper tasks.
 - Prevents exploitation of office for private gain, selling stature and prestige, requires compensation to be commensurate with services actually performed.
 - Creates legal defense fund procedure.
 - Limits coercive fund raising techniques.
 - Establishes rigorous new reporting requirements for financial and personal conflicts.
 - Bans lobbyists serving as campaign officers or fund raisers for legislative candidates.
 - Strictly limits forms of advising and consulting for compensation.
 - Bans representation before state agencies in most instances.
 - Empowers Commission to order special restrictions re: relationships with lobbyists.
 - Bans income relating to most state contracts.
 - Imposes rigorous new requirements re: income from persons who have a substantial interest in legislative, administrative and political actions (broadly but explicitly defined).
 - Sharply limits honoraria by source.
 - Bans all private-paid travel over \$100, even for legislative purposes but allows bona fide government and nonprofit educational institutions to pay.
 - Establishes new gift standards, including exemptions: no source can provide over \$100 in non-exempt gratuities during a year.
 - Bans memberships on most boards.
 - Imposes duty on both legislators and those that employ them to file sworn reports on precise nature and amount of duties and compensation; reports are presumptively public but procedure is created to allow Commission to protect privacy in extraordinary cases.
 - Imposes reporting responsibilities on all legislative employees, including some consultants, who exercise professional discretion; eliminates salary range qualification.
 - Establishes procedures to protect privacy if disclosures reveal no significant conflict.
 - Establishes protection for whistle blowers.
 - Mandates proper, respectful and lawful treatment of colleagues and subordinates.
 - Eliminates "legislative stay," undue procedural advantage for lawyers.
 - Condemns use of committee chair powers to undermine representative democracy by burying bills or unfairly allocating public funds among majority and minority members.

DISCUSSION OF SELECT FINDINGS AND RECOMMENDATIONS

The Issue of Public Trust

THE REPUTATION AND IMAGE OF THE ALASKA LEGISLATURE IS UNACCEPTABLY LOW AND IT GREATLY NEEDS AN INFUSION OF ACTIVE, IDEALISTIC ETHICAL LEADERSHIP.

If there was any question before our study as to the image of the Alaska legislature, such questions have been firmly put to rest. Quite frankly, it is in very sad shape.

While we were unable to assess the opinions of on-the-street Alaskans, we did comprehensively survey governmental insiders -- legislators, public officials and lobbyists -- a group with a unique understanding of the legislative role, the realities of politics and the nature of the conflicts and pressures experienced by public servants. If the average citizen is as cynical or disenchanted as this insider group, and one would suspect they are, the state of public trust is in dismal disrepair.

Every group we surveyed agreed with three main points: 1) Public trust is very important to the effectiveness of government; 2) The overwhelming majority of those surveyed do not personally have a high regard for the integrity of their legislators, and they think the general public has even worse views; and 3) A major reason for the lack of trust is the result of "insensitivity to ethical standards by a significant minority of legislators."

Importance of Public Trust. There was no dispute that public trust is very important. A much smaller percentage of legislators thought it was "essential" than did public officials or lobbyists (Legislators: 12%; Lobbyists 26%; Public Officials: 49% --Appendix. p. 1) but when we combined those who thought public trust was essential with those who thought it was "very important," we find an indisputable consensus: government needs the support and confidence of its citizens (Legislators: 75%; Lobbyists 75%; Public Officials: 93% -- Appendix, p. 1).

Degree of Actual Trust. We tested attitudes about the actual degree of trust in several ways with each surveyed group. No matter the nuance, the result was vividly clear: the level of trust and confidence in the integrity of the legislature is disturbingly low. So low that positive aggressive actions are needed by the legislature to restore public trust.

Public officials and lobbyists were asked their personal opinion of the Alaska legislators and the body as a whole. Lobbyists had a much more favorable view than public officials, but still only 55% had a high opinion of the body as a whole (as against only 27% of the public officials -- Appendix, p. 2). If three quarters of the public officials fail to think well of their legislative colleagues it is doubtful that citizens in general have a higher view. And

even 45% of the lobbyists were cynical.

One cannot hide from the conclusion that things are not what they should be. Legislators showed that they too think there is a wide gap between what they need, trust, and what they have, cynicism -- only 14% thought that most or almost all Alaskans have a sufficiently high degree of trust and confidence in the integrity of legislators (Appendix, p. 4). The figure jumped slightly to 25% (Appendix, p. 3) when they assessed the opinion of their own constituents but, by any standard, it is clear that legislators know that the vast majority of citizens do not have the respect the legislators themselves feel is so important.

Reason for Lack of Trust. Our personal interviews with legislators led us to believe that much of the responsibility for the crisis in confidence was going to be put at the door of the press. There was a noticeable, pervasive hostility about press coverage. The surveys, however, showed a more reflective assessment of the major reasons for public cynicism. While legislators were more likely to attribute the problem to "relentless and unfair media coverage" than any other group, still, only one in four did so (Legislators: 27%; Lobbyists 19%; Public Officials: 5% --Appendix, p. 5). Instead, all groups agreed that insensitivity to ethical standards by a "significant minority" of legislators was a major cause. Action taken on this report and the Legislative Ethics Act should go a long way to sensitize all legislators to their ethical obligations and the fact that a failure to do so is undermining the foundations of Alaskan government.

THE PUBLIC TRUST HAS BEEN SUBSTANTIALLY UNDERMINED BY SPECIFIC BEHAVIORS THAT, IN THE OPINION, OF A LARGE MAJORITY OF GOVERNMENTAL INSIDERS, RAISE SERIOUS ETHICAL PROBLEMS THAT NEED TO BE ADDRESSED BY BEHAVIORAL CHANGES.

We listed 20 types of presently lawful behavior, behavior that might properly be dealt with in an ethics code. We then asked legislators, public officials and lobbyists whether they thought the conduct listed raised serious conflicts of interest or appearances of impropriety. Since public trust is a fragile thing, made up more by perceptions and beliefs than facts and reality, if a substantial minority (10-20%) believe that conduct is improper, the conduct generally ought to be avoided, even if it is legally permissible.

Virtually every listed act was thought to raise serious problems by a substantial minority and, in many cases, a substantial majority of respondents. On the theory that we ought to address serious problems in the Legislative Ethics Act, we took special note of the high proportion of persons who believed that problems were serious (see Appendix, p. 18-23).

For example, 38% of the legislators and 73% of the public officials said that outside income sources raised serious actual problems (is it significant that only 27% of the lobbyists saw this as a problem?) --(Appendix, p. 18, responses E and F).

Legislators were also very concerned about "calculated evasions of the purpose and spirit of campaign laws" -- (Serious actual problem: Legislators: 42%; Lobbyists 29%; Pub-

lic Officials: a whopping 72% --Appendix. p. 22, responses E and F).

We were surprised at how many legislators thought that "improper use of administrative powers or customary authority of legislative leaders, including committee chairs, to hold up or alter legislation" was a serious problem -- 45% (this number, however was small compared to public officials, 75% and lobbyists, 61% who find this anti-democratic conduct a serious problem). This problem is addressed generally in the code but in this report we specifically recommend abandonment of committee practices which give undue power to individuals.

These surveys demonstrate unequivocally that a wide range of behaviors engaged in by legislators are perceived to be improper. Thus, to regain public trust, one has to either change perceptions, convincing persons that the conduct is consistent with high ethical standards, or change the conduct. This report concludes that it is the behavior that ought to be changed. The Legislative Ethics Act implements this conclusion.

The Nature of Required Regulations

LEGISLATORS AND OTHERS INVOLVED IN STATE GOVERNMENT OVERWHELMINGLY BELIEVE REGULATION OF THE TYPE PROVIDED IN THE LEGISLATIVE ETHICS ACT IS NEEDED TO PREVENT ACTUAL CONFLICTS OF INTEREST AND APPEARANCES OF IMPROPRIETY.

Recognizing something as a serious problem does not necessarily indicate a belief that the problem can or should be addressed in the form of further regulation. In fact, a substantial minority of those who described listed behaviors as "problems" also said that more regulation won't help. Yet, as to every single behavior asked about, a substantial minority of every surveyed group (at least 25%) thought that more regulation would help. A clear mandate, we think, for the Legislative Ethics Act. Legislators were especially emphatic about the need for more regulation with respect to:

1. 72% -- "use of gov't staff for campaign/fundraising activities" (#12, Appendix, p. 23);
2. 70% -- "use of gov't facilities for campaign/fundraising activities" (#11, Appendix, p. 23);
3. 62% -- "fundraising activities in Juneau during the session" (#18, Appendix, p. 25);
4. 61% -- "improper travel reimbursement claims" (#1, Appendix, p. 19);
5. 60% -- "calculated evasions of purpose/spirit of campaign laws" (#15, Appendix, p. 23);
6. 59% -- "handling of campaign fund surplus" (#5, Appendix, p. 19);
7. 57% -- "fundraising anywhere in the state during the session" (#19, Appendix, p. 25);
8. 57% -- "outside income sources raising improper conflicts" (#3, Appendix, p. 19);
9. 55% -- "free in-state travel and lodging" (#6, Appendix, p. 21);
10. 52% -- "improper use of admin. powers by leaders/committee chairs" (#9, Appendix, p. 21);

The public officials "top 10" list included several items that didn't make it on the legislator list, but regardless of the issue they expressed a substantially higher belief in the need for regulation:

1. 84% -- "outside income sources raising improper conflicts" (#3, Appendix, p. 19);
2. 82% -- "use of gov't staff for campaign/fundraising activities" (#12, Appendix, p. 23);
3. 81% -- "improper per diem claims" (#2, Appendix, p. 19)
4. 81% -- "handling of campaign fund surplus" (#5, Appendix, p. 19);
5. 79% -- "free out-of-state travel or use of recreational or lodging" (#7, Appendix, p. 21)
6. 78% -- "improper travel reimbursement claims" (#1, Appendix, p. 19);
7. 78% -- "use of gov't facilities for campaign/fundraising activities" (#11, Appendix, p. 23);
8. 78% -- "calculated evasions of purpose/spirit of campaign laws" (#15, Appendix, p. 23);
9. 75% -- "Inadequate or evasive disclosures of conflicts of interest" (#4, Appendix, p. 19)
10. 68% -- "free in-state travel and lodging" (#6, Appendix, p. 21),
11. 64% -- "post government service lobbying" (#14, Appendix, p. 23)

VERY FEW LEGISLATORS WILL BE SO ADVERSELY AFFECTED BY ANY PROVISION IN THE LEGISLATIVE ETHICS ACT WHICH BANS OR RESTRICTS OUTSIDE INCOME SOURCES THAT IT WOULD MATERIALLY AFFECT THEIR WILLINGNESS TO SERVE.

In considering restrictions on representation of persons or organizations in their dealings with state government, we had to consider the possibility that cutting off these income sources would drive good people out of the legislature and make it difficult to attract new people of quality. Our survey shows this is a theoretical but not a real threat.

The overwhelming majority (never less than 75% -- Appendix, p. 9, responses D and E) indicated a complete ban on outside representation of or consulting with government contractors and others interested in legislative action would work no hardship at all. On the other hand, both lobbyists and public officials preferred outright bans or strict limitations on all such forms of income (Appendix, p. 8, 10).

A substantial minority of legislators, however, (23% -- Appendix, p. 9, responses A and B) did say that their ability or willingness to stay would be jeopardized by a ban on consulting with persons doing business with state and local governments. The provisions in the Legislative Ethics Act dealing with such activities permit a continuation of such activities under regulated circumstances until January 1, 1992. This should provide sufficient time for the necessary adjustments.

The Issue of Compensation.

THE JOB OF STATE LEGISLATOR IS SIMPLY AND CLEARLY WORTH CONSIDERABLY MORE THAN WHAT IS BEING PAID. LEGISLATORS WORK HARDER AND LONGER THAN MOST PEOPLE EXPECT, THE POSITION IS BECOMING BOTH MORE IMPORTANT AND MORE COMPLEX, THE NEW ETHICS LAWS WILL MAKE IT HARDER TO FIND PROPER WAYS OF SUPPLEMENTING INCOME AND THE FINANCIAL AND PERSONAL SACRIFICES INVOLVED IN LEGISLATIVE SERVICE WILL MAKE IT HARDER TO ATTRACT QUALITY LEADERS UNLESS A SUBSTANTIAL INCREASE IS PROVIDED IN CONJUNCTION WITH PASSAGE OF THE LEGISLATIVE ETHICS ACT.

In the present atmosphere of rampant criticism of and apparent dissatisfaction with the legislature as a whole it is difficult, some may say, foolhardy to talk about a major raise. Nevertheless, we are convinced that simple fairness and sound public policy mandate a substantial increase in pay for state legislators -- not necessarily because their job performance, either individually or collectively justifies it, but because it is the right and fair thing to do.

Without question, the demands of the job and the time and energy required even for moderate performance justify compensation in the \$40,000 range as the State Officer's Compensation Commission Recommended in 1989.

Several myths and traditions have worked to make the issue of a legislative raise a touchy and unpopular one. First is the myth that the position only involves a 33% commitment of the legislator's income-generating time since the legislative session is only four months long. It is inconceivable to imagine a state legislator who can restrict public service time to the period of the Juneau legislative session. It is inconceivable to believe that constituents don't demand and deserve year-round, even if not full-time, attention from their representative.

A legislator's official pay is \$22,140 per year. In addition, the legislator receives \$9,680 (about \$2,500 per month) for living and home-travel expenses during the Juneau session and \$50-55 per day for days worked during the interim. Finally, they receive as personal income a \$4,000 stipend to be used for office expenses, newsletters and the like (an amount which does not cover actual costs for most legislators). When all is said and done, most legislators yield a real income, after expenses, in the low \$30,000 range. If legislators really only worked four months, that would amortize to \$90,000 per annum, a

pretty fair salary.

In fact, legislators put in considerably more time --40% said that they spend almost all their income-producing time (90-100%) on activities directly related to their position as a legislator (Appendix, p. 12). Only one in ten said they spend less than 50% of their time and just over two-thirds say they spend at least 75% of their time. This, by the way is much more time than governmental insiders think they deserve: only 25% of the public officials and 29% of the lobbyists said it was reasonable to expect legislators to spend at least 75% of their time on government work (Appendix, p. 13). Most people seem to think the pay justifies about half-time.

Even allowing for the real possibility of some exaggeration in self-reporting, objective observation reveals that substantially more than half time is required. And what is the legislator to do with the other half? If we cut off lucrative consulting arrangements with state contractors and the like, which we seek to do in the Legislative Ethics Act, the options for hit-and-miss availability employment are slim (a legislator is effectively always "on call.")

Our point? It is demonstrably inequitable to pay a person a net salary in the low 30's for such a difficult and responsible job.

What about the argument that they don't deserve it because they are not doing the job well? Doesn't all the ethics turmoil prove how unworthy they are for more money? Such arguments are really quite beside the point. The remedy for incompetent or corrupt officials is to throw them out, not to underpay them. We believe the job is worth more than is being paid, and if voters think that the person in the job is not up to it, they ought to fire him or her.

While we suspect that the general public is more hostile to the idea of a pay increase than public officials or lobbyists, it is important to note that two-thirds of the public officials thought that the Compensation Commission's recommendation was about right or too low (22% thought it was too low, Appendix, p. 14).

In summary, we find that Alaskans are short-changing themselves by being so penny-wise and pound foolish. The low pay creates subtle feelings of resentment and a sub-conscious "I have it coming" attitude that makes some hard-working legislators vulnerable to temptations to find ways of supporting a decent life-style while they serve. We think the state should pay more and demand more. The yearly cost of a raise would be a pittance, easily recoverable by a more committed and responsible body with more time to devote to spending a multi-billion dollar budget wisely.

WHETHER OR NOT A SALARY INCREASE IS GIVEN, THE COMPENSATION SYSTEM OUGHT TO BE SIMPLIFIED AS FOLLOWS:

1) REPLACE THE PER DIEM PAYMENT SYSTEM WITH A FAIR FIXED AMOUNT;

2) REPLACE THE SYSTEM OF PROVIDING AN OFFICE ALLOWANCE IN THE FORM OF A \$4,000 PER ANNUM PAYMENT WITH AN OFFICIAL OFFICE ALLOWANCE, WHICH SHALL NOT BE PAID TO THE LEGISLATOR BUT WILL BE USED TO PAY OR REIMBURSE ACTUAL LEGITIMATE OFFICE EXPENSES, INCLUDING UP TO TWO NEWSLETTERS PROVIDED THEY MEET SPECIFIED REQUIREMENT;

3) PROVIDE EACH LEGISLATOR WITH THE OPTION OF TWO ROUND TRIP TICKETS FROM THE CAPITAL CITY TO THEIR HOME DISTRICT TO BE USED DURING THE SESSION TO MEET FAMILY, CONSTITUENT OR BUSINESS DEMANDS.

The present system tends to mask actual compensation, blur the line between official office expenses and personal income and create unnecessary opportunities for confusion and abuse of per diem requests.

Office Allowance. Legislators ought to have a real and realistic office allowance that reflects common experience as to the needs of running a capital and, sometimes, a district office. The money is not, and should not be confused with compensation as it know is. Under the present system, there is a built-in conflict of interest between the personal finances of a legislator and the resources needed to serve constituents.

Our discussions indicated a uniform belief that the existing allowance is far short of the needs. Since different legislators will have different needs, they should be able to draw up to \$6,000 per year (or whatever other amount is prudent and appropriate) provided they demonstrate the expenses are bona fide.

Expanding the allowance has another purpose: to encourage meaningful communications with constituents that increase accountability. We propose that each legislator be permitted to send, at state expense up to two district-wide news letters provided that at least on full page is devoted to a clear statement of the each of the following matters: 1) a description of each bill introduced or sponsored by the legislator with a brief narrative as to the legislators goals and reasons; 2) each vote made on substantive matters on the floor and a description of all major committee activities; 3) the names of campaign con-

tributors of over \$250, if any, since the last newsletter; 4) any other information that will help the constituent assess the effectiveness and understand the political positions of his or her representative. It is realized that this will require some record keeping of activities not now common. We think this is a good thing.

METHODOLOGY

The most valuable resource in drafting an ethics code is the group of people who will be governed by the code, if enacted into law. As soon as was reasonably possible after being commissioned for this project, we developed surveys which were sent to Alaska state legislators, registered lobbyists, and to a random sampling of Alaska public officials as listed in the *Alaska Directory of State Officials*. We chose this group of people to survey in order to gain an understanding of the legislature from the perspective of those who have an intimate knowledge of state government and the day to day functioning of the legislature. We also know that the public tends to be more, rather than less cynical than those within the halls of government. Thus, our assessment of public trust and confidence in the legislature is likely a conservative one in terms of overall public sentiment. The results of the surveys are summarized in Appendix A.

The surveys were supplemented by on-site interviews of virtually every legislator, several legislative staff members, lobbyists, current and former journalists, staff members in the Executive Branch and the Alaska Public Offices Commissions, as well as other state agencies and commissions, and various others, all of whom have knowledge of, and a vested interest in, the affairs of state government in Alaska. Close to one hundred people were personally interviewed. While the project was commissioned by the Alaska State Senate, the code of ethics should effectively serve the legislature as a whole, and hence the Alaska citizenry. For this reason, interviews were conducted of not only members of the State Senate, but of the House of Representatives as well. Considering they had no formal role in this project, the House members were especially cooperative and helpful to our efforts to learn about the legislature as well as the issues which are unique to Alaska.

We made every effort to learn as much as possible about Alaska, and to write the Alaska Legislative Ethics Act of 1990 (ALEA) with a decided sensitivity to the unique cultural, geographic, economic, and political characteristics of the state. To complement this foundation, we looked to numerous national authorities on ethics, campaign financing, lobbying regulations, and government reform. The Alaska Legislative Ethics Act, therefore, also reflects the expertise, credibility, and experience behind the current national ethics reform movement.

DOCUMENTARY SOURCES

Much notable research and progress has been made in the field of ethics in the past several years. In addition to a substantial amount of original research, we relied heavily on four major documents in the writing of the Alaska Legislative Ethics Act of 1990. These documents offer enormous credibility, expertise, and authority, and are based on extensive research, thought, and discussion on specifically the issue areas being addressed by the Alaska Legislative Ethics Act of 1990.

(1) *Preserving the Public Trust: The Principles of Public Service Ethics.*

First and foremost, we chose to draw heavily from a publication of the Government Ethics Center of the Josephson Institute for the Advancement of Ethics. *Preserving the Public Trust: The Principles of Public Service Ethics*, published and released in March of 1990, offers a comprehensive and detailed examination of the moral foundations and underlying principles of public service ethics. The document covers five major areas of concern: (1) Public Office as a Public Trust, (2) Independent Objective Judgment, (3) Accountability, (4) Democratic Leadership, and (5) Respectability and Fitness for Public Office. It sets forth standards and guidelines which seek to describe the moral aspirations embodied in the notion of public service. They call on public servants to view their special ethical obligations in a positive way, not as oppressive or insulting regulations driven by cynicism, but as expressions of the nobler dimension of government and politics. The Government Ethics Center developed the ideas and standards in this policy paper with the extensive input from many of the greatest minds and most talented individuals from the field of government.

(2) *Ethics and Excellence in Government; Final Report and Recommendations, and Proposed Ethics Law, of the Commission to Draft an Ethics Code for Los Angeles City Government.*

During the spring of 1989, after months of investigations and much political embarrassment, the Mayor of the City of Los Angeles created and appointed a commission to draft an ethics code for the City of Los Angeles. After taking on an independent status, this commission of prominent civic, legal, academic, and religious leaders hired a full time staff, and together they went to work for over six months to produce the above named report and ethics law. Their findings and recommendations are a result of studying dozens of national, state and local laws, reading scores of reports and documents on

ethics, interviewing more than two hundred people from all over the country, and holding a dozen public hearings for city officials, ethics experts, and concerned citizens. The *Recommendations of the Commission to Draft an Ethics Code for Los Angeles City Government* is clearly one of the most comprehensive and forward looking sets of guidelines and standards on government ethics available.

(3) *Model Campaign Finance, Ethics, and Lobby Law.*

A product of the Council on Governmental Ethics Laws (COGEL), this report was, and continues to be, written and edited by individuals who together bring to the report close to one hundred years of experience in administering state agencies on ethics and campaign financing. COGEL, a not-for-profit organization, headquartered in Kentucky and founded over twelve years ago, presented an early draft of this report to its membership at an annual conference in 1988. The report has been positively shaped by this group of over 200 members of staffs, boards, commissions, and agencies which do work in the areas of ethics, campaign finance, and lobbying regulations. The COGEL report carries more expertise and authority than perhaps any other existing written document on ethics.

(4) *Conduct Becoming A Legislator.*

In January 1989, the California State Assembly created the Assembly Select Committee on Ethics and charged the Committee with the responsibility of undertaking a broad study, and developing a complete program on ethics for submission to and adoption by the Assembly. *Conduct Becoming A Legislator* contains the findings and recommendations of the Committee which were developed based on surveys of legislators, six internal hearings, seven public hearings, and extensive consultation with ethics experts. Considering the complexity of ethical issues in California government, this report serves as an important model of ethical standards directly developed by a very prominent legislative body.

Other Sources. In addition to the four publications described above, we relied on many other written sources, including all of Alaska's existing statutes, the legislature's *Standards of Conduct Handbook*, and several other documents nationally.

FORMAT OF STANDARDS OF CONDUCT

Statutory Form. We chose to write the statutes using an unusual format, including Guidelines, Commentary, Overarching Principles, and plain English, none of which are commonly found in statutes. While we tried to format the statutes as closely as possible to customary form for Alaska, so as to free the Senate from having to rewrite or reformat the bill, we intentionally included the above mentioned items in an attempt to address certain problems which are posed by almost all legislation in all places:

1. *Plain English.* Traditional legal language often further alienates the public from government and the political process. The ALEA, however, is fairly easy to read and understand, and therefore, perhaps it will be more accessible to Alaska citizens.

2. *Guidelines and Commentary.* Too often guidelines and commentary are included in a separate document apart from the actual bill and never referred to, and therefore disregarded in the implementation of the statutes. The Guidelines and Commentary included in the ALEA are an integral part of the proposed statutes and will make them easier for the legislature, the public, and state agencies to understand, implement, and enforce.

3. *Overarching Principles.* While ethics laws can accomplish a great deal in terms of clarifying acceptable forms of conduct and offering solutions to complex ethical conflicts, the Overarching Principles fill in the inevitable gaps and loopholes which an individual can find if he or she sees no value in abiding by the spirit and purposes of ethics laws. Ethical obligations require individuals to do more than is required and less than is allowed. Without this type of personal commitment, along with the desire to uphold the principles of public service ethics, ethics laws are inherently limited.

**The State of Legislative
Ethics in the State of Alaska**

**Summary Report
of
Questionnaires**

**Legislators
Non-Legislative Public Officials
Lobbyists**

Charts & Graphs

Josephson  Institute

GOVERNMENT ETHICS CENTER

April 2, 1990

APPENDIX A

In March, 1990, the GOVERNMENT ETHICS CENTER of the Josephson Institute surveyed Alaska "insiders' -- Legislators, Nonlegislative Public Officials and Lobbyists -- to determine the state of legislative ethics in the state. These are the results.

The following data is the result of a series of mailed anonymous questionnaires (attached at the end of this appendix) sent to all 60 Alaska legislators (41 responded or over 68 %); 375 randomly selected (except that geographical and departmental diversity was sought) persons listed in the February 1990, Directory of Public Officials (169 responded or 45 %); and 142 registered lobbyists (54 responded or 38 %).

Importance of Public Trust

Q. How important to the effectiveness of government do you think it is that those who serve government be held in high esteem by the public?

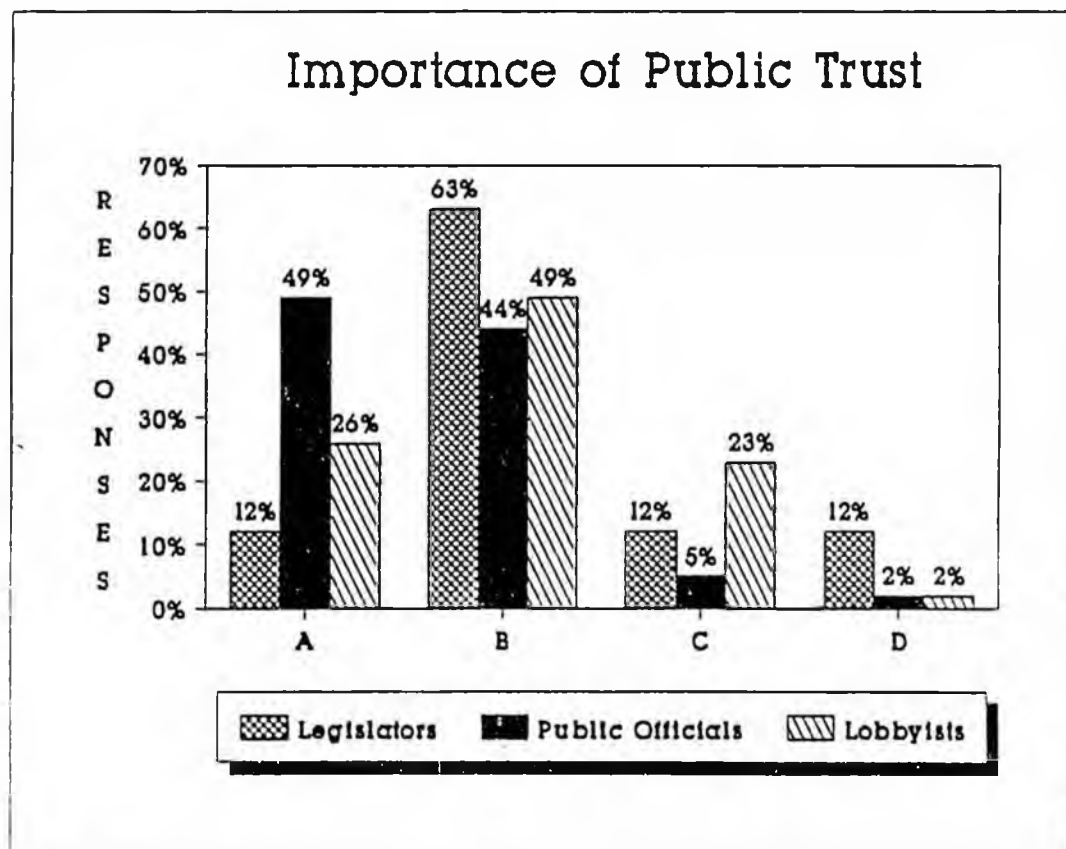
A. *Essential.*

B. *Very important, effectiveness is badly hampered by a lack of trust.*

C. *Somewhat important, but as a practical matter the effectiveness of government is not very much affected by a lack of trust.*

D. *Not very important. The public has always been cynical about politicians and government has always managed to function.*

	Legislators	Public Officials	Lobbyists
A. Essential.	12 % (5)	49 % (81)	26 % (14)
B. Very important, effectiveness is badly hampered by a lack of trust.	63 % (25)	44 % (74)	49 % (26)
C. Somewhat important, but as a practical matter the effectiveness of government is not very much affected by a lack of trust.	12 % (5)	5 % (8)	23 % (12)
D. Not very important. The public has always been cynical about politicians and government has always managed to function.	12 % (5)	2 % (3)	2 % (1)
No Response	(1)	(3)	(1)



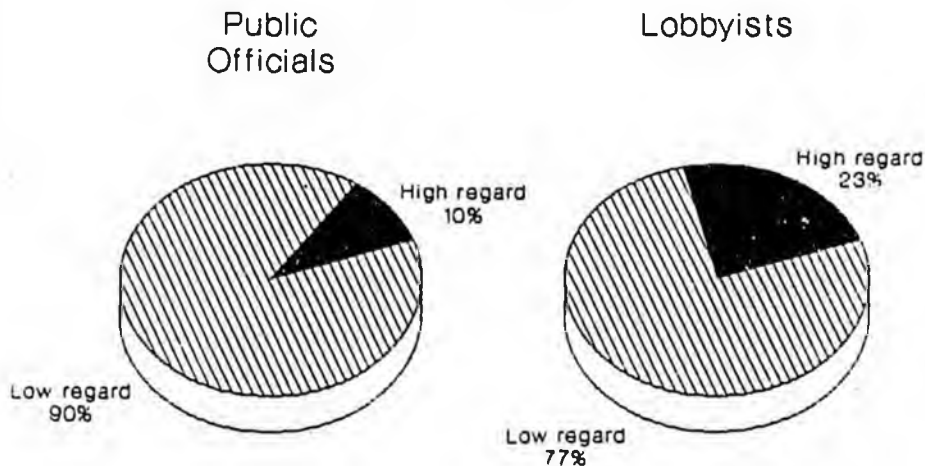
Public Trust - Personal Opinion

Recently, there has been a great deal of discussion about the public's trust and confidence in the integrity of the Alaska state legislature. Please circle the letter next to the statement that comes closest to your opinion as to each of the following issues:

Q. What is your personal opinion of the integrity of Alaska legislators and the body as a whole?

Public Official	Lobbyists	
10 % (17)	23 % (12)	A. I have a high regard for the integrity of almost all legislators and for the body as a whole.
17 % (27)	33 % (17)	B. I have a high regard for most legislators individually but not have a very high regard for the body as a whole.
45 % (74)	33 % (17)	C. Although I have a regard for many legislators, I do not have a very high regard for most of them or for the body as a whole.
23 % (38)	11 % (6)	D. I have a high regard for very few legislators and a low opinion of the body as a whole.
4 % (7)	0 % (0)	E. I have a very low regard for the integrity of almost all legislators and the body as a whole.

Trust & confidence in the Alaska state legislature



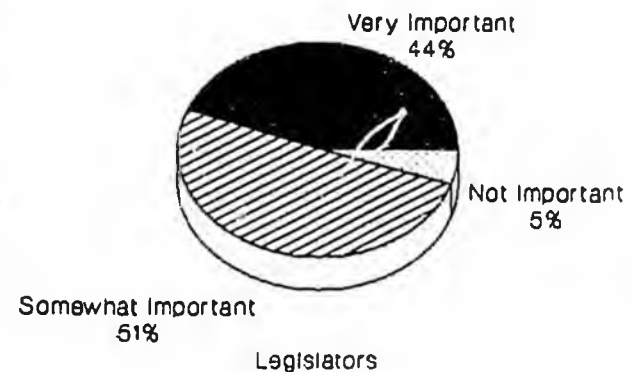
High regard (A)
Low regard (B,C,D & E)

Public Trust - General Public & Constituents Opinion

Q. How important is it to you personally that the legislature as a whole is held in high esteem by the public?

Legislators	
44 % (18)	A. Very important because my own reputation and the satisfaction I get from office is directly affected by general public attitudes.
51 % (21)	B. Somewhat important but generally, my constituents and those who know me judge me as an individual regardless of what they think of other legislators.
5 % (2)	C. Not very important since my constituents and those who know me judge me as an individual.

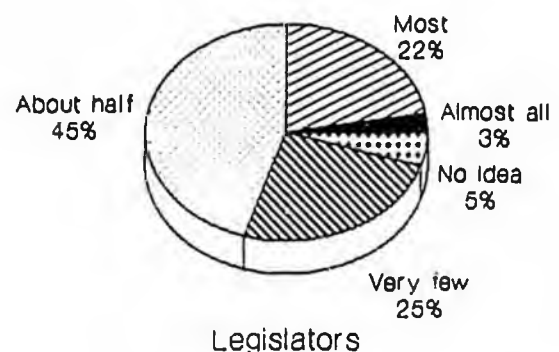
Importance to legislators that the legislature be held in high esteem.



Q. What proportion of your constituents have a sufficiently high degree of trust and confidence in the integrity of legislators?

Legislators	
3 % (1)	A. Almost all
22 % (9)	B. Most
45 % (18)	C. About half
25 % (10)	D. Very few
0 % (0)	E. Almost none
5 % (2)	F. I have no idea

Proportion of constituents who have confidence in their legislators.

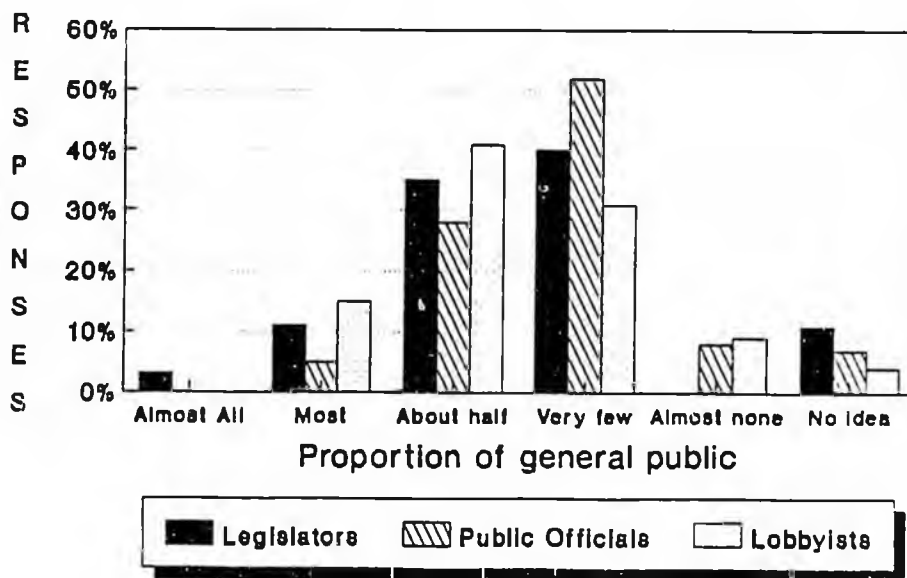


Public Trust - Public Opinion on Legislators

Q. In your opinion, what proportion of the general public (statewide) has a sufficiently high degree of trust and confidence in the integrity of legislators?

Legislators	Public Officials	Lobbyists	
3 % (1)	0 % (0)	0 % (0)	A. Almost All.
11 % (4)	5 % (9)	15 % (8)	B. Most.
35 % (13)	28 % (46)	41 % (22)	C. About half.
40 % (15)	52 % (86)	31 % (17)	D. Very few.
0 % (0)	8 % (13)	9 % (5)	E. Almost none.
11 % (4)	7 % (12)	4 % (2)	F. I have no idea.

Proportion of general public with high confidence in integrity of legislators

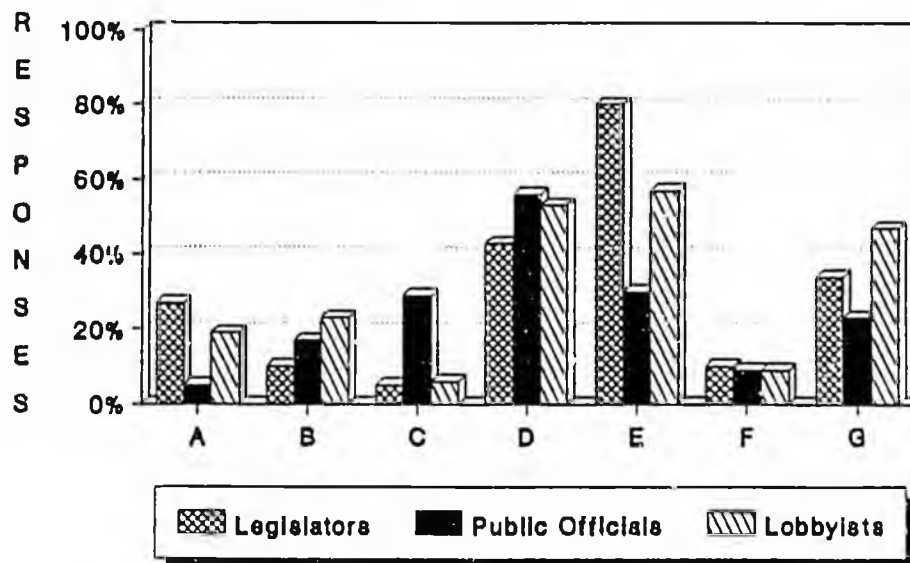


Public Trust

Q. To the extent that trust is not as high as you think it should be, which of the following is a MAJOR reason (you may circle more than one).

Legislators	Public Officials	Lobbyists	
27 % (11)	5 % (8)	19 % (10)	A. Relentless and unfair media coverage.
10 % (4)	17 % (28)	23 % (12)	B. Aggressive but basically fair media coverage.
5 % (2)	29 % (49)	6 % (3)	C. Insensitivity to ethical standards by a substantial majority of legislators.
43 % (17)	56 % (93)	53 % (28)	D. Insensitivity to ethical standards by a significant minority of legislators.
80 % (32)	30 % (50)	57 % (30)	E. Widely publicized misconduct of only a very few legislators.
10 % (4)	9 % (15)	9 % (10)	F. Unreasonable public expectations.
34 % (14)	23 % (38)	47 % (25)	G. The public's predisposition to believe the worst regardless of the facts.

Major reasons why public trust is not as high as it should be



Total greater than 100%--respondents allowed to circle more than one choice

Sources of Income and the Potential for Conflicts of Interest

Each of the following possible sources of income, raise a certain potential for conflicts of interest. Prohibiting them, however, may affect the willingness and ability of some legislators to stay in the legislature. Please indicate the extent to which you think the source ought to be restricted in view of the potential financial hardship and inability to serve such a prohibition may cause.

A = Such income should be banned even if some legislators have to withdraw or undergo serious financial hardship.

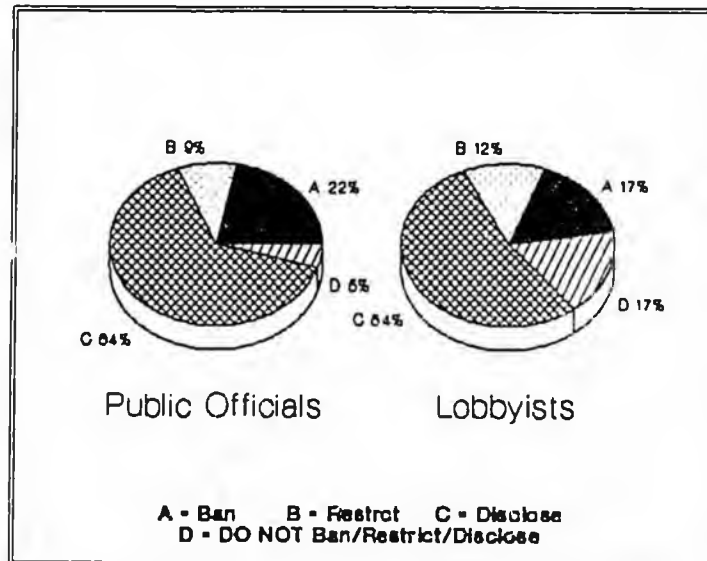
B = Such income should be banned or restricted as much as is reasonably possible without causing legislators to leave the legislature.

C = Such income should be subject to disclosure but not prohibition since the potential conflicts can be resolved so long as the legislator is held accountable to the public.

D = Such income should be neither banned nor subject to any additional disclosure since the potential conflicts of interest are not serious.

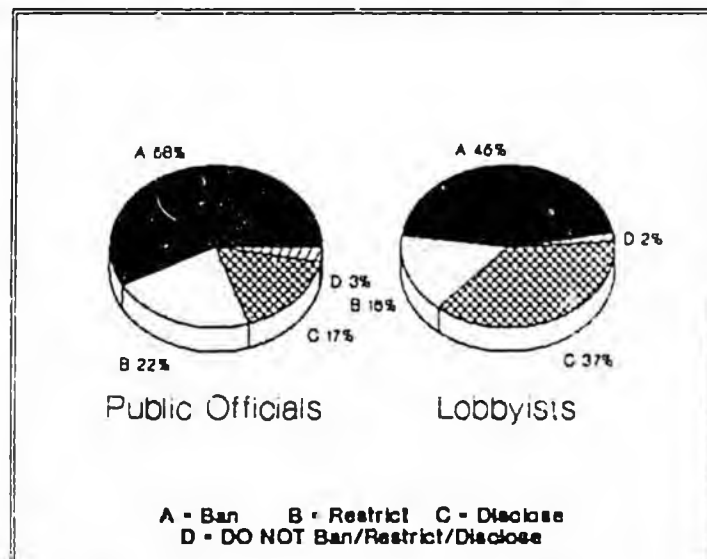
Q. Honoraria -- outside fees for speaking, appearing or writing.

	Public Officials	Lobbyists
A	22 % (36)	17 % (9)
B	9 % (15)	12 % (6)
C	64 % (105)	54 % (28)
D	5 % (8)	17 % (9)
N/R	(5)	(2)



Q. Fees or commissions relating to business or contracts with any entity of state or local government.

	Public Officials	Lobbyists
A	58 % (94)	45 % (23)
B	22 % (36)	16 % (8)
C	17 % (28)	37 % (19)
D	3 % (4)	2 % (1)
N/R	(7)	(3)



Income Sources

Legislators

As to each of the following possible sources of income, please indicate the extent to which a complete prohibition would, in the absence of a compensatory pay raise, place a financial hardship on you and affect your willingness to stay in the legislature.

- A = Unacceptable, I could not stay.
- B = Unreasonably difficult, I might not stay.
- C = Very difficult, but I would stay.
- D = Not significant, since other sources of income are adequate.
- E = Not significant, since I receive little or nothing in this way.

Q. Honoraria -- outside fees for speaking, appearing or writing.

Legislators

A = 3 % (1)
B = 0 % (0)
C = 0 % (0)
D = 5 % (2)
E = 92 % (37)

Q. Fees or commissions relating to business or contracts with any entity of state or local government.

Legislators

A = 3 % (1)
B = 5 % (2)
C = 0 % (0)
D = 5 % (2)
E = 87 % (35)

Sources of Income and the Potential for Conflicts of Interest

Each of the following possible sources of income, raise a certain potential for conflicts of interest. Prohibiting them, however, may affect the willingness and ability of some legislators to stay in the legislature. Please indicate the extent to which you think the source ought to be restricted in view of the potential financial hardship and inability to serve such a prohibition may cause.

A = Such income should be banned even if some legislators have to withdraw or undergo serious financial hardship.

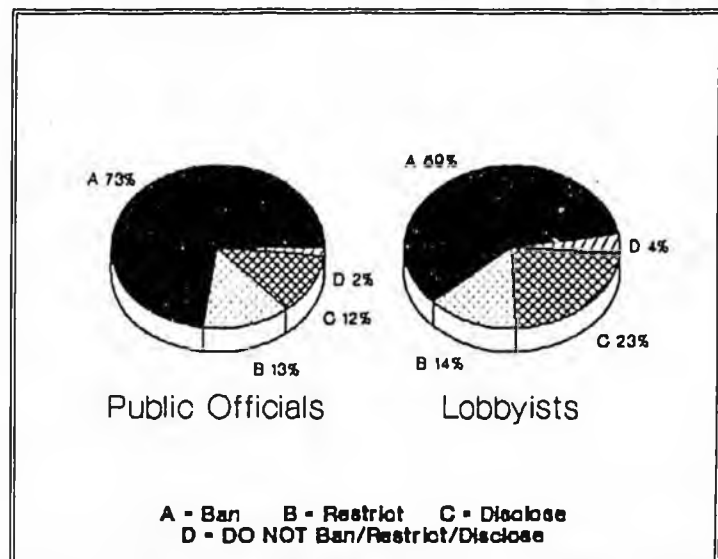
B = Such income should be banned or restricted as much as is reasonably possible without causing legislators to leave the legislature.

C = Such income should be subject to disclosure but not prohibition since the potential conflicts can be resolved so long as the legislator is held accountable to the public.

D = Such income should be neither banned nor subject to any additional disclosure since the potential conflicts of interest are not serious.

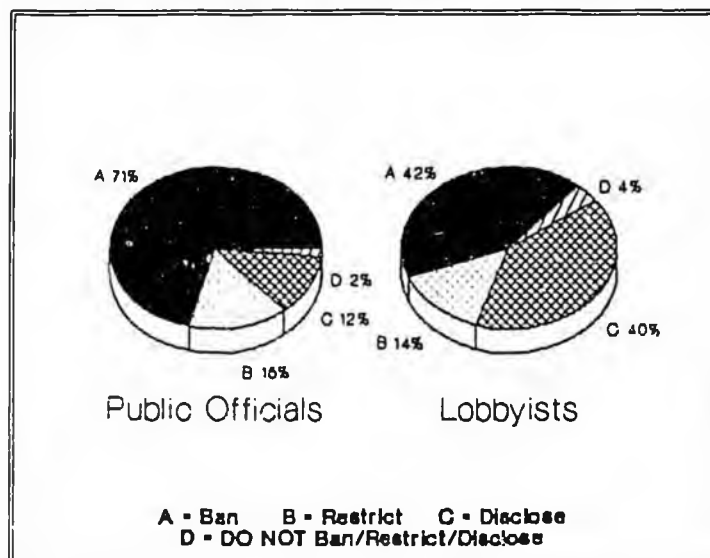
Q. Fees or other compensation relating to direct representation of persons or organizations in their dealings with any state OR local government entity.

	Public Officials	Lobbyists
A	73 % (119)	59 % (30)
B	13 % (21)	14 % (7)
C	12 % (19)	23 % (12)
D	2% (4)	4% (2)
<i>N/R</i>	(6)	(3)



Q. Fees of other compensation relating to consulting with persons or organizations with respect to their dealings with any state government entity.

	Public Officials	Lobbyists
A	71 % (115)	42 % (22)
B	15 % (25)	14 % (7)
C	12 % (19)	40 % (21)
D	2% (3)	4% (2)
<i>N/R</i>	(7)	(2)



Income Sources

Legislators

As to each of the following possible sources of income, please indicate the extent to which a complete prohibition would, in the absence of a compensatory pay raise, place a financial hardship on you and affect your willingness to stay in the legislature.

- A = Unacceptable, I could not stay.
- B = Unreasonably difficult, I might not stay.
- C = Very difficult, but I would stay.
- D = Not significant, since other sources of income are adequate.
- E = Not significant, since I receive little or nothing in this way.

Q. Fees or other compensation relating to direct representation of persons or organizations in their dealings with any state OR local government entity.

Legislators

A = 5 % (2)
B = 2 % (1)
C = 5 % (2)
D = 5 % (2)
E = 83 % (33)

Q. Fees or other compensation relating to advising or consulting with persons or organizations with respect to their dealings with any state government entity.

Legislators

A = 10 % (4)
B = 13 % (5)
C = 2 % (1)
D = 5 % (2)
E = 70 % (28)

Sources of Income and the Potential for Conflicts of Interest

Each of the following possible sources of income, raise a certain potential for conflicts of interest. Prohibiting them, however, may affect the willingness and ability of some legislators to stay in the legislature. Please indicate the extent to which you think the source ought to be restricted in view of the potential financial hardship and inability to serve such a prohibition may cause.

A = Such income should be banned even if some legislators have to withdraw or undergo serious financial hardship.

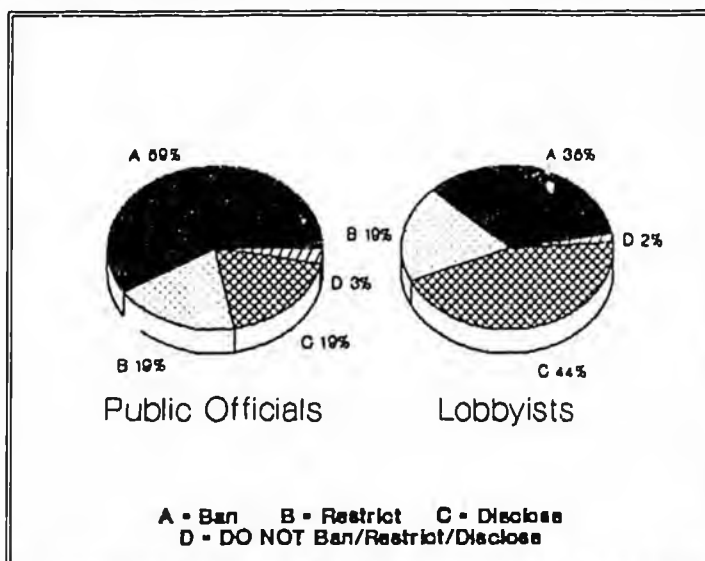
B = Such income should be banned or restricted as much as is reasonably possible without causing legislators to leave the legislature.

C = Such income should be subject to disclosure but not prohibition since the potential conflicts can be resolved so long as the legislator is held accountable to the public.

D = Such income should be neither banned nor subject to any additional disclosure since the potential conflicts of interest are not serious.

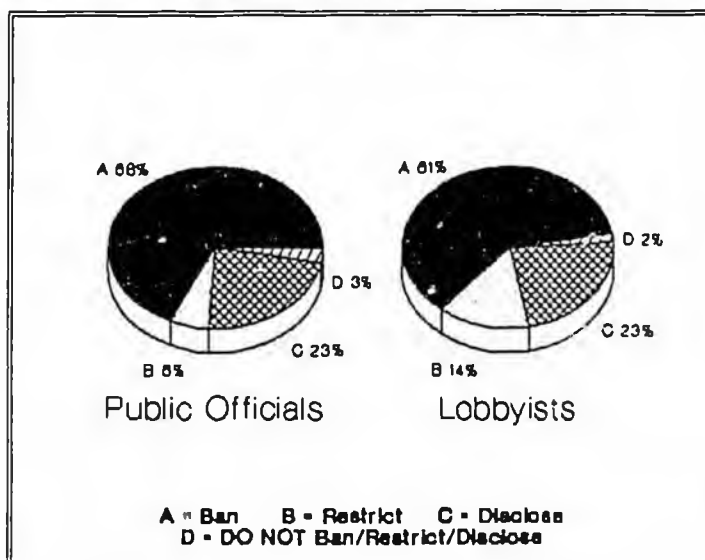
Q. Fees or other compensation relating to consulting with persons or organizations with respect to their dealings with any state OR local government.

	Public Officials	Lobbyists
A	59 % (96)	35 % (18)
B	19 % (31)	19 % (10)
C	19 % (31)	44 % (23)
D	3 % (4)	2 % (1)
<i>NIR</i>	(7)	(1)



Q. Lawful conversion of surplus campaign funds to personal income.

	Public Officials	Lobbyists
A	68 % (111)	62 % (32)
B	6 % (10)	13 % (7)
C	23 % (38)	23 % (12)
D	3 % (4)	2 % (1)
<i>NIR</i>	(6)	(2)



Income Sources

Legislators

As to each of the following possible sources of income, please indicate the extent to which a complete prohibition would, in the absence of a compensatory pay raise, place a financial hardship on you and affect your willingness to stay in the legislature.

- A = Unacceptable, I could not stay.
- B = Unreasonably difficult, I might not stay.
- C = Very difficult, but I would stay.
- D = Not significant, since other sources of income are adequate.
- E = Not significant, since I receive little or nothing in this way.

Q. Fees or other compensation relating to advising or consulting with persons or organizations in their dealings with any state OR local government entity.

Legislators

A = 5% (2)
B = 13% (5)
C = 3% (1)
D = 8% (3)
E = 71% (27)

Q. Lawful conversion of surplus campaign funds to personal income.

Legislators

A = 0% (0)
B = 5% (2)
C = 10% (4)
D = 8% (3)
E = 77% (31)

Income-producing time and proportion of total income

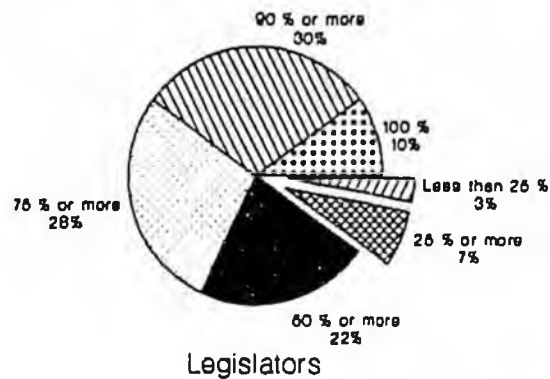
Please circle the letter next to the statement that comes closest to your opinion as to each of the following issues:

One source of real and apparent conflicts of interest is outside earned income necessitated by the part-time compensation of Alaska legislators. Since standards of conduct must address this issue, it is important to assess the potential impact of various solutions which would restrict income sources. Your candid answers to the following questions will provide important information that will help us frame reasonable and practical standards.

Q. On an annual basis, about what proportion of your income-producing time is spent on activities directly related to your position as a legislator?

Legislators	
10 % (4)	A. 100 %
30 % (12)	B. 90 % or more
28 % (11)	C. 75 % or more
22 % (9)	D. 50 % or more
7 % (3)	E. 25 % or more
3 % (1)	F. Less than 25 %

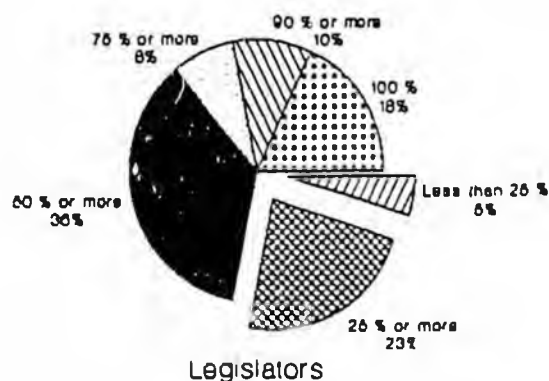
Proportion of income-producing time spent on activities as legislator



Q. On an annual basis, about what proportion of your personal (not including spouse income) total income from all sources is derived from your legislative salary and per diems?

Legislators	
18 % (7)	A. 100 %
10 % (4)	B. 90 % or more
8 % (3)	C. 75 % or more
36 % (14)	D. 50 % or more
23 % (9)	E. 25 % or more
5 % (2)	F. Less than 25 %

Proportion of personal income derived from legislative salary & per diems

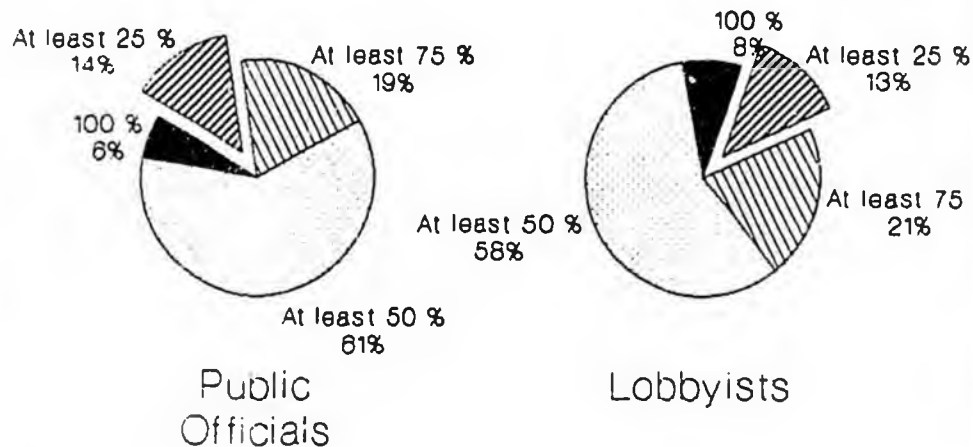


Time Expected of Legislators

Q. Given the 120 day legislative session and the fact that they are presently compensated at the rate of \$22,140 per annum and \$50-\$55 per day for working 4 hours or more when the legislature is not in session (plus \$9,680 for living expenses during the session), what proportion of income-producing time (on an annual basis) do you think it is reasonable to expect legislators to devote to legislative duties?

Public Official	Lobbyists	
6 % (10)	8 % (4)	A. 100 %
19 % (31)	21 % (11)	B. At least 75 %
61 % (98)	58 % (30)	C. At least 50 %
14 % (22)	13 % (7)	D. At least 25 %

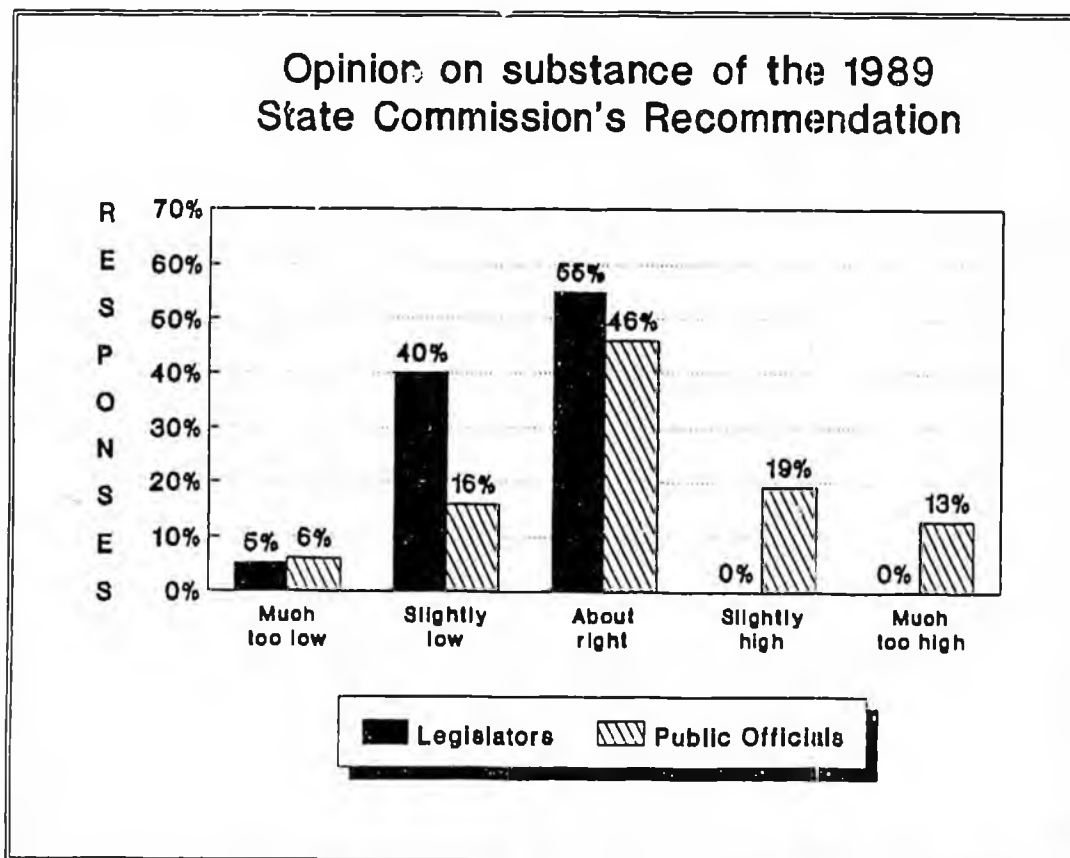
Proportion of Income-producing time that is reasonable to expect of legislators



1989 Report of the State Officers' Compensation Commission Recommendation

Q. The 1989 Report of the State Officers' Compensation Commission recommended raising legislative salaries to \$40,000 along with adjustments in the per diem amounts and procedures, two round-trip constituent travel reimbursements during the legislative session and a different way of dealing with the office allowance to prevent it from becoming an income source. Regardless of your opinion as to the political issues involved, what is your opinion as to the substance of the recommendation?

Legislators	Public Officials	
5 % (2)	6 % (10)	A. Much too low.
40 % (16)	16 % (27)	B. Slightly low.
55 % (22)	46 % (75)	C. About right.
0 % (0)	19 % (32)	D. Slightly high.
0 % (0)	13 % (21)	E. Much too high



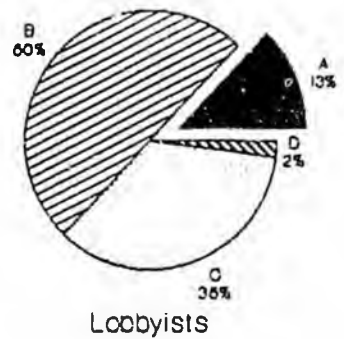
Fund Raising Practices Lobbyists

Please circle the letter next to the statement that comes closest to your opinion as to each of the following issues.

Q. Some people claim that legislators, directly or through aides, effectively coerce lobbyists to make campaign contributions (either personally or through their clients) by creating the impression that refusal to do so could adversely affect the relationship between the legislator and the lobbyist in a way that could hamper lobbyists' ability to effectively advocate the interests of their clients. Which of the following statements comes closest to your view on the matter.

13 % (7)	A. This almost never happens; the contributions that most lobbyist give are fully voluntary and based on ideological support.
50 % (26)	B. This happens occasionally with a few members but by and large the contributions that most lobbyists give are fully voluntary and based on ideological support.
35 % (18)	C. This happens frequently with many members; about half the contributions that most lobbyists give are defensive -- to ward off negative reactions and the loss of access.
2 % (1)	D. This happens frequently with almost all members; most of the contributions that most lobbyists give are defensive -- to ward off negative reactions and the loss of access.

Does the refusal to make campaign contributions adversely affect lobbying?

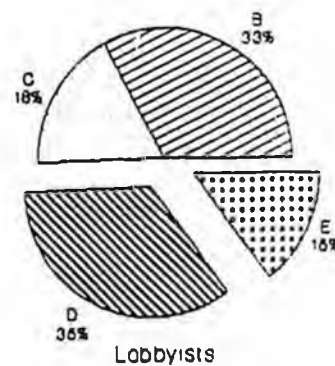


A=Almost never B=Occasionally
C=Freq/half contributions defensive
D=Freq/most contributions defensive

Q. Which of the following comes closest to your views as to the impact and legitimacy of fund raising practices between lobbyists and legislators?

0 % (0)	A. There is no significant pressure to provide campaign funds to legislators, hence, no impact.
33 % (15)	B. Present practices are a part of legitimate politics; there is nothing wrong with them since they do not adversely affect the process.
18 % (8)	C. Fund raising pressure is occasionally overdone but does not raise serious problems since lobbyist and special interest contributions very rarely influence the legislator's actions.
35 % (16)	D. Fund raising pressure is often overdone and it raises a serious problem since special interests which are able and willing to provide financial support have a significant advantage in telling their story and persuading legislators.
15 % (7)	E. Fund raising pressure raises serious problems not only because special interests which provide financial support have a significant advantage in telling their story and persuading legislators, but in addition, the financial support itself sometimes influences legislative actions.

Fundraising pressures--are they significant/serious?

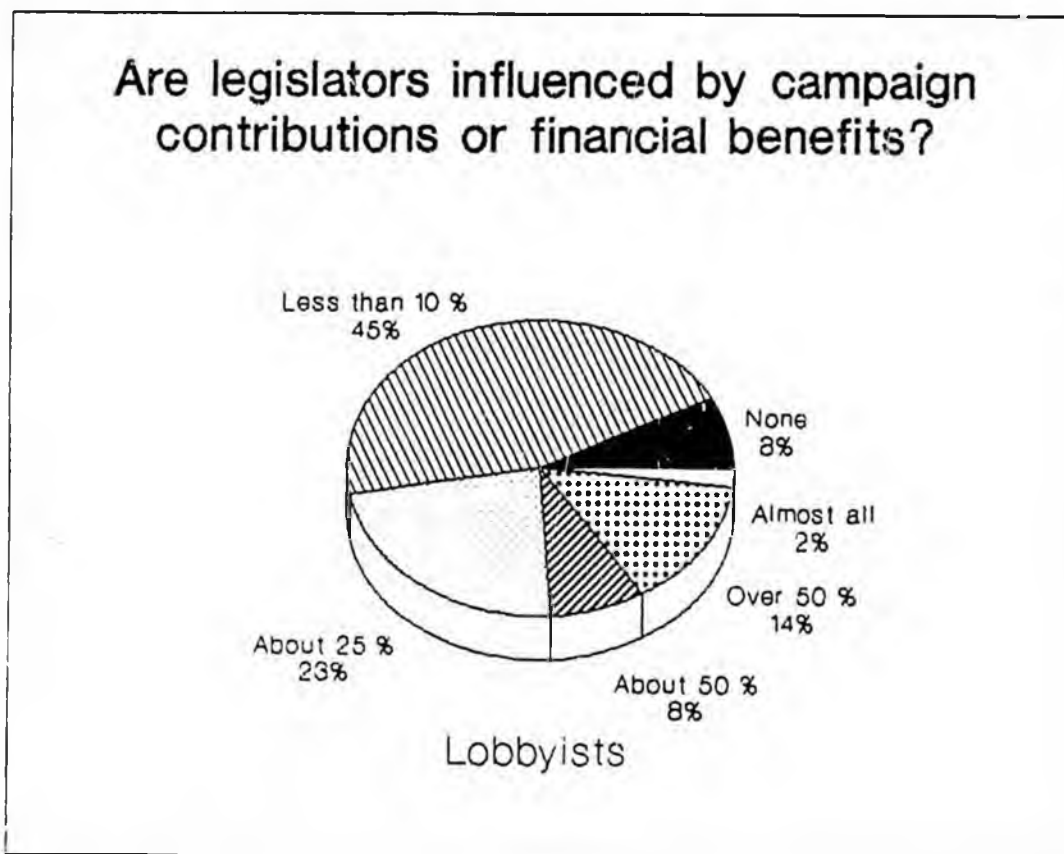


A=No significant pressure
B=Legitimate politics C=Occasionally
D & E=Serious

Financial benefit influence on legislators

Q. In your opinion, what proportion of the present legislature can be influenced to take or withhold some significant legislative action (e.g. intervention with a state agency, committee actions, drafting and amending legislation, voting) by campaign contributions or other financial benefits provided by lobbyists and their employers?

Lobbyists	
8 % (4)	A. None.
45 % (23)	B. No more than 10 %.
23 % (12)	C. About 25 %.
8 % (4)	D. About half.
14 % (7)	E. Over half.
2 % (1)	F. Almost all.



Campaign Contributions

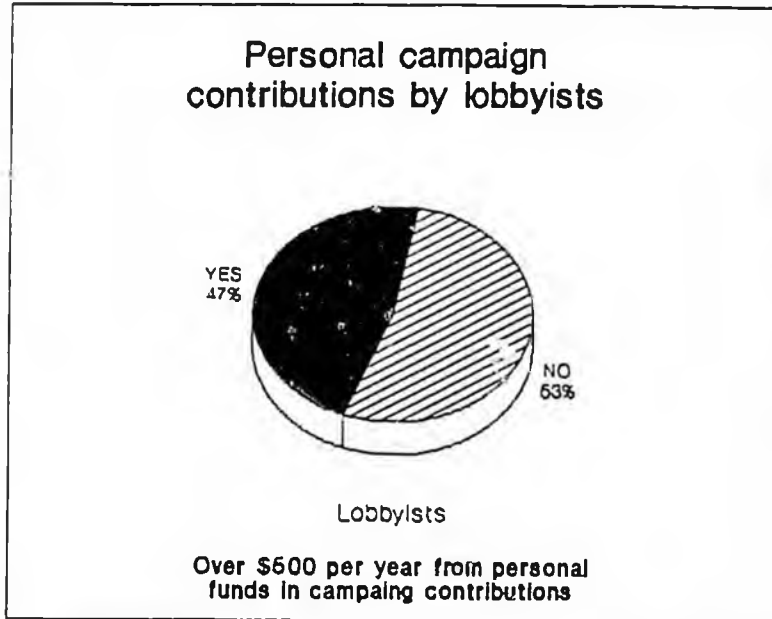
Lobbyists

Q. On average, I give over \$500 per year from my personal funds in campaign contributions.

47% ⁽²²⁾ = YES

53% ⁽²⁵⁾ = NO

(7) = No Response

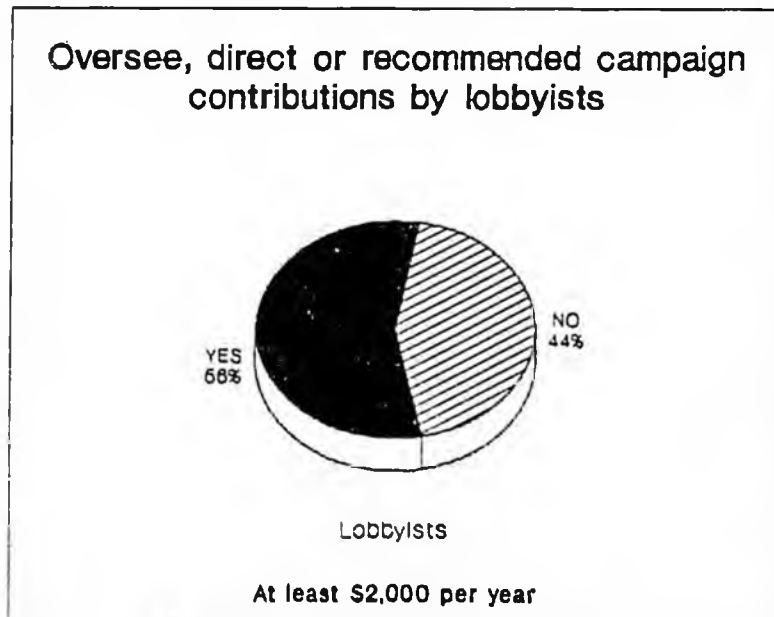


Q. On average, I oversee, direct or recommend the giving of at least \$2,000 per year in campaign contributions from clients.

56% ⁽²⁵⁾ = YES

44% ⁽²⁰⁾ = NO

(9) = No Response



Actual Conflicts and Appearances of Impropriety

As to each possible source of real or apparent impropriety, indicate whether you think the problem is:

A = Insignificant, more regulation unjustified.

B = Minor but more regulation may help.

C = Serious in terms of appearances but not actual affect, more regulation won't help.

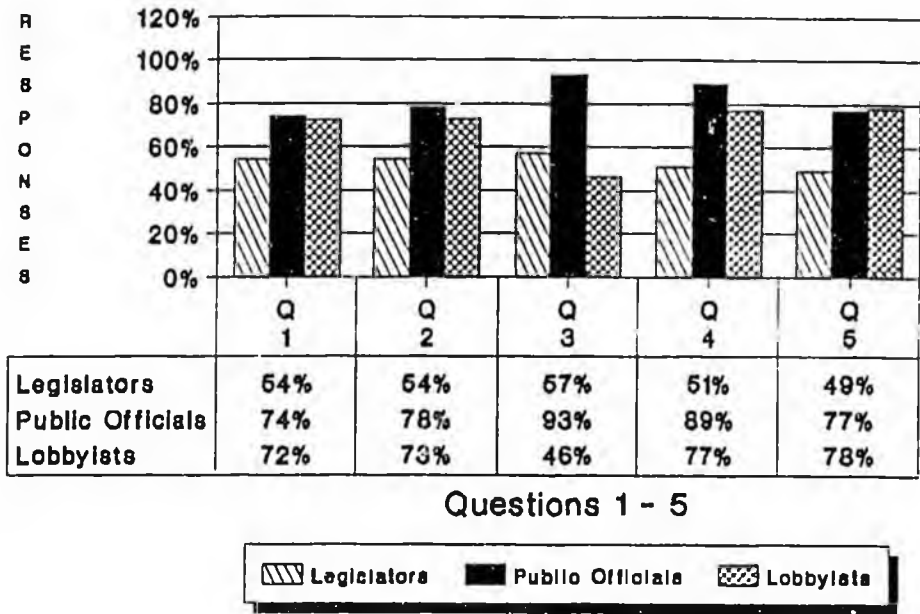
D = Serious in terms of appearances but not actual affect, more regulation will help.

E = Serious actual problem but more regulation won't help.

F = Serious actual problem, more regulation will help

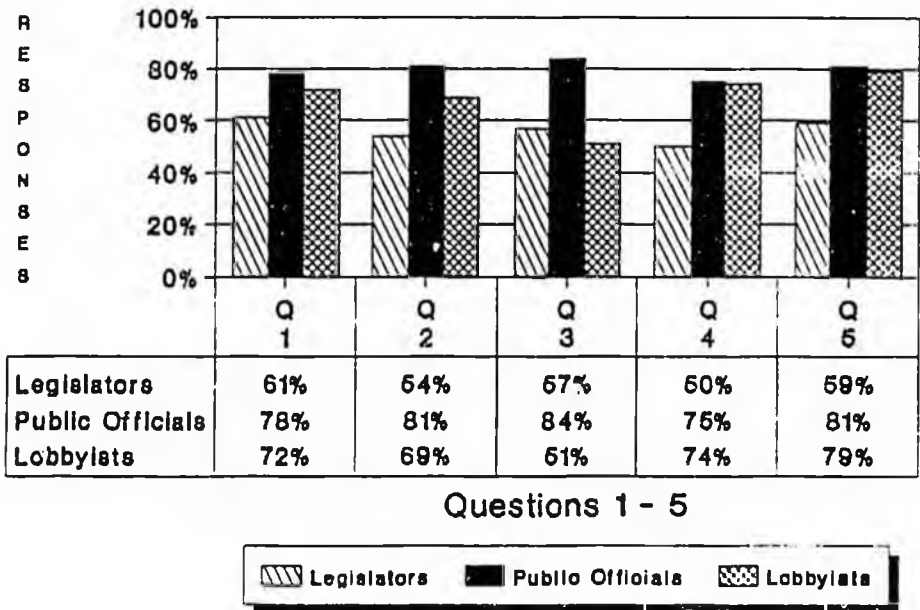
	A	B	C	D	E	F
1. Improper travel reimbursement claims.						
Legislators	22 % (9)	24 % (10)	12 % (5)	22 % (9)	5 % (2)	15 % (6)
Public Officials	4 % (6)	21 % (34)	8 % (13)	19 % (31)	9 % (15)	38 % (61)
Lobbyists	14 % (7)	14 % (7)	12 % (6)	25 % (13)	2 % (1)	33 % (17)
2. Improper per diem claims.						
Legislators	29 % (12)	17 % (7)	12 % (5)	20 % (8)	5 % (2)	17 % (7)
Public Officials	4 % (7)	19 % (30)	8 % (12)	21 % (34)	8 % (12)	41 % (65)
Lobbyists	16 % (8)	12 % (6)	10 % (5)	22 % (11)	6 % (3)	35 % (18)
3. Outside income sources raising improper conflicts of interest.						
Legislators	15 % (6)	22 % (9)	10 % (4)	15 % (6)	8 % (3)	30 % (12)
Public Officials	1 % (2)	6 % (9)	4 % (6)	16 % (25)	11 % (18)	62 % (97)
Lobbyists	28 % (14)	23 % (12)	16 % (8)	6 % (3)	2 % (1)	25 % (13)
4. Inadequate or evasive disclosures of financial conflicts of interest.						
Legislators	27 % (11)	22 % (9)	13 % (5)	15 % (6)	10 % (4)	13 % (5)
Public Officials	3 % (5)	8 % (12)	1 % (2)	10 % (16)	21 % (33)	57 % (90)
Lobbyists	8 % (4)	15 % (8)	6 % (3)	15 % (8)	12 % (6)	44 % (23)
5. Handling of campaign fund surplus.						
Legislators	26 % (10)	26 % (10)	13 % (5)	15 % (6)	3 % (1)	18 % (7)
Public Officials	7 % (11)	16 % (26)	8 % (12)	17 % (28)	4 % (6)	48 % (77)
Lobbyists	11 % (6)	11 % (6)	6 % (3)	29 % (15)	4 % (2)	39 % (20)

The Problem is Serious



Combined responses C,D,E,& F

Will regulation help ?



Combined responses B,D & F

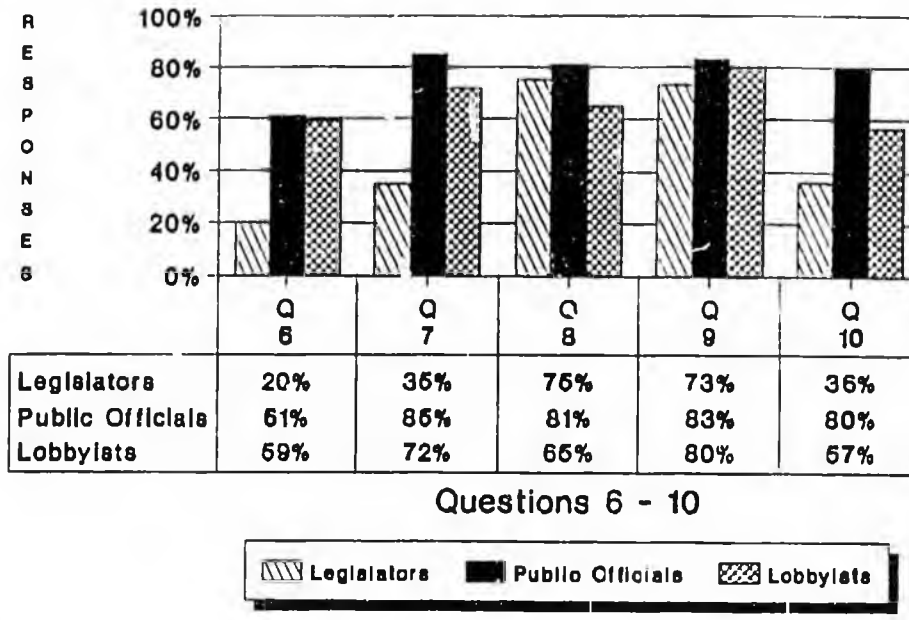
Actual Conflicts and Appearances of Impropriety

As to each possible source of real or apparent impropriety, indicate whether you think the problem is:

- A** = Insignificant, more regulation unjustified.
- B** = Minor but more regulation may help.
- C** = Serious in terms of appearances but not actual affect, more regulation won't help.
- D** = Serious in terms of appearances but not actual affect, more regulation will help.
- E** = Serious actual problem but more regulation won't help.
- F** = Serious actual problem, more regulation will help

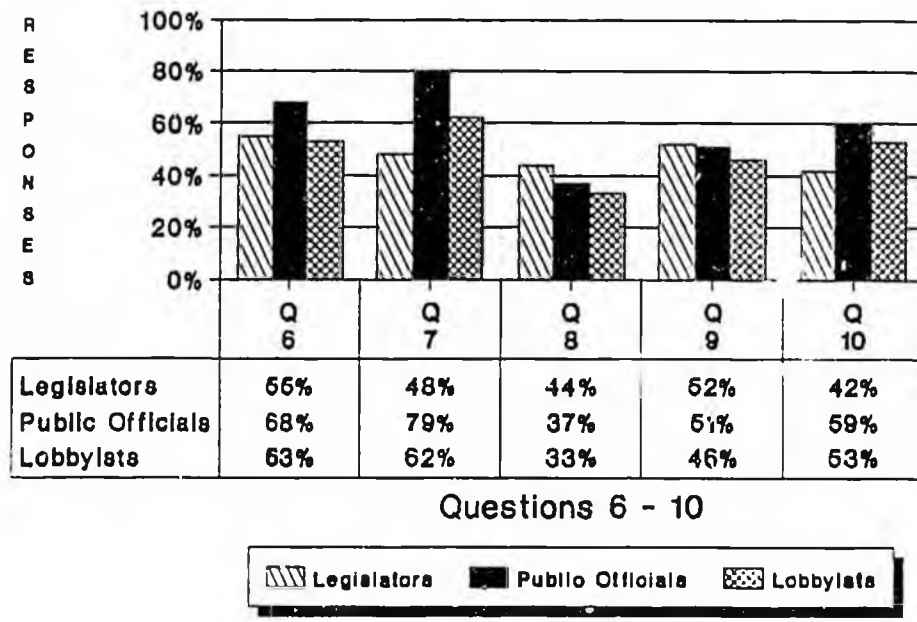
	A	B	C	D	E	F
6. Free in-state travel and lodging.						
Legislators	32 % (13)	48 % (19)	13 % (5)	5 % (2)	0 % (0)	2 % (1)
Public Officials	9 % (15)	30 % (47)	16 % (25)	11 % (17)	7 % (11)	27 % (43)
Lobbyists	23 % (12)	19 % (10)	19 % (10)	17 % (9)	6 % (3)	17 % (9)
7. Free out-of-state travel or use of recreational or lodging facilities.						
Legislators	33 % (13)	33 % (13)	20 % (8)	10 % (4)	0 % (0)	5 % (2)
Public Officials	2 % (4)	13 % (20)	10 % (16)	18 % (28)	9 % (15)	48 % (75)
Lobbyists	13 % (7)	15 % (8)	19 % (10)	19 % (10)	6 % (3)	28 % (15)
8. Inappropriate private conduct of legislators that reflects discredit on the entire body.						
Legislators	15 % (6)	10 % (4)	17 % (7)	15 % (6)	24 % (10)	19 % (8)
Public Officials	16 % (25)	4 % (6)	15 % (24)	9 % (14)	33 % (52)	24 % (38)
Lobbyists	21 % (11)	7 % (4)	23 % (12)	15 % (8)	23 % (12)	11 % (6)
9. Improper use of administrative powers or customary authority of legislative leaders, including committee chairs, to hold up or alter legislation.						
Legislators	20 % (8)	7 % (3)	13 % (5)	15 % (6)	15 % (6)	30 % (12)
Public Officials	12 % (19)	5 % (8)	5 % (8)	2 % (3)	32 % (50)	44 % (70)
Lobbyists	17 % (9)	4 % (2)	17 % (9)	2 % (1)	21 % (11)	40 % (21)
10. Use of official title, prestige of legislative office, or implied official powers to obtain personal benefits.						
Legislators	40 % (15)	24 % (9)	13 % (5)	5 % (2)	5 % (2)	13 % (5)
Public Officials	9 % (15)	10 % (16)	13 % (21)	6 % (9)	20 % (31)	42 % (67)
Lobbyists	23 % (12)	20 % (10)	16 % (8)	8 % (4)	8 % (4)	25 % (13)

The Problem is Serious



Combined Responses C,D,E, & F

Will regulation help?



Combined responses B, D, & F

Actual Conflicts and Appearances of Impropriety

As to each possible source of real or apparent impropriety, indicate whether you think the problem is:

A = Insignificant, more regulation unjustified.

B = Minor but more regulation may help.

C = Serious in terms of appearances but not actual affect, more regulation won't help.

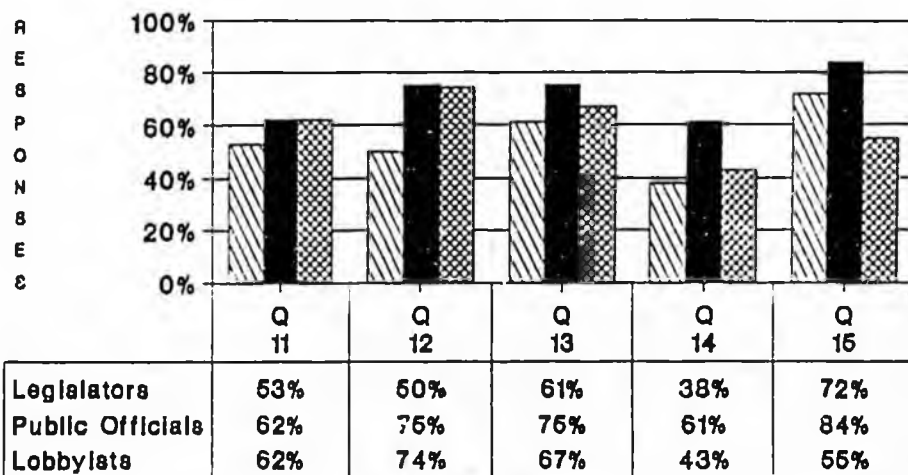
D = Serious in terms of appearances but not actual affect, more regulation will help.

E = Serious actual problem but more regulation won't help.

F = Serious actual problem, more regulation will help.

	A	B	C	D	E	F
11. Use of government facilities for campaign and/or fundraising activities.						
Legislators	17 % (7)	30 % (12)	13 % (5)	13 % (5)	0 % (0)	27 % (11)
Public Officials	13 % (21)	25 % (40)	5 % (8)	15 % (23)	4 % (6)	38 % (61)
Lobbyists	10 % (5)	29 % (15)	10 % (5)	13 % (7)	8 % (4)	31 % (16)
12. Use of government paid staff for campaign and/or fundraising activities.						
Legislators	15 % (6)	35 % (14)	8 % (3)	10 % (4)	5 % (2)	27 % (11)
Public Officials	6 % (10)	19 % (30)	4 % (6)	14 % (22)	8 % (13)	49 % (78)
Lobbyists	9 % (5)	17 % (9)	8 % (4)	21 % (11)	13 % (7)	32 % (17)
13. Fundraising events organized by lobbyists.						
Legislators	26 % (10)	13 % (5)	21 % (8)	11 % (4)	5 % (2)	24 % (9)
Public Officials	16 % (25)	9 % (14)	15 % (24)	8 % (13)	12 % (18)	40 % (62)
Lobbyists	25 % (13)	8 % (4)	31 % (16)	12 % (6)	4 % (2)	20 % (10)
14. Post government service lobbying by legislators or legislative staff.						
Legislators	50 % (20)	13 % (5)	10 % (4)	15 % (6)	0 % (0)	13 % (5)
Public Officials	24 % (38)	15 % (24)	5 % (8)	17 % (26)	7 % (10)	32 % (49)
Lobbyists	42 % (22)	15 % (8)	12 % (6)	12 % (6)	0 % (0)	19 % (10)
15. Calculated evasions of the purpose and spirit of campaign laws through legalistic techniques.						
Legislators	18 % (7)	10 % (4)	10 % (4)	20 % (8)	12 % (5)	30 % (12)
Public Officials	6 % (10)	10 % (16)	1 % (2)	11 % (17)	15 % (23)	57 % (90)
Lobbyists	15 % (6)	29 % (15)	13 % (7)	13 % (7)	8 % (4)	21 % (11)

The Problem is Serious

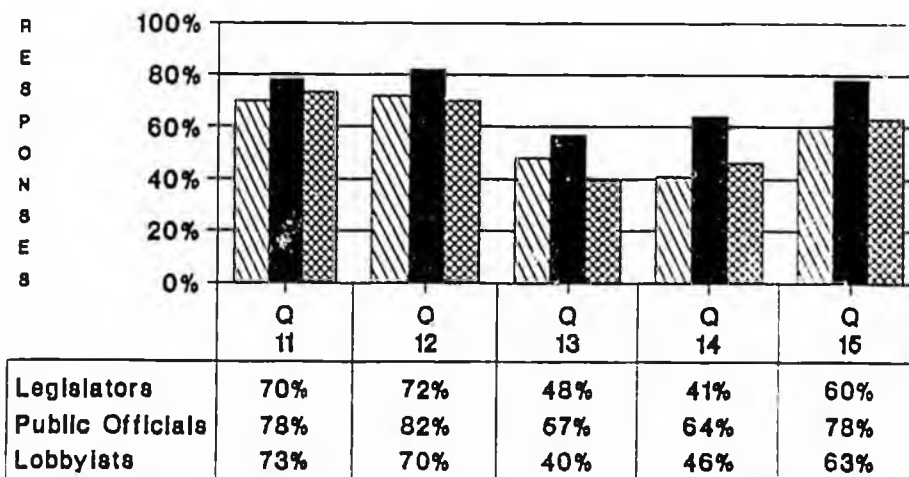


Questions 11 - 15



Combined responses C,D,E,& F

Will regulation help ?



Questions 11 - 15



Combined responses B,D & F

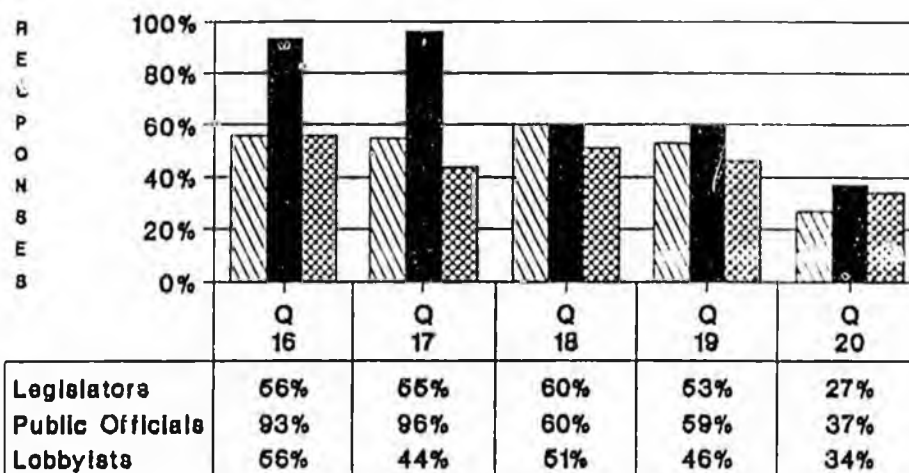
Actual Conflicts and Appearances of Impropriety

As to each possible source of real or apparent impropriety, indicate whether you think the problem is:

- A** = Insignificant, more regulation unjustified.
- B** = Minor but more regulation may help.
- C** = Serious in terms of appearances but not actual affect, more regulation won't help.
- D** = Serious in terms of appearances but not actual affect, more regulation will help.
- E** = Serious actual problem but more regulation won't help.
- F** = Serious actual problem, more regulation will help.

	A	B	C	D	E	F	
16. Legislators making it known that they expect campaign contributions or other support in return for access and good relations.							
	Legislators	23 % (9)	23 % (9)	8 % (3)	18 % (7)	13 % (5)	15 % (6)
	Public Officials	8 % (12)	10 % (16)	7 % (11)	8 % (12)	29 % (47)	39 % (63)
	Lobbyists	25 % (13)	18 % (9)	18 % (9)	6 % (3)	18 % (9)	16 % (8)
17. Legislators pressuring lobbyists to support their favorite charitable cause or event under circumstances which create the impression that refusal to do so could adversely affect the relationship between the legislator and the lobbyist.							
	Legislators	35 % (14)	15 % (6)	5 % (2)	15 % (6)	10 % (4)	20 % (8)
	Public Officials	16 % (25)	9 % (14)	14 % (21)	10 % (16)	20 % (31)	31 % (49)
	Lobbyists	47 % (24)	16 % (8)	16 % (8)	4 % (2)	8 % (4)	10 % (5)
18. Fundraising activities anywhere in Juneau during the legislative session.							
	Legislators	30 % (12)	10 % (4)	5 % (2)	15 % (6)	3 % (1)	37 % (15)
	Public Officials	28 % (44)	12 % (18)	14 % (21)	7 % (11)	4 % (7)	35 % (55)
	Lobbyists	38 % (20)	11 % (6)	17 % (9)	13 % (7)	4 % (2)	17 % (9)
19. Fundraising activities anywhere in the state during the legislative session.							
	Legislators	35 % (14)	12 % (5)	8 % (3)	18 % (7)	0 % (0)	27 % (11)
	Public Officials	30 % (47)	11 % (17)	14 % (22)	9 % (15)	5 % (8)	31 % (48)
	Lobbyists	41 % (22)	13 % (7)	17 % (9)	8 % (4)	6 % (3)	15 % (8)
20. Fundraising activities immediately after elections to retire campaign debts.							
	Legislators	45 % (18)	13 % (5)	8 % (3)	17 % (7)	2 % (1)	15 % (6)
	Public Officials	49 % (77)	8 % (12)	8 % (12)	9 % (14)	3 % (5)	23 % (37)
	Lobbyists	45 % (24)	13 % (7)	19 % (10)	9 % (5)	2 % (1)	11 % (6)

The Problem is Serious

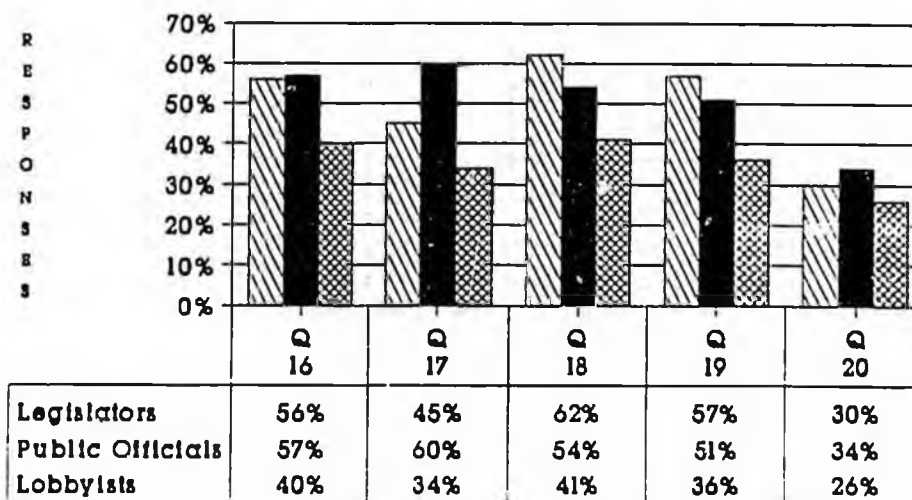


Questions 16 - 20



Combined responses C,D,E,& F

Will regulation help ?



Questions 16 - 20



Combined responses B,D & F

Alaska Ethics Commission

Q. Please rank each of the following proposals for a panel to enforce legislative ethical rules in terms of the relative level of trust you would have in the board described (assume each panel will go through a full training program orienting them on the law and their duties). [Use 1 for first choice, 2 for second, etc.]

A panel of six, consisting of three members of the body (Senate or House) of the person charged and three public members appointed by the Alaska Supreme court (existing structure).

A panel of seven, consisting of four public members appointed by the Supreme Court and three legislators from the body of the person charged.

A panel of five, consisting of three public members appointed by the Supreme Court and one legislator from each body appointed by the Senate President and Speaker and confirmed by a two-thirds vote of both bodies.

A panel of five public members all appointed by the Supreme Court.

A panel of five public members, one appointed by the Supreme Court, one appointed by the Governor, one jointly appointed by the President of the Senate and the Senate minority leader, one jointly appointed by the Speaker of the House and the House minority leader and the fifth appointed by the other four appointees.'

A panel of five citizen commissioners drawn from the voter registration rolls, screened by a process similar to that used for the selection of a jury, and confirmed by both Houses.

	Choice Ranking			
	Average	1 & 2	3 & 4	5 & 6
Public Official	4.45	12 % (17)	33 % (48)	55 % (79)
Lobbyist	3.85	22 % (8)	38 % (15)	40 % (16)
Public Official	3.12	39 % (59)	42 % (62)	19 % (29)
Lobbyist	3.12	37 % (15)	49 % (20)	14 % (6)
Public Official	2.44	55 % (82)	35 % (52)	10 % (15)
Lobbyist	2.02	71 % (31)	27 % (12)	2 % (1)
Public Official	3.29	37 % (54)	36 % (53)	27 % (39)
Lobbyist	3.03	51 % (20)	23 % (9)	26 % (10)
Public Official	3.37	37 % (53)	31 % (45)	32 % (47)
Lobbyist	3.55	38 % (16)	19 % (8)	43 % (18)
Public Official	3.87	36 % (52)	15 % (22)	49 % (70)
Lobbyist	4.20	20 % (7)	26 % (9)	54 % (19)

SURVEY OF OPINION ALASKA LEGISLATORS

Government Ethics Center of the Josephson Institute

Please circle the letter next to the statement that comes closest to your opinion as to each of the following issues.

PUBLIC TRUST

Recently, there has been a great deal of discussion about the public's trust and confidence in the integrity of the Alaska state legislature.

1. Regardless of the present state of public trust, how important to the effectiveness of government do you think it is that legislators be held in high esteem by the public?
 - a. Essential.
 - b. Very important, effectiveness is badly hampered by a lack of trust.
 - c. Somewhat important, as a practical matter the effectiveness of government is not very much affected by a lack of trust.
 - d. Not very important. The public has always been cynical about politicians and government has always managed to function.
2. How important is it to you personally that the legislature as a whole is held in high esteem by the public?
 - a. Very important because my own reputation and the satisfaction I get from office is directly affected by general public attitudes.
 - b. Somewhat important but generally, my constituents and those who know me judge me as an individual regardless of what they think of other legislators.
 - c. Not very important since my constituents and those who know me judge me as an individual.
3. In your opinion, what proportion of the general public (statewide) has a sufficiently high degree of trust and confidence in the integrity of legislators?
 - a. Almost all
 - b. Most
 - c. About half
 - d. Very few
 - e. Almost none
 - f. I have no idea
4. What proportion of your constituents have a sufficiently high degree of trust and confidence in the integrity of legislators?
 - a. Almost all
 - b. Most
 - c. About half
 - d. Very few
 - e. Almost none
 - f. I have no idea
5. To the extent that trust is not as high as you think it should be, which of the following is a MAJOR reason (you may circle more than one).
 - a. Relentless and unfair media coverage.
 - b. Aggressive but basically fair media coverage.

- c. Insensitivity to ethical standards by a substantial majority of legislators.
- d. Insensitivity to ethical standards by a significant minority of legislators.
- e. Widely publicized misconduct of only a very few legislators.
- f. Unreasonable public expectations.
- g. The public's predisposition to believe the worst regardless of the facts.

OUTSIDE INCOME

One source of real and apparent conflicts of interest is outside earned income necessitated by the part-time compensation of Alaska legislators. Since standards of conduct must address this issue, it is important to assess the potential impact of various solutions which would restrict income sources. Your candid answers to the following questions will provide important information that will us frame reasonable and practical standards.

6. On an annual basis, about what proportion of your income-producing time is spent on activities directly related to your position as a legislator?
 - a. 100%
 - b. 90% or more
 - c. 75% or more
 - d. 50% or more
 - e. 25% or more
 - f. Less than 25%
7. On an annual basis, about what proportion of your personal (not including spouse income) total income from all sources is derived from your legislative salary and per diems?
 - a. 100%
 - b. 90% or more
 - c. 75% or more
 - d. 50% or more
 - e. 25% or more
 - f. Less than 25%
8. The 1989 Report of the State Officers' Compensation Commission recommended raising legislative salaries to \$40,000 along with adjustments in the per diem amounts and procedures, two round-trip constituent travel reimbursements during the legislative session and a different way of dealing with the office allowance to prevent it from becoming an income source. Regardless of your opinion as to the political issues involved, what is your opinion as to the substance of the recommendation?
 - a. Much too low.
 - b. Slightly low.
 - c. About right.
 - d. Slightly high.
 - e. Much too high.

MORE---

As to each of the following possible sources of income, please indicate the extent to which a complete prohibition would, in the absence of a compensatory pay raise, place a financial hardship on you and affect your willingness to stay in the legislature.

- A = Unacceptable. I could not stay.
- B = Unreasonably difficult, I might not stay.
- C = Very difficult but I would stay.
- D = Not significant since other sources of income are adequate.
- E = Not significant since I receive little or nothing in this way.

____ 9. Honoraria -- outside fees for speaking, appearing or writing.

____ 10. Fees or commissions relating to business or contracts with any entity of state or local government.

____ 11. Fees or other compensation relating to *direct representation* of persons or organizations in their dealings with any *state government entity*.

____ 12. Fees or other compensation relating to *direct representation* of persons or organizations in their dealings with any *state OR local government entity*.

____ 13. Fees or other compensation relating to *advising or consulting* with persons or organizations with respect to their dealings with any *state government entity*.

____ 14. Fees or other compensation relating to *advising or consulting* with persons or organizations with respect to their dealings with any *state OR local government entity*.

____ 15. Lawful conversion of surplus campaign funds to personal income.

ACTUAL CONFLICTS AND APPEARANCES OF IMPROPRIETY

As to each possible source of real or apparent impropriety, indicate whether you think the problem is:

- A = Insignificant, more regulation unjustified.
- B = Minor but more regulation may help.
- C = Serious in terms of appearances but not actual affect, more regulation won't help.
- D = Serious in terms of appearances but not actual affect, more regulation will help.
- E = Serious actual problem but more regulation won't help.
- F = Serious actual problem, more regulation will help.

____ 16. Improper travel reimbursement claims.

____ 17. Improper per diem claims.

____ 18. Outside income sources raising improper conflicts of interest.

____ 19. Inadequate or evasive disclosures of financial conflicts of interest.

____ 22. Handling of campaign fund surplus.

____ 21. Free meals, beverages or entertainment.

____ 22. Free in-state travel and lodging.

____ 23. Free out-of-state travel or use of recreational or lodging facilities.

____ 24. Inappropriate private conduct of legislators that reflects discredit on the entire body.

____ 25. Improper use of administrative powers or customary authority of legislative leaders, including committee chairs, to hold up or alter legislation.

____ 26. Use of official title, prestige of legislative office, or implied official powers to obtain personal benefits.

____ 27. Use of government facilities for campaign and/or fundraising activities.

____ 28. Use of government paid staff for campaign and/or fundraising activities.

____ 29. Fund raising events sponsored or held by lobbyists.

____ 30. Post government service lobbying by legislators or legislative staff.

____ 31. Calculated evasions of the purpose and spirit of campaign contribution limits through legalistic techniques.

____ 32. Legislators soliciting or otherwise making it known that they want or expect personal gifts, favors, campaign contributions or other support in return for access and good relations.

____ 34. Legislators pressuring lobbyists to support their favorite charitable cause or event under circumstances which create the impression that refusal to do so could adversely affect the relationship between the legislator and the lobbyist.

____ 35. Fundraising activities in Juneau during the legislative session.

____ 36. Fundraising activities anywhere in the state during the legislative session.

____ 37. Fundraising activities immediately after elections to retire campaign debts.

THANK YOU VERY MUCH FOR TAKING THE TIME TO PARTICIPATE IN THIS SURVEY.

IF THIS QUESTIONNAIRE STIMULATED ANY ADDITIONAL THOUGHTS YOU WOULD LIKE TO SHARE, PLEASE WRITE AS SOON AS POSSIBLE OR CALL US THROUGH SENATOR PAT POURCHOT'S OFFICE (HE WAS ASSIGNED PROJECT DIRECTOR) OR AT OUR LOS ANGELES OFFICE 213 306-1868.

SURVEY OF OPINION

ADMINISTRATIVE AND LEGISLATIVE ETHICS

Government Ethics Center of the Josephson Institute

RESIDENCE CITY: _____

Please circle the letter next to the statement that comes closest to your opinion as to each of the following issues.

PUBLIC TRUST

1. Regardless of the present state of public trust, how important to the effectiveness of government do you think it is that those who serve government be held in high esteem by the public?
 - a. Essential.
 - b. Very important, effectiveness is badly hampered by a lack of trust.
 - c. Somewhat important, but as a practical matter, the effectiveness of government is not very much affected by a lack of trust.
 - d. Not very important. The public has always been cynical about politicians and government has always managed to function.
 2. In your opinion, what proportion of the general public (statewide) has a sufficiently high degree of trust and confidence in the integrity of legislators?
 - a. Almost all
 - b. Most
 - c. About half
 - d. Very few
 - e. Almost none
 - f. I have no idea
 3. What is your personal opinion of the integrity of Alaska legislators and the body as a whole?
 - a. I have a high regard for the integrity of almost all legislators and for the body as a whole.
 - b. I have a high regard for most legislators individually but not a very high regard for the body as a whole.
 - c. Although I have a regard for many legislators, I do not have a very high regard for most of them or for the body as a whole.
 - d. I have a high regard for very few legislators and a low opinion of the body as a whole.
 - e. I have a very low regard for the integrity of almost all legislators and the body as a whole.
 4. To the extent that trust is not as high as you think it should be, which of the following is a MAJOR reason (you may circle more than one).
 - a. Relentless and unfair media coverage.
 - b. Aggressive but basically fair media coverage.
 - c. Insensitivity to ethical standards by a substantial majority of legislators.
 - d. Insensitivity to ethical standards by a significant minority of legislators.
 - e. Widely publicized misconduct of only a very few legislators.
 - f. Unreasonable public expectations.
 - g. The public's predisposition to believe the worst regardless of the facts.
 5. Given the 120 day legislative session and the fact that they are presently compensated at the rate of \$22,140 per annum and \$50-55 per day for working 4 hours or more when the legislature is not in session (plus \$9,680 for living expenses during the session), what proportion of income-producing time (on an annual basis) do you think it is reasonable to expect legislators to devote to legislative duties?
 - a. 100%
 - b. At least 75%
 - c. At least 50%
 - d. At least 25%
 6. The 1989 Report of the State Officers' Compensation Commission recommended raising legislative salaries to \$40,000 along with adjustments in the per diem amounts and procedures, two round-trip constituent travel reimbursements during the legislative session and a different way of dealing with the office allowance to prevent it from becoming an income source. Regardless of your opinion as to the political issues involved, what is your opinion as to the substance of the recommendation?
 - a. Much too low.
 - b. Slightly low.
 - c. About right.
 - d. Slightly high.
 - e. Much too high.
- Each of the following possible sources of income, raise a certain potential for conflicts of interest. Prohibiting them, however, may affect the willingness and ability of some legislators to stay in the legislature. Please indicate the extent to which you think the source ought to be restricted in view of the potential financial hardship and inability to serve such a prohibition may cause.*
- A = Such income should be banned even if some legislators have to withdraw or undergo serious financial hardship.
B = Such income should be banned or restricted as much as is reasonably possible without causing legislators to leave the legislature.
C = Such income should be subject to disclosure but not prohibition since the potential conflicts can be resolved so long as the legislator is held accountable to the public.
D = Such income should be neither banned nor subject to any additional disclosure since the potential conflicts of interest are not serious.
7. Honoraria -- outside fees for speaking, appearing or writing.
 8. Fees or commissions relating to business or contracts with any entity of state or local government.

____ 10. Fees or other compensation relating to *direct representation* of persons or organizations in their dealings with any *state OR local government entity*.

____ 11. Fees or other compensation relating to *consulting* with persons or organizations with respect to their dealings with any *state government entity*.

____ 12. Fees or other compensation relating to *consulting* with persons or organizations with respect to their dealings with any *state OR local government entity*.

____ 13. Lawful conversion of surplus campaign funds to personal income.

ACTUAL CONFLICTS AND APPEARANCES OF IMPROPRIETY

As to each possible source of real or apparent impropriety, indicate whether you think the problem is:

A = Insignificant, more regulation unjustified.

B = Minor but more regulation may help.

C = Serious in terms of appearances but not actual affect, more regulation won't help.

D = Serious in terms of appearances but not actual affect, more regulation will help.

E = Serious actual problem but more regulation won't help.

F = Serious actual problem, more regulation will help.

____ 16. Improper travel reimbursement claims.

____ 17. Improper per diem claims.

____ 18. Outside income sources raising improper conflicts of interest.

____ 19. Inadequate or evasive disclosures of financial conflicts of interest.

____ 20. Handling of campaign fund surplus.

____ 21. Free meals, beverages or entertainment.

____ 22. Free in-state travel and lodging.

____ 23. Free out-of-state travel or use of recreational or lodging facilities.

____ 24. Inappropriate private conduct of legislators that reflects discredit on the entire body.

____ 25. Improper use of administrative powers or customary authority of legislative leaders, including committee chairs, to hold up or alter legislation.

____ 26. Use of official title, prestige of legislative office, or implied official powers to obtain personal benefits.

____ 27. Use of government facilities for campaign and/or fundraising activities.

____ 28. Use of government paid staff for campaign and/or fundraising activities.

____ 29. Fund raising events sponsored or held by lobbyists.

____ 30. Post government service lobbying by legislators or legislative staff.

____ 31. Calculated evasions of the purpose and spirit of campaign contribution limits through legalistic techniques.

____ 32. Legislators making it known that they expect campaign contributions or other support in return for access and good relations.

____ 33. Legislators pressuring lobbyists to personally provide or otherwise arrange for campaign contributions under circumstances which create the impression that refusal to do so could adversely affect the relationship between the legislator and the lobbyist.

____ 34. Legislators pressuring lobbyists to support their favorite charitable cause or event under circumstances which create the impression that refusal to do so could adversely affect the relationship between the legislator and the lobbyist.

____ 35. Fundraising activities in Juneau during the legislative session.

____ 36. Fundraising activities anywhere in the state during the legislative session.

____ 37. Fundraising activities immediately after elections to retire campaign debts.

____ 38. Very close personal relationships between legislators and lobbyists.

39. Please rank each of the following proposals for a panel to enforce legislative ethical rules in terms of the relative level of trust you would have in the board described (assume each panel will go through a full training program orienting them on the law and their duties). [Use 1 for first choice, 2 for second, etc.]

____ A panel of six, consisting of three members of the body (Senate or House) of the person charged and three public members appointed by the Alaska Supreme Court (existing structure).

____ A panel of seven, consisting of four public members appointed by the Supreme Court and three legislators from the body of the person charged.

____ A panel of five, consisting of three public members appointed by the Supreme Court and one legislator from each body appointed by the Senate President and Speaker and confirmed by a two-thirds vote of both bodies.

____ A panel of five public members all appointed by the Supreme Court.

____ A panel of five public members, one appointed by the Supreme Court, one appointed by the Governor, one jointly appointed by the President of the Senate and the Senate minority leader, one jointly appointed by the Speaker of the House and the House minority leader and the fifth appointed by the other four appointees.

____ A panel of five citizen commissioners drawn from the voter registration rolls, screened by a process similar to that used for the selection of a jury, and confirmed by both Houses.

SURVEY OF OPINION

LOBBYIST PERSPECTIVE ON LEGISLATIVE ETHICS

Government Ethics Center of the Josephson Institute

TYPE: [] Salary [] Contract [] Volunteer [] Expenses only

MAJOR AREA: [] Industry/Business [] Gov't/Education [] Public interest [] Other _____

Please circle the letter next to the statement that comes closest to your opinion as to each of the following issues.

1. How important to the effectiveness of government do you think it is that those who serve government be held in high esteem by the public?
 - a. Essential.
 - b. Very important, effectiveness is badly hampered by a lack of trust.
 - c. Somewhat important, but as a practical matter the effectiveness of government is not very much affected by a lack of trust.
 - d. Not very important. The public has always been cynical about politicians and government has always managed to function.
2. In your opinion, what proportion of the general public (statewide) has a sufficiently high degree of trust and confidence in the integrity of legislators?
 - a. Almost all
 - b. Most
 - c. About half
 - d. Very few
 - e. Almost none
 - f. I have no idea
3. What is your personal opinion of the integrity of Alaska legislators and the body as a whole?
 - a. I have a high regard for the integrity of almost all legislators and for the body as a whole.
 - b. I have a high regard for most legislators individually but not for the body as a whole.
 - c. Although I have a high regard for many legislators, I do not for most of them or for the body as a whole.
 - d. I have a high regard for very few legislators and a low opinion of the body as a whole.
 - e. I have a very low regard for the integrity of almost all legislators and the body as a whole.
4. To the extent that trust is not as high as you think it should be, which of the following is a MAJOR reason (you may circle more than one).
 - a. Relentless and unfair media coverage.
 - b. Aggressive but basically fair media coverage.
 - c. Insensitivity to ethical standards by a substantial majority of legislators.
 - d. Insensitivity to ethical standards by a significant minority of legislators.
 - e. Widely publicized misconduct of only a very few legislators.
 - f. Unreasonable public expectations.
 - g. The public's predisposition to believe the worst regardless of the fact.
5. Given the 120 day legislative session and the fact that they are presently compensated at the rate of \$22,140 per annum (plus \$9,680 for living expenses during the session) and \$50-55 per day for working 4 hours or more when the legislature is not in session, what proportion of income-producing time (on an annual basis) do you think it is reasonable to expect legislators to devote to legislative duties?
 - a. 100%
 - b. At least 75%
 - c. At least 50%
 - d. At least 25%
6. Some people claim that legislators, directly or through aides, effectively coerce lobbyists to make campaign contributions (either personally or through their clients) by creating the impression that refusal to do so could adversely affect the relationship between the legislator and the lobbyist in a way that could hamper lobbyists' ability to effectively advocate the interests of their clients. Which of the following statements comes closest to your views on the matter.
 - a. This almost never happens; the contributions that most lobbyists give are fully voluntary and based on ideological support.
 - b. This happens occasionally with a few members but by and large the contributions that most lobbyists give are fully voluntary and based on ideological support.
 - c. This happens frequently with many members; about half the contributions that most lobbyists give are defensive -- to ward off negative reactions and the loss of access.
 - d. This happens frequently with almost all members; most of the contributions that most lobbyists give are defensive -- to ward off negative reactions and the loss of access.
7. Which of the following comes closest to your views as to the impact and legitimacy of fund raising practices between lobbyists and legislators?
 - a. There is no significant pressure to provide campaign funds to legislators, hence, no impact.
 - b. Present practices are a part of legitimate politics; there is nothing wrong with them since they do not adversely affect the process.
 - c. Fund raising pressure is occasionally overdone but does not raise serious problems since lobbyist and special interest contributions very rarely influence the legislator's actions.
 - d. Fund raising pressure is often overdone and it raises a serious problem since special interests which are able and willing to provide financial support have a significant advantage in telling their story and persuading legislators. --More

e. Fund raising pressure raises serious problems not only because special interests which provide financial support have a significant advantage in telling their story and persuading legislators, but in addition, the financial support itself sometimes influences legislative actions.

8. In your opinion, what proportion of the present legislature can be influenced to take or withhold some significant legislative action (e.g., intervention with a state agency, committee actions, drafting and amending legislation, voting) by campaign contributions or other financial benefits provided by lobbyists and their employers?

- a. None.
- b. No more than 10%.
- c. About 25%.
- d. About half.
- e. Over half.
- f. Almost all.

Each of the following possible sources of income, raise a certain potential for conflicts of interest. Prohibiting them, however, may affect the willingness and ability of some legislators to stay in the legislature. Please indicate the extent to which you think the source ought to be restricted in view of the potential financial hardship and inability to serve such a prohibition may cause.

A = Such income should be banned even if some legislators have to withdraw or undergo serious financial hardship.

B = Such income should be banned or restricted as much as is reasonably possible without causing legislators to leave the legislature.

C = Such income should be subject to disclosure but not prohibition since the potential conflicts can be resolved so long as the legislator is held accountable to the public.

D = Such income should be neither banned nor subject to any additional disclosure since the potential conflicts of interest are not serious.

____ 9. Fees or other compensation relating to *direct representation* of persons or organizations in their dealings with any *state government entity*.

____ 10. Fees or other compensation relating to *direct representation* of others in dealings with any *state OR local government entity*.

____ 11. Fees or other compensation relating to *consulting* with others with respect to their dealings with any *state government entity*.

____ 12. Fees or other compensation relating to *consulting* with others with respect to their dealings with any *state OR local government entity*.

____ 13. Lawful conversion of surplus campaign funds to personal income.

____ 14. Fees or commissions relating to business or contracts with any entity of state or local government.

____ 15. Honoraria for speaking, appearing, writing.

As to each possible source of real or apparent impropriety, indicate whether you think the problem is:

A = Insignificant, more regulation unjustified.

B = Minor but more regulation may help.

C = Serious in terms of appearances but not actual affect, more regulation won't help.

D = Serious in terms of appearances but not actual affect, more regulation will help.

E = Serious actual problem but more regulation won't help.

F = Serious actual problem, more regulation will help.

____ 16. Improper travel reimbursement claims.

____ 17. Improper per diem claims.

____ 18. Outside income sources.

____ 19. Inadequate or evasive disclosures of financial conflicts of interest.

____ 20. Handling of campaign fund surplus.

____ 21. Very close personal relationships (including marriage) between legislators and lobbyists.

____ 22. Free in-state travel and lodging.

____ 23. Free out-of-state travel or use of recreational or lodging facilities.

____ 24. Inappropriate private conduct of legislators that reflects discredit on the entire body.

____ 25. Improper use of administrative powers or customary authority of legislative leaders, including committee chairs, to hold up or alter legislation.

____ 26. Use of official title, prestige of office, or implied official powers to obtain personal benefits.

____ 27. Use of government facilities for campaign and/or fundraising activities.

____ 28. Use of government paid staff for campaign and/or fundraising activities.

____ 29. Fund raising events organized by lobbyists.

____ 30. Post government service lobbying by legislators or legislative staff.

____ 31. Calculated evasions of the purpose and spirit of campaign laws through legalistic techniques.

____ 32. Legislators making it known that they expect campaign contributions or other support in return for access and good relations.

____ 33. Legislators pressuring lobbyists to provide or otherwise arrange for campaign contributions.

____ 34. Legislators pressuring lobbyists to support their favorite charitable cause or event under circumstances which create the impression that refusal to do so could adversely affect the relationship between the legislator and the lobbyist.

____ 35. Fundraising activities in Juneau during the legislative session.

____ 36. Fundraising activities anywhere in the state during the legislative session.

____ 37. Fundraising activities immediately after elections to retire campaign debts.

38. Please rank each of the following proposals for a panel to enforce legislative ethical rules in terms of the relative level of trust you would have in the board described (assume each panel will go through a full training program orienting them on the law and their duties). [Use 1 for first choice, 2 for second, etc.]

_____ A panel of six, consisting of three members of the body (Senate or House) of the person charged and three public members appointed by the Alaska Supreme Court (existing structure).

_____ A panel of seven, consisting of four public members appointed by the Supreme Court and three legislators from the body of the person charged.

_____ A panel of five, consisting of three public members appointed by the Supreme Court and one legislator from each body appointed by the Senate President and Speaker and confirmed by a two-thirds vote of both bodies.

_____ A panel of five public members all appointed by the Supreme Court.

_____ A panel of five public members, one appointed by the Supreme Court, one appointed by the Governor, one jointly appointed by the President of the Senate and the Senate minority leader, one jointly appointed by the Speaker of the House and the House minority leader and the fifth appointed by the other four appointees.

_____ A panel of five citizen commissioners drawn from the voter registration rolls, screened by a process similar to that used for the selection of a jury, and confirmed by both Houses.

39. _____ On average, I give over \$500 per year from my personal funds in campaign contributions.

40. _____ On average, I oversee, direct or recommend the giving of at least \$2,000 per year in campaign contributions from clients.

41. COMMENTS AND SUGGESTIONS:

APPENDIX B

About The Josephson Institute

Josephson Institute for the Advancement of Ethics

BOARD OF GOVERNORS

The Board of Governors is the Institute's governing board. In 1990 the Board size will be expanded to approximately 20 members. Formal meetings are held tri-annually in April, August and November, alternating between the west and east coasts. Board members provide guidance and consultation, as well as oversight on programs and publications and actively assist in resource development. Members are expected to attend two of three board meetings annually.

About the Institute

Mission. The Joseph & Edna Josephson Institute for the Advancement of Ethics is a public benefit, nonprofit corporation founded by Michael Josephson in honor of his parents. Its mission is to improve the ethical quality of society by teaching and advocating principled reasoning and ethical decision making. The Institute is not a think tank, it is an activist organization which is concerned with conduct rather than theory.

Activities. The Institute became active in mid-1987. Since that time, it has become nationally recognized for its innovative programs and publications. The Institute and its Government Ethics Center has conducted over 200 programs and workshops for over 20,000 influential leaders including legislators and mayors; high ranking public executives and congressional staff; editors and reporters; senior corporate and nonprofit executives; judges and lawyers; and military and police command officers. In addition, it publishes a periodic newsletter, *Ethics in Action* and a widely acclaimed quarterly magazine, *Ethics: Easier Said Than Done*.

Funding. The Institute is a 501 (c) (3) tax-exempt organization funded by individual memberships and gifts, foundation and corporate grants, fees and contributions for services, and sales of printed materials and tapes. In mid-1989 the Institute exhausted the \$1 million gift provided by Michael Josephson, the organization's founder (he also serves as president and takes no salary or other remunerations), and is now dependent on other sources of funding.

John W. English, Vice President and Chief Investment Officer, The Ford Foundation; Trustee/ Director of seven major non-profit organizations and other associations; (former Assistant Treasurer Illinois Bell Telephone Co.; former Director of Investment Management, AT&T New York City).

Edwin Epstein, LL.B, LL.D., Professor, Department of Business Administration; (former President, Academic Senate, University of California at Berkeley; former Director, Program for Business and Social Policy).

Frances Hesselbein, Former National Executive Director, Girl Scouts of the United States of America; Director, Mutual of America Life Insurance Co.; Director, Independent Sector; Executive Committees of four major non-profit organizations; Board of Trustees of two colleges and Board of Visitors of Peter F. Drucker Graduate Management Center graduate management.

Michael Josephson, J. D., President and founder, The Joseph & Edna Josephson Institute for the Advancement of Ethics; attorney and law professor; (former Chairman, Teaching Methods Section, Association of American Law Schools; former CEO and founder, Josephson Bar Review Centers and Center for Creative Educational Services).

Helen Kelley, Ph.D., (former Executive Director, The Josephson Institute for the Advancement of Ethics; former President, Immaculate Heart College; former Director, Older Americans Volunteer Programs, a project of the federal agency, ACTION).

Seth Rosner, LL.B., Attorney-at-law, in New York City; Member, American Bar Association Standing Committee on Ethics and Professional Responsibility; (former Chairman, General Practice Sections, New York State Bar Association and American Bar Association).

Richard Schubert, LL.B., (former President, The American Red Cross; former President and Vice Chairman, Bethlehem Steel; former Undersecretary, U.S. Department of Labor.)

Mark Siegler, M.D., Director, Center for Clinical Medical Ethics, University of Chicago; member, American College of Physicians Human Rights and Medical Practice Committee; Editorial Board, American Journal of Medicine.

John Singleton, Vice Chairman, Security Pacific Corporation; Chief Executive Officer, Security Pacific Automation Company Inc.; Chairman of Board, Industry Education Council of California; member several other prominent boards including National Board of Junior Achievement.

Norman Sprinthall, Ed.D., Professor, Department of Counselor Education, North Carolina State University; Editorial Boards, Journal of Adolescence, Journal of Moral Education and Fellow, American Psychological Association.

Ralph Walters, C.P.A., Director of Professional Conduct, California Society of CPAs; (former member, Financial Accounting Standards Board, Board of Governors and Director of Professional Standards, Touche Ross International).

Joseph & Edna Josephson Institute

THE GOVERNMENT ETHICS CENTER

The Government Ethics Center is a division of the Joseph & Edna Josephson Institute for the Advancement of Ethics, a nonprofit, nonpartisan, tax-exempt educational organization. The Center was established to assist those who work in government to build and maintain public trust by enhancing their ethical consciousness, proficiency and practical judgement. The Center's publications and ethics leadership training seminars focus on turning ethical theory into practical problem solving strategies to aid public servants make difficult decisions in the trenches.

Commission

Richard Bolling

Former Congressman

Hodding Carter III

Journalist; former State Dept. Spokesman

Patricia Murphy Derian

Former Ass't. Sec. of State for Human Rights

H. George Frederickson

Prof. Public Administration, Univ. of Kansas

Edwin O. Guthman

Prof., Journalism, USC; former editor Philadelphia

Inquirer; Pulitzer Prize; former press secretary

to Robert F. Kennedy

Joan Hoff-Wilson

Prof., History, American Univ.; Executive Sec.,

Organization of American Historians

Barbara Jordan

Professor, LBJ School of Public Affairs

former Congresswoman

Lew Murphy

TV Commentator; former Mayor, Tucson, Arizona

Albert H. Quie

Former Congressman;

former Governor of Minnesota

Donald Robertson

Attorney; former Speaker Pro Tem, Maryland

House of Delegates

Richard Schubert

Former President, American Red Cross;

former President, Bethlehem Steel

Paul C. Warnke

Attorney;

former Chief U. S. arms control negotiator

Affiliate Organizations and Advisory Council

United States Conference of Mayors

J. Thomas Cochran, Executive Director

National Association of Attorneys General

Christine Milliken, Executive Director

National Conference of State Legislatures

Carl Tubbesing, Director State & Federal Relations

American Society for Public Administration

Bayard Catron, Professor, George Washington Univ.

International City Management Association

G. Curtis Branscome; City Manager, Decatur, Georgia

National Association of State Budget Officers

Gerald H. Miller, Executive Director

National Civic League

John Parr, President

National Conference of Christians and Jews

Harry Robinson, Senior Vice President

National League of Cities

Thomas McCloud, Director Membership Services

Public Affairs Council

Raymond Hoewing, Executive Director

State Legislative Leaders Foundation

Ben Atchley, Sen. Minority Leader, Tennessee

**Senior Executives Association/Professional Development
League**

Carol Bonosaro, President

THE JOSEPHSON INSTITUTE

Media and Program Overview

Feature stories, op/eds or comments about or by The Josephson Institute have been published in many of the nation's news media, including:

TELEVISION

- *Ted Koppel's Nightline*
- *Bill Moyer's World of Ideas*
- *CBS This Morning*
- *ABC Burning Issues*
- *Nightwatch with Charlie Rose*
- *CNN*
- *World Monitor News*

PRINT

- *Boston Globe*
- *Business Week*
- *Christian Science Monitor*
- *Cincinnati Post*
- *Detroit Free Press*
- *Houston Chronicle*
- *Los Angeles Times*
- *New York Times*
- *Philadelphia Inquirer*
- *San Francisco Chronicle*
- *Seattle Times*
- *The Wall Street Journal*
- *Time Magazine*
- *USA Today*
- *Washington Post*

The Institute has conducted programs for the following

Journalism

- Associated Press Managing Editors
- Associated Sports Editors
- American Association of Sunday and Feature Editors
- Knight Ridder Executive Development
- Knight Ridder Washington Bureau
- Los Angeles Times newsroom
- Nevada Press Association
- Orange County Register newsroom
- Philadelphia Inquirer newsroom
- Philadelphia Daily News newsroom
- Radio and Television News Directors Association
- San Jose Mercury News newsroom
- Seattle Times newsroom
- Society of Professional Journalists
- Organization of News Ombudsmen
- Times Mirror Corporate
- Wichita Eagle Beacon newsroom

Business

- Apple Computer--legal counsel
- Bank of America--senior executives
- California Business Roundtable
- California Society of Professional Accountants
- Chevron--public/government affairs
- Goodyear Tire & Rubber Co.--senior executives
- Pacific Bell--senior executives
- Pacific Telesis--executive management team
- Public Affairs Council
- Security Pacific Automation

Government

- Alaska Legislature--members and staff
- American Society for Public Administration
- Arizona Legislature
- Association of Government Accountants
- California Legislature--members and senior staff
- Los Alamos National Laboratory--scientists/administration
- Minnesota state executives (various departments)
- Missouri Legislature
- National Association of State Budget Officers
- National Association of Attorneys General
- National Conference of State Legislatures
- National League of Cities
- New Mexico Legislature
- State Legislative Leaders' Foundation
- U. S. Army--Pentagon generals (procurement)
- U. S. Air Force--officer training instructors
- U. S. Conference of Mayors
- U. S. Senate--senior staff
- U. S. House of Representatives--senior staff

Non-Profit

- Michigan Council on Foundations, Grantpersons
- Girl Scouts of USA
- National Assoc. of Hospital Development
- The National Committee on Planned Giving
- National Society of Fundraising Executives

Publications

Quarterly Magazine: *Ethics: Easier Said Than Done (ESTD)* is a compendium of articles, stories, excerpts and quotations covering the ethical dimensions of news items, social trends and the nation's professions. It is designed to provide a forum for serious discussion of the ethical issues that shape contemporary American culture. The magazine is "very strongly recommended. . ." by The Association of College and Research Libraries/American Library Association's newsletter, for ". . .its clarity and sensitivity to the complicated nature of real-life ethical decision making."

Newsletter: *Ethics in Action* is a bi-monthly newsletter featuring articles to assist the reader in determining ethical obligations and opportunities, items of interest regarding what others are doing in the field of ethics, and updates on Josephson Institute activities.



OVERRULED: Judge rejects Game Board, allows village subsistence hunt, Metro, B-1

ANARCHY

Feminist touts 'she/volution'

Lifestyles, H-1

ETHICS EFFORT

Long proposal is full of shortcomings

Mike Doogan, B-1

IN A ROUT

Runnin' Rebels bedevil Duke by 30

Sports, C-1



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Ethics expert delivers a tall order to Juneau

Sweeping proposal checks in at 87 pages

By DAVID POSTMAN
Daily News reporter

JUNEAU — The state Senate's ethics guru proposed Monday to repair the legislature's image by restricting legislators' campaign fund raising, employment, travel, use of public funds and just about everything else they do in or out of the capital.

"We are suggesting a whole new systemized approach to democracy," said Michael Josephson, president of the non-profit Josephson Institute for the Advancement of Ethics.

Josephson also recommended legislators get a pay raise to make up for a ban he recommended on some of the more unsavory ways of making money from law-making.

To enforce the proposed 87-page law, the institute says a powerful and independent commission should be created to investigate

ethics complaints, to levy fines and other sanctions, and to conduct mandatory ethics lessons for lawmakers, staff and lobbyists.

The bill was accompanied by a report and survey that says the "reputation and image of the legislature is unacceptably low" although "there is no evidence that the actual conduct of Alaska legislators warrants the amount of distrust demonstrated." Josephson surveyed legislators, their aides, lobbyists and state officials.

He said no one knows how much the package would cost to implement. If passed as it was written, the changes would take effect June 1.

The senators hired Josephson because they said the existing legislative ethics process was flawed, and their reputation

Please see Back Page, ETHICS

PROPOSED ETHICS CHANGES

Here are the some of the highlights of a bill proposed to the Alaska Legislature Monday by ethics consultant Michael Josephson. If passed into law it would:

- Create a public commission to replace the current legislative ethics commission.
- Ban off-year fund raising; create specific periods for raising campaign funds.
- Ban conversion of surplus campaign funds to personal funds.
- Ban for one year lobbying by legislators or aide where the person had "special oversight or budgeting responsibility."
- Require lawmakers and aides to make public how much compensation they earned and specifically what they did if employed by a company "known to have a substantial interest in legislative, administrative or political actions."
- Ban privately funded travel over \$100 except from non-profit educational institutions.
- Ban legislators from representing a client before any state agency.



BOB McLENNAN / Anchorage Daily News
Consultant Michael Josephson

Iraq threatens



THE BACK PAGE

ETHICS REPORT: Consultant proposes far-reaching bill to legislature

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had been hurt by a series of ethics controversies. The \$70,000 contract was approved after the Senate ethics subcommittee said it would not pursue a case against Sen. Al Adams, D-Kotzebue, because the statute of limitations put allegations about his business practices outside the committee's jurisdiction.

The contract was approved by the full Senate one day after the Daily News published a story on the ethics subcommittee's confidential report on Adams. The Senate asked the Alaska State Troopers to investigate how the newspaper obtained the report. The investigation is expected to be completed this week, clearing the way for the ethics committee to give the full Senate its first look at the Adams report.

Legislative reaction was mixed Monday to Josephson's proposal. Senate leaders who supported hiring him said the package looked good and promised to support it with no major changes. Others, though, worried that it was too broad and over-reaching and that a complete ethics overhaul may not be possible in the 35 days left in the legislative session.

"There's nothing I have seen in that package that I can't support," said Senate President Tim Kelly, R-Anchorage. "There are several things I have seen I didn't like much, but nothing I won't support, because I think it will go a long way in healing the lack of public confidence in the legislative ethics situation."

On the House side, the lawmaker who will oversee the first review of the bill agreed.

"Some of the points sound at first a little difficult to swallow but when you look at the whole thing I can't find a reason why it can't be adopted as a package," said Rep. David Finkelstein, D-Anchorage, who will head the House subcommittee which will hear the bill.

The proposed law would be enforced by a new nine-member public commission that would replace the current legislative ethics committees. It would include no legislators,

while the current setup is dominated by lawmakers, with just three public members.

The legislature — with concurrence of the presiding officer and minority leader of each house — would appoint two members. The governor, the lieutenant governor and the Alaska Public Offices Commission would name one each, while the Alaska Supreme Court and the rest of the commission will each name two.

The commission would have the authority to give formal and informal opinions to legislators, implement conflict of interest disclosure laws, conduct mandatory ethics classes, investigate violations and recommend sanctions ranging from fines to expulsion from office.

Key recommendations in the Josephson bill: that the commission would enforce include:

- A ban on fund raising by incumbents during the legislative session everywhere, not just in Juneau, as under current law.

- A ban on converting campaign funds to personal use and on post-election fund raising. "I think that if somebody comes who didn't give you money before your election and is all of a sudden willing to give you money immediately after the election — and you have done nothing yet, you just got elected — I have trouble rationalizing that decision other than as something that looks a lot like a shakedown or paying tribute," Josephson said.

- A one-year ban on legislators and aides lobbying the legislature or the administration where the person had "special oversight or budgeting responsibility."

- Require lawmakers and aides to make public how much they earned and what they did if employed by a company "known to have a substantial interest in legislative, administrative or political actions." That includes all lobbyists, industries regulated by the legislature, companies that hire lobbyists and companies that sell things to the state. Oil companies, airlines, labor unions, hospitals and most other major Alaska businesses would fall into that category.

Lawmakers and aides would also have to

report to the ethics commission any income above \$1,000 from any other employer although the amount will be kept confidential unless the commission decides it should be published.

Under current law lawmakers only need to list who they worked for with no mention of how much they were paid or what they did.

- A ban on all privately-funded travel over \$100, unless paid for by non-profit educational institutions. Under current law there is no limit on how much travel money a legislator can take from an outside source.

- A ban on legislators representing clients before state agencies.

The bill also creates a whole new category of ethical behavior that is not specifically described in the law.

It would make it illegal for a legislator or legislative employee to use official powers arbitrarily or arrogantly to influence legislation, or to "use improper artifices or schemes to circumvent the clear purpose of laws."

"It deals with things like, you should not do anything to discredit the house, it deals with non-partisanship on a number of votes, including ethics issues," Josephson said. "We also ask the legislature to deal with what we call representative democratic principles, which means you don't use your committee positions to bury bills."

Josephson said the proposed ethics code could also be used to sanction lawmakers who violate the state open-meetings law, although the state Supreme Court has found that the legislature does not need to follow the law.

Although it is not included in the bill, Josephson recommends that lawmakers' salaries be raised from \$22,000 to \$40,000. But other sources of money, including office expense funds given to legislators, out of session per diem payments and some travel payments, would be eliminated. That money raises many lawmakers' pay to more than \$40,000.

"We need to find a way to eliminate all the monkey business that is going on with compensation," Josephson said. "We really

think there are too many opportunities between travel and per diem and these things to just create petty appearances of impropriety and sometimes real ones."

Josephson said he realizes his bill is far-reaching and that there will be provisions that legislators hate. But he said it must be adopted without many major changes.

"Everywhere in the United States, certainly including Congress, you tend to have a mongrelized (ethics) bill that itself was a result of the very political processes you are trying to rule against," he said. "We're hoping that the total pressure of this bill ... will make it hard to start amending it because piecemeal amendments can destroy this bill."

That attitude bothers Sen. Dick Ellason, R-Sitka, and a member of the Senate ethics subcommittee.

"You're preempting the high ground," Ellason told Josephson during the consultant's presentation to the legislature. In an interview, Ellason said he wants the freedom to make changes without being accused of trying to kill the bill.

At the joint meeting of the House and Senate Judiciary and State Affairs committees, lawmakers expressed several concerns but all praised Josephson for his work.

Rep. Peter Goll, D-Haines, said he worried that the bulk of the bill was built on the premise of the appearance of conflict of interest rather than on actual wrongdoing.

Rep. Fred Boucher, D-Anchorage, said parts of it are too broad and philosophical. "I feel like I was obtaining a philosophy lesson," he said.

Josephson said he did not think the legislature's ethics problem was created by the press but he did have harsh words for the media.

"I have found the press here to be at least as cynical if not more cynical than any group I have dealt with and almost contemptuous of legislators in a very unhealthy way," he told reporters Monday morning. "I have heard derogatory remarks, statements, assumptions being made that collectively, I think, invade the analytical process."

SOVIETS: Vilnius pushes for talks

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that Lithuania has "absolutely no desire to harm the

Czechoslovakia in 1968 and of Afghanistan in 1979.

IRAQ: Hussein threatens Israelis

Continued from Page A-1

ons against Iranian troops in rately, the speech was "In-

Ethics guru riles 'em up

Consultant relishes sparring when issue is basic honesty

By DAVID POSTMAN
Daily News reporter

JUNEAU — On Tuesday morning the reality of how difficult it may be to reform the ethics of the Alaska Legislature strolled down the Capitol hallway in the shape of lobbyist and former Sen. Bill Ray.

Ray is from the old school of ethics: Either you got 'em or you don't. He doesn't think much of the 87-page ethics law revision proposed Monday by the state Senate's hired ethics expert, Michael Josephson.

Ray found Josephson in the hallway outside the Senate. He leaned in close — the rumpled retired pol and the pin-striped consultant are short enough to see eye to eye, even if they disagree — and told Josephson the bill was bunk. It is based on a faulty premise and won't do anything to address the real problem. In Juneau, which Ray said was the legislature's lack of pride.

"Tell me specifically what you don't like other than it ruins the way you do business," Josephson demanded in an argument captured on a radio reporter's tape recorder.

Ray: "I don't do business at all."

Josephson: "I thought you were a lobbyist."

Ray: "I'm a consultant."

Josephson: "OK, that's precisely the kind of distinctions that aren't acceptable under this code. I mean you call a spade a spade. . . ."

Ray: "I know a hell of a lot more about the Alaska Legislature than you do, I'll tell you that much."

Josephson: "You certainly do. And that's why they needed an outsider."

Josephson wasn't fazed by his encounter with Ray. In fact, he enjoys sparring and is accustomed to being called arrogant. It comes with the territory of trying to teach ethics, he says.

"I try not to be arrogant about it but I have strong views and I thought about this a lot more than most people," he said.

On Monday, Josephson delivered to Alaska what he says would be the most comprehensive ethics law in the nation. It was written by his California-based ethics institute under a \$70,000 contract with the Senate. The Senate wanted to repair its reputation, which members felt had been damaged by ethics controversies.

The bill would require substantial public disclosure of what has until now been considered lawmakers' private lives, including how much money they make outside the legislature. The law also would install a whole



Former Gov. Bill Ray speaks from the gallery of the Senate in January, while several former Senate presidents, including former Gov. Jay Hammond, sit in front of him. Ray does not think much of the proposed ethics revision law.

new set of laws controlling nearly everything lawmakers do. A powerful and independent commission would be formed to enforce the laws.

Josephson, 47, expects opposition to the plan but maintains that anybody can be taught ethics.

"Core ethical beliefs are not things like sex and religion and politics and things

people disagree about," Josephson said. "They are things about honesty and fairness and caring and those are the things that I believe are universal."

Josephson was a law professor, but he found teaching ethics to his students more interesting than teaching them law. The opportunity to concentrate on ethics came when he sold his busi-

ness — begun while he was a professor — that prepared students for their school entrance exams.

Josephson said he made millions of dollars from the sale.

In 1985 he created the Joseph and Edna Josephson Institute for the Advancement of Ethics and gave it \$1 million. The foundation began its work in 1987. The \$1

million ran out last year and the non-profit institute now runs on private donations.

Josephson pays the institute's bills with money he earns from the ethics seminars he puts on for politicians, businesses and journalists. He takes no salary and gives all his earnings to the foundation.

FRAN QUAKER / Anchorage Daily News file photo

Continued from Page B-1

cial fishing is not covered by the bill. Frank said Sen. Fred Zharoff, D-Kodiak, requested that exemption because it's common for commercial fishermen to compete aggressively on the open sea for prime fishing grounds.

Senate Bill 469 is supported by the National Rifle Association, the Alaska Outdoor Council and the Eskimo Walrus Commission. The Senate passed it 18-1 with no discussion. It now goes to the House.

The issue is not a new one in Alaska, where many people depend on hunting and fishing for their food and livelihood. Similar legislation passed in 1983 and 1984, but was vetoed by then-Gov. Bill Sheffield. Attempts to pass a bill in 1986 and 1988 failed.

David Ramseur, a spokesman for Gov. Steve Cowper, said he was unsure whether the Democrat would support the bill if it passes the House in the legislature's final five weeks.

Frank said he submitted the bill at the request of the Alaska Outdoor Council, an affiliate of the National Rifle Association.

"The problems posed by the increasingly blatant attempts of anti-hunters for lawful outdoorsmen will continue to grow if we do nothing," said Ed Grasser, the council's legislative affairs director, in a memo to Frank.

Animal-rights groups have fought such legislation in other states. Heidi Prescott of The Fund for Animals in Washington, D.C., said her group plans to lobby against Frank's bill in the House.

"We oppose it, not only because of the animal issue but because it's a violation of our First Amendment rights," she said in a telephone interview.

Similar laws have been struck down in at least two other states on grounds that they infringed free-speech rights, Prescott said.

Sen. Jim Duncan, D-Juneau, said he voted against Frank's bill because he had "a gut feeling" it may have constitutional problems.

Prescott said the law is intended only to prevent a form of protest.

"There are normal harassment laws. Hunters are protected just like anyone else. For them to get a special law is just ridiculous," she said.

Members of The Fund for Animals have tried to thwart hunters in other states by accompanying them in the woods and scaring animals away.

"We just believe that wildlife have a right to be there to exist peacefully without us coming out and hunting them," she said.

114 Building 632 W. Sixth Ave.

POLICE AND FIRE RETIREMENT BOARD meets at 10 a.m. at the municipal voters building, 3605-A Tudor Road. Agenda items include a discussion of cases pending, service retirement terminations, pending federal legislation and an update on the Nolan/Felker lawsuit.

SPENARD COMMUNITY COUNCIL meets at 7 p.m. Spenard Recreation Center. Agenda: Teleconference with legislators followed by open discussion.

ETHICS: Guru riles 'em

Continued from Page B-1

It was at one of those seminars that Sen. Jan Faiks, R-Anchorage, heard the call of ethics.

Faiks was then Senate president, installed by oil industry lobbyist Ed Dankworth who, she said, "brokered" the organization that ran the Senate. She had made a quick climb from her freshman year in 1983 when she came in as a reform candidate from the Anchorage Women's Club.

But she wasn't handling the power well.

"I was becoming a complete political animal," Faiks said Tuesday. "I was reacting to the personalities of my colleagues, reacting to the issues, reacting to the aura of the legislature."

Then Faiks heard Josephson and, she said, it changed her life.

"Pretty soon he's got you thinking about yourself,

what kind of person you are, who do you believe is honest or dishonest, and he starts your brain working and you're looking in the mirror and saying, 'Why did I change?'"

So when the Senate needed an ethics consultant, Faiks convinced her colleagues to hire Josephson. He could do for them what he did for her, she thought.

Faiks and Josephson say they know people doubt the strength of Faiks' transformation from reformer to power broker and back to reformer. She says that's to be expected.

"For all the laughing and talking about whether Jan Faiks really underwent a change, we wouldn't be here without her," Josephson said. "And whether she underwent a change or not, Alaska's going to undergo a change."

"Even if this bill doesn't go, it will never be quite the same."

Levi to run for lieutenant governor

Steven Levi, an Anchorage free-lance writer and former legislative aide, has announced he is running for lieutenant governor because the other candidates have not offered any good ideas for how to solve Alaska's fiscal crisis.

Levi offered a list of 30 ideas for fiscal salvation, which include legalizing gambling, building a "world-scale, state-of-the-art, environmentally-safe" garbage dump, and establishing a suggestion box with \$1,000 rewards for the best ideas on how to save the state money.

Levi holds a teaching certificate and a masters degree in history, according to his biography. He has lived in Alaska since 1976.

TALES OF THE CITY: Fourth Avenue

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the manager, who is 60 and owns 89 pairs of beaded earrings, Marie, who used to be a nurse, Helen, who'll be 63 soon, Annie herself and others, they can handle anything.

"I've been in front of a gun," Annie said. "I've been in front of a knife. I've been with these big guys with the big mouths."

Annie is a 64-year-old California grandmother who came to Alaska in 1975 to escape her children and their vision of her future as a baby sitter. Lately she's been worried about the future of the cafe she's run for 12 years.

"I think they're going to try to close everybody

down," she said, meaning the urban renewal advocates creeping east along Fourth Avenue. The latest casualty on the Avenue was the Alaska Bar, dark and empty now, its liquor license revoked because of too many drunks making trouble.

So Annie has a new policy. She's not going to let people use her phone anymore to call the police or an ambulance. She doesn't like having to be that way, but she's tired of seeing Annie's Cafe listed in the newspaper: "Police Calls ... Drugs, Annie's Cafe, 4:43 a.m." It all happens outside, she said. People come in off the street, bringing their trouble in with them, and Annie has to live with the bad publicity.

still not the hunt monitors. Judge H. had not issued by the end appeared the gin to lay or

In papers Tuesday, state commended that be distributed come, first-serve later than Thursday that each hunter to one caribou. will close on A when 50 caribou reported taken. state suggestions.

State officials sure who would a minister the hu Fish and Game o Fish and Wildlife Much of the area Yukon Delta National life Refuge.

In the draft judge wrote that reason to believe hunt will hurt herd. The judge last year's Alaska

BOARD

Continued from Page B-1

That wasn't good for an ad hoc group itself Citizens for Education, which this year and claim 15 members. It strictly ignored selections from its own selection group, the Fairness Review Council which was better to judge social fairness.

The second group complained about the process is the Minors' Concerns Council.

No more. "When she's trying to close up Annie said, "you have on guard all the time."

Annie's Cafe is a restaurant, despite the time of day. When the doors are wearing jeans and breakers with compasses on the back fill regulars who smile their breakfast newspaper, a plate and a pack of Marlboros the counter. These customers Annie brings — working-class some who would be class if their suits run out somewhere road.

"Good morning, sul," a new arrival taking his usual

"Good good-looking," said

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TMP

Ethics up close

Seminar puts candidates in hot seat

By DIRK MILLER

THE JUNEAU EMPIRE

If the questions were not typical of most political debates, the candidates' answers were even less so Tuesday night at the Centennial Hall.

The replies were of the sort that reveal more than a typical campaign "spin doctor" prefers to be known about his patients.

As a result, an audience of perhaps 100 people caught a personal glimpse of five of Alaska's gubernatorial candidates.

The occasion was Ethics 2000: A Symposium on Leadership Ethics. The five were Sen. Rick Halford, R-Chugiak, Sen. Artliss Sturgulewski, Anchorage, newspaper publisher John Lindauer, Anchorage businessman Jim Campbell and ex-Anchorage Mayor Tony Knowles. Because of technical difficulties, a telephone link-up with Lt. Gov. Stephen McAlpine was scrubbed.

The candidates participated in an ethically grueling forum run by Barbara Ley Toffler, the author of the book "Tough Choices: Managers Talk Ethics." They were given a series of three ethical dilemmas and asked how to resolve the problems and to defend their answers.

"I think they were aware people were seeing parts of them never seen," Toffler said. "I think they were all gutsy to do it."

The audience also knew this was the kind of event a spin doctor or campaign manager might be expected to hate.

"Other debates are going to be a lot more political," said Shawn Paul, a University of Alaska Southeast student. "We got to see them actually make choices and stick with them."

For some, the view was illuminating.

"It changed the way I'd vote for some of them," said Judy Pohl. "If that was the only thing I saw, it would be enough to push the button on some names."

One dilemma the candidates were asked to resolve involved an accident at a large manufacturing firm. The dilemmas were all taken from instances in Toffler's book.

The scenario went like this: A machine operator was severely injured and a report on the accident stressed worker carelessness. But Alice, the director of manufacturing, after doing a little snooping, was told by a worker that the acc-

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... forward, but I don't feel
... appropriately."

A subsequent investigation turned
up his sexual harassment of other
... in the office, although not



In the middle: Moderator Paul Duke leads discussion in a seminar.

Is it possible to get rich in business and still be ethical?

By KATE RIPLEY

THE JUNEAU EMPIRE

Suppose you're talking to a fellow business person about entering into a venture together, but you have doubts about the deal or the person's character.

Before the two of you shake hands on the proposal and part to think on it, your colleague says with a wink, "Of course, all my business associates have use of my condo in Hawaii anytime, so that may help you make up your mind."

Will it? Do you even consider the condo in making your decision?

These kinds of questions were debated by about 50 Juneau businessmen and women and others Tuesday afternoon before a guest panel at a session called Manager and Employee Ethics - Business for Profit. The workshop was part of Ethics 2000, a symposium on leadership ethics sponsored by a group of businesses and organizations. The symposium continued today at Centennial Hall.

Bernadette Murray, Telephone Utilities of Alaska's vice president, received a similar Hawaii condominium enticement and promptly turned down the offer.

"If you expect your employees to (be ethical), then by God, you better do it yourself," Murray said.

The best method of handling questions of someone's character or intentions, even if it means losing a sale or client, is to listen to inner feelings, said Karen Hofstad of Petersburg-Wrangell Insurance Center in Petersburg.

"If you have a gut feeling about something, react to it or share it with somebody," Hofstad said, referring to a situation where she questioned a person's ac-

tions, but didn't bring the issue to anyone's attention for six months for fear she'd lose a client.

"The person is now in jail by my bringing this to management's attention," she said. "Now when I get this feeling, I act faster."

Kelly Miller of Budget Tapes and CDs related a similar situation.

"We decided to pull off the shelves and not to order, to the best of our knowledge, music with explicit lyrics," Miller said. "We did this because I thought it was the ethical and moral thing to do" even if it meant taking a chance of losing some business.

"After we made that decision, I'd say eight out of 10 people understood ... so that confirmed what our views were," Miller said.

Other merchants and business owners had questions about standards for pricing.

"Pricing is really a function of the marketplace and maybe there isn't any ethical portion to it, but there is an ethical question to it," said Ron Flint of Nugget Work and Outdoor Clothing. "We all have the option to set prices at different levels, it's unfortunate people don't look more at service, but I think there is some ethical thought that needs to go into pricing."

The guest panel included Jack L. McDonald, chief operating officer for CenTex Corp., a New York Stock Exchange company involved in home building, general construction, cement, gas and oil.

When asked if it's true that a person can't "make a million" honestly, McDonald - whose company when he was president grew from sales of \$645,683,000 in 1978 to \$1,163,261,000 by 1984 - responded enthusiastically:

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