

SUBJECT: PUBLIC OFFICIAL ASSOCIATED WITH PUBLICLY TRADED COMPANY

SUMMARY:

A public official is not prohibited from serving on the board of directors of a publicly traded company, however, certain information is required to be disclosed on the official's Statement of Economic Interests.

QUESTION:

The Comptroller General has questioned:

Can a public official covered under the act serve as a member of a Board of Directors of any company or corporation which offers stock to the public?

DISCUSSION:

This opinion is rendered in response to a letter dated December 16, 1991 requesting an opinion from the State Ethics Commission. The Commission's jurisdiction is limited to the applicability of the Ethics, Government Accountability, and Campaign Reform Act of 1991 (Act No. 248 of 1991; Section 8-13-100 et. seq., as amended, 1976 Code of Laws). This opinion does not supersede any other statutory or regulatory restrictions or procedures which may apply to this situation.

There is no outright prohibition against a public official serving on the Board of Directors of a publicly held company or corporation. The public official, on his Statement of Economic Interests, is required to disclose anything of value received from a lobbyist's principal in accordance with Section 8-13-710(A) which provides:

(A) Unless provided by subsection (B) and in addition to the requirements of Chapter 17 of Title 2, a public official or public employee required to file a statement of economic interests under Section 8-13-1110 who accepts anything of value from a lobbyist's principal must report the value of anything received on his statement of economic interests pursuant to Section 8-13-1120(a)(9).

Further, the filer must disclose on the Statement of Economic Interests in accordance with Section 8-13-1120(A)(8) any compensation received from a business which also has a contract with the governmental entity with which the public official serves.

(A) A statement of economic interests filed pursuant to Section 8-13-1110 must be on forms prescribed by the State Ethics Commission and must contain full and complete information concerning:

* * *

(8) if a public official, public member, or public employee receives compensation from an individual or business which contracts with the governmental entity with which the public official, public member, or public employee serves or is employed, the public official, public member, or public employee must report the name and address of that individual or business and the amount of compensation paid to the public official, public member, or public employee by that individual or business;