

# EXECUTIVE ORDER 98-04 & ACT 34 OF 1999 EMPLOYEE DISCLOSURE POSTING

## 12. AGENCIES' NOTIFICATION TO EMPLOYEES OF EMPLOYEE DISCLOSURE OF BENEFITS REQUIREMENTS.

**A. NOTICE TO EMPLOYEES.** Each agency shall provide written notice to all finalists for agency employment of the employee disclosure requirements contained in Ark. Code Ann. §19-11-706, along with the civil and administrative remedies provided in Ark. Code Ann. §19-11-712, which may be imposed upon employees who breach these disclosure requirements, and the criminal penalties provided in Ark. Code Ann. § 19-11-702, upon conviction of a knowing violation of the disclosure requirements. The required **Employee Disclosure Requirements/Restrictions Notice** is located on Pages 28 and 29 of the Regulations.

(1) Agencies shall provide the **Employee Disclosure Requirements/Restrictions Notice** to all finalists for agency employment. The Notice shall be considered to be part of the application, and the application will be deemed incomplete until the acknowledgment is signed and submitted by the finalist.

(2) Agencies must maintain the employee's acknowledgement of receipt of the **Employee Disclosure Requirements/Restrictions Notice** in the employee's personnel file.

(3) Agencies shall post a copy of Section 12 of the Regulations in a conspicuous place that is easily accessible to all employees, along with a sample reporting of benefits form (**Employee Disclosure Requirements Form**) and a notice that informs employees from whom in the agency they may obtain copies of the **Employee Disclosure Requirements Form**.

**B. DISCLOSURE OF BENEFIT RECEIVED FROM CONTRACT.** All employees are required to report to the Director of the Department of Finance and Administration any benefit from any state contract with a business in which the employee has a financial interest, including:

(1) Ownership of any interest or involvement in any business relationship from which, or as a result of which, a person within the past year has received, or is presently or in the future entitled to receive, more than one thousand dollars (\$1,000) per year, or its equivalent;

(2) Ownership of more than a five percent (5%) interest in any business; or

(3) Holding a position in a business such as an officer, director, trustee, partner, employee, or the like, or holding any position of management.

For purposes of the reporting requirements of this section, "Employee" and "State agency," as defined in Ark. Code Ann. § 19-11-701, are adopted as follows. "Employee" includes an individual drawing a salary from a state agency, whether elected or not, and any nonsalaried individual performing personal services for any state agency. "State agency" means any office, department, commission, council, board, bureau, committee, institution, legislative body, agency, government corporation, or other establishment or official of the executive, judicial, or legislative branch of this state.

Reports shall be made in writing addressed to **Director, Department of Finance and Administration, P. O. Box 3278, Little Rock, Arkansas 72203-3278**. Reports shall be considered complete if made on the **Employee Disclosure Requirements Form**, or if the report contains all of the information required on the **Employee Disclosure Requirements Form**. All reports made pursuant to this section by present state employees shall be transmitted to the Director no later than 30 days following the receipt of the benefit by the employee; provided, however, only one report is required for each contract pursuant to which a state employee is paid in installments, which report shall be transmitted no later than 30 days following the receipt of the first installment payment. All reports made pursuant to this section by a person who has a benefit from a state contract at the time that person becomes a state employee shall be transmitted to the Director no later than 30 days following the first day of state employment.

**C. FAILURE TO DISCLOSE.** If any agency determines that an employee knew or should have known of a benefit from any state contract with a business in which the employee has a financial interest, but such employee failed to disclose such benefit to the Director of the Department of Finance and Administration, the agency shall immediately report the violation to the Director of the Department of Finance and Administration.

## D. REMEDIES AGAINST EMPLOYEES

(1) In addition to existing civil and administrative remedies, the Director of the Department of Finance and Administration may impose, after notice and an opportunity for a hearing, any one (1) or more of the following for failure of the employee to disclose:

- (a) Oral or written warnings or reprimands;
- (b) Forfeiture of pay without suspension;
- (c) Suspension with or without pay for specified periods of time; and
- (d) Termination of employment.

(2) The value of anything received by an employee in breach of these restrictions shall be recoverable by the State.

**E. CRIMINAL PENALTIES.** Pursuant to Ark. Code Ann. § 19-11-702, any employee or non-employee who knowingly fails to disclose any benefit shall be guilty of a felony and upon conviction shall be fined in any sum not to exceed ten thousand dollars (\$10,000) or shall be imprisoned not less than one (1) nor more than five (5) years, or shall be punished by both.

## 13. AGENCIES' NOTIFICATION OF RESTRICTIONS ON EMPLOYMENT OF PRESENT AND FORMER EMPLOYEES.

**A. NOTICE TO EMPLOYEES.** Each Agency shall provide written notice to all finalists for agency employment of the restrictions on employment of present and former employees contained in Ark. Code Ann. §19-11-709, along with the civil and administrative remedies provided in Ark. Code Ann. §19-11-712, which may be imposed upon employees who breach these restrictions, and the criminal penalties provided in Ark. Code Ann. § 19-11-702, upon conviction of a knowing violation of the restrictions. The required **Employee Disclosure Requirements/Restrictions Notice** is located on Pages 28 and 29 of the Regulations.

(1) The **Employee Disclosure Requirements/Restrictions Notice** shall be considered to be part of the application, and the application will be deemed incomplete until the acknowledgment is signed and submitted by the finalist.

(2) Agencies must maintain the employee's acknowledgement of receipt of the **Disclosure Requirements/Restrictions Notice** in the employee's personnel file.

(3) Agencies shall post a copy of Section 13 of the Regulations in a conspicuous place that is accessible to all employees.

(4) If any agency determines that an employee has violated these Employment Restrictions, such Agency shall immediately report to the Director of the Department of Finance and Administration.

**B. CONTEMPORANEOUS EMPLOYMENT PROHIBITED.** No state employee involved in procurement for an Agency is allowed to also be the employee of any party contracting with the state agency by which the employee is employed.

## C. RESTRICTIONS ON FORMER EMPLOYEES IN MATTERS CONNECTED WITH THEIR FORMER DUTIES.

(1) No former employee shall knowingly act as a principal or agent for anyone other than the state in connection with any:

- (a) Judicial or other proceeding, application, request for a ruling, or other determination;
- (b) Contract;
- (c) Claim; or
- (d) Charge or controversy

in which the employee participated personally and substantially through decision, approval, disapproval, recommendation, rendering of advice, investigation, or otherwise while an employee, where the state is a party or has a direct and substantial interest.

(2) No former employee, within one (1) year after cessation of the former employee's official responsibility in connection with any:

- (a) Judicial or other proceeding, application, request for a ruling, or other determination;
- (b) Contract;
- (c) Claim; or
- (d) Charge or controversy

shall knowingly act as a principal or as an agent for anyone other than the state in matters that were within the former employee's official responsibility, where the state is a party or has a direct or substantial interest.

## D. DISQUALIFICATION OF PARTNERS

(1) No person who is a partner of an employee shall knowingly act as a principal or as an agent for anyone other than the state in connection with any:

- (a) Judicial or other proceeding, application, request for a ruling, or other determination;
- (b) Contract;
- (c) Claim; or
- (d) Charge or controversy

in which the employee either participates personally and substantially through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise or that is the subject of the employee's official responsibility, where the state is a party or has a direct and substantial interest.

(2) No person who is a partner of a former employee shall knowingly act as a principal or as an agent for anyone other than the state where such former employee is barred under the restrictions on former employees in matters connected with their former duties (see paragraph C).

**E. SELLING TO STATE AFTER TERMINATION OF EMPLOYMENT.** Former employees are prohibited (unless the former employee's last annual salary did not exceed \$10,500) from engaging in selling or attempting to sell commodities or services to the state for one (1) year following the date employment ceased. This prohibition does not preclude a former employee from accepting employment with private industry solely because his employer is a contractor with this state nor does it preclude an employee, a former employee, or a partner of an employee or former employee from filing an action as a taxpayer for alleged violations of Ark. Code Ann. §19-11-701, et seq.

## F. REMEDIES AGAINST EMPLOYEES

(1) In addition to existing civil and administrative remedies, the Director of the Department of Finance and Administration may impose, after notice and an opportunity for a hearing, any one (1) or more of the following for breach of the employment restrictions:

- (a) Oral or written warnings or reprimands;
- (b) Forfeiture of pay without suspension;
- (c) Suspension with or without pay for specified periods of time; and
- (d) Termination of employment.

(2) The value of anything received by an employee in breach of these restrictions shall be recoverable by the State.

**G. CRIMINAL PENALTIES.** Pursuant to Ark. Code Ann. § 19-11-702, any employee or non-employee who knowingly violates these employment restrictions shall be guilty of a felony and upon conviction shall be fined in any sum not to exceed ten thousand dollars (\$10,000) or shall be imprisoned not less than one (1) nor more than five (5) years, or shall be punished by both.

### STATE OF ARKANSAS Department of Finance and Administration

#### Employee Disclosure Requirements

In Compliance with Governor's Executive Order 98-04,  
Arkansas Code Annotated § 19-11-706

Pursuant to Arkansas Code Annotated § 19-11-706, employees are required to disclose any benefit received from any state contract. Specifically:

- (a) Any employee who has or obtains any benefit from any state contract with a business in which the employee has a financial interest shall report such benefit to the Director of the Department of Finance and Administration. However, this section shall not apply to a contract with a business where the employee's interest in the business has been placed in a disclosed blind trust.
- (b) Any employee who knows or should have known of such benefit and fails to report the benefit to the director is in breach of the ethical standards of this section.

This employee disclosure shall be made within 30 days after employee has actual or constructive notice of a benefit received or to be received. Such disclosure shall be made by completing this **Employee Disclosure Requirements** form and forwarding completed form to:

Director  
Department of Finance and Administration  
P.O. Box 3278  
Little Rock, AR 72203-3278

Employee Name: \_\_\_\_\_

Agency Name/Division where employed: \_\_\_\_\_

Name of Person/Business Involved with State Contract: \_\_\_\_\_

Name of Governmental Body with which the Business has a Contract: \_\_\_\_\_

Dollar Amount and Nature of Contract: \_\_\_\_\_

Nature and Extent of the benefit received or to be received: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Employee's Signature \_\_\_\_\_ Date \_\_\_\_\_

**THIS FORM MAY BE OBTAINED FOR THE PURPOSES OF DISCLOSURE**

**FROM:** \_\_\_\_\_

**LOCATION:** \_\_\_\_\_