



COMMONWEALTH of VIRGINIA

Office of the Lieutenant Governor

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MEMORANDUM

TO: Members & Members-Elect of the Senate of Virginia and the Virginia House of Delegates

FROM: The Honorable William T. Bolling, Lieutenant Governor of Virginia

DATE: January 6, 2014

RE: Ethics Reform

One of the most important issues the General Assembly will consider this year will be proposals to reform and strengthen Virginia's ethics laws. I am writing to encourage you to join me in supporting aggressive and meaningful legislation to place limits on the amount of gifts elected officials can receive, require greater disclosure of gifts to family members, and require additional disclosure of important economic information that could influence an elected official's actions.

While Virginia's rules governing the receipt of gifts has long been based on a belief in "full disclosure," we have all learned in recent months that these "full disclosure" requirements do not, in fact, require "full disclosure." It is clear that there are a number of significant loopholes in our current ethics laws that need to be closed, and this is the time to do so.

In September of 2013, I proposed a series of sweeping changes to our current ethics reform laws that will help address these issues and restore the confidence of the people of Virginia in their elected officials. I hope you will join me in supporting these changes, which include:

BAN ON GIFTS IN EXCESS OF \$250

- Ban all gifts to any elected official, their spouse or dependent family members that are in excess of \$250. This limitation would apply to an individual gift or combination of gifts from the same person or entity in any calendar year. (There are currently no gift limitations for elected officials and no reporting requirement or limitations for gifts to spouses or dependent family members.)

PROHIBITION ON GIFTS AND CONTRIBUTIONS FROM CERTAIN LAW FIRMS

- Prohibit any law firm that receives legal assignments from the Office of the Attorney General from making any political contribution or giving any gift or other thing of value to the Attorney General, any member of the Attorney General's staff, or any candidate for Attorney General.

DISCLOSURE REQUIREMENT ENHANCEMENTS

- Require that all gifts in excess of \$50 to an elected official, their spouse and dependent family members be reported, regardless of value. (Currently, there is no requirement for reporting gifts to spouses or dependent family members.)
- Require that elected officials disclose all sources of income greater than \$1,000 for themselves, their spouses or dependent family members. (Current state law only requires disclosure of income in excess of \$10,000.)
- Require that elected officials disclose all memberships on Boards or other committees of public or private companies that are held by themselves, their spouse or dependent family members. (Current state law only requires the disclosure of paid Board memberships.)
- Require that elected officials disclose all securities and other investments that are held by themselves, their spouses or dependent family members in public or private companies. (Current state law only requires disclosure of investments in any company that are greater than \$10,000.)
- Require that elected officials disclose all loans that are held by themselves, their spouses or dependent family members from any individual, corporation or other entity that are not secured by real property of a value equal to or greater than the amount of the loan. **Creditors must be identified.** (Current state law requires general disclosure of loans in excess of \$10,000, but creditors do not have to be identified.)
- Require that disclosure reports be filed semi-annually, as opposed to annually, which is the current practice.

PROHIBITION ON PERSONAL USE OF CAMPAIGN FUNDS OR FUNDS HELD BY A POLITICAL COMMITTEE

Prohibit the use of campaign funds or funds held by any political committee for the personal benefit of any candidate or elected official, or their spouse or dependent family member, unless such funds are being used as reimbursement for expenses incurred on behalf of the campaign or political committee. (Similar restrictions are currently in place for committees that are being disbanded.)

PROHIBITION ON LEGISLATORS REPRESENTING CLIENTS BEFORE STATE BOARDS, COMMISSIONS AND AGENCIES

The practice of legislators representing clients before state agencies can create the appearance of a conflict of interest and place state employees and appointees in compromising positions. Legislators have a direct impact on agency budgets and staffing.

Legislators are also involved in the confirmation of many appointed members of state Boards and Commissions. This practice should be discontinued.

* This prohibition would not apply to lawyer legislators representing clients in state courts.

ESTABLISHMENT OF STATE ETHICS COMMISSION

Establish a statewide Ethics Review Commission to investigate malfeasance, disclosure and ethics complaints against elected officials. The Commission could also assist in providing advisory opinions to elected officials and others on matters related to public service. The Commission would be composed of five members appointed by the Supreme Court of Virginia.

It is important that the General Assembly address this issue this year. I know there will be a great temptation to “nibble around the edges,” to do as little as possible without making substantive changes to our ethics laws. But that’s not good enough. That won’t solve this problem, and it won’t satisfy the people of Virginia.

The people of Virginia are looking to us to provide the leadership that is necessary to address this issue in a meaningful and substantive way. Let’s get it done. Let’s do it now. Let’s not let them down.

Thank you for considering my views on this important issue.

WTB/