



STATE ETHICS COMMISSION
309 FINANCE BUILDING
P.O. BOX 11470
HARRISBURG, PA 17108-1470
(717) 783-1610
1-800-932-0936

June 6, 2014

The Honorable Daryl D. Metcalfe
Chairperson
State Government Committee
Room 43, East Wing
Pennsylvania House of Representatives
Commonwealth of Pennsylvania

The Honorable Mark B. Cohen
Democratic Chairperson
State Government Committee
127 Irvis Office Building
Harrisburg, PA 17120

Chairperson Metcalfe

Chairperson Cohen

Members of the House of Representatives State Government Committee,

Good Morning, my name is Robin Hittie and I am Chief Counsel for the Pennsylvania State Ethics Commission. Accompanying me today are Executive Director Robert Caruso and Commission Chairman John Bolger, Vice-Chairman Nick Colafella, Commissioner Mark Corrigan, and Commissioner Roger Nick, all of whom are available to answer any questions as well.

We thank the Committee for the opportunity to offer comments on House Bill 1872. The Commission has consistently supported amendments which would strengthen the Ethics Act and promote the faith and confidence in the citizens of the Commonwealth in their public officials. The concept of reducing the dollar amounts of the thresholds for reporting gifts and transportation, lodging and hospitality is commendable and is a move toward greater transparency. Currently forty-two (42) states have either complete bans on gifts or cap the gift amount a public official can receive in a calendar year from any source. The Commission would agree that the timing is right for considering such amendments.

However, the proposed language of House Bill 1872 deletes the current "in the aggregate" language. This may result in less transparency and less disclosure than the current law. For example, currently if a single source provides gifts valued in the aggregate at \$250.00 or more, disclosure as to all of these gifts would be required by current law. Under the proposed language, endless gifts of \$50.00 or less could be provided by a single source with no disclosure required. Similarly, if the proposed changes for transportation, lodging and hospitality are

adopted, individual drinks and meals will be considered separately and could go unreported as a result of removing the “in the aggregate” language.

When considering reducing reporting thresholds for gifts and transportation, lodging and hospitality, the Commission would also suggest consideration be given to increasing the penalty for Statement of Financial Interests non-filings and deficient filings. Currently, the Ethics Act provides only a maximum \$250.00 penalty for a Statement of Financial Interests filing violation. The Commission suggests changing the penalty to up to \$2,000.00 per violation so that the Commission may issue penalties in the range up to \$2,000.00 depending on the nature of the violation. Additionally, given the current fiscal constraints, the Committee should consider making civil penalties and administrative penalties imposed by the Commission dedicated funding for the Commission’s operations.

As this important piece of legislation and the wide range of other bills amending the Ethics Act are considered, the Commission would offer its assistance to Members and staff of the General Assembly. The Commission is able to provide valuable input as a result of its more than thirty (30) years of experience in administering the State Ethics Act. The State Ethics Commission is in the unique position of having first-hand knowledge of the strengths and weaknesses of the current law. Such input will be useful to the Committee in achieving efficient meaningful change to continue to strengthen and help restore public confidence in government.

Thank you again for the opportunity to address this legislation. We look forward to working with you to promote transparency in government. Executive Director Caruso and I and the Commissioners in attendance will be happy to answer your questions.