

**TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM BOARD OF TRUSTEES**

**January 29, 2020 Meeting**

**AGENDA ITEM**

- 2a. Ethics Awareness and Identification of Conflicts or Potential Conflicts of Interest
- 2b. Statement of Economic Interest evaluations of members pursuant to the Ethics Act § 138A-15(c)

In the following packet are updated Statement of Economic Interest (SEI) evaluations issued by the State Ethics Commission. These are being provided for Board members' review and for recording in the meeting minutes pursuant to the requirements of the State Government Ethics Act. Members are encouraged to review the updated evaluations to inform and remind them of the identified actual or potential conflicts of interest.

The updated SEI Evaluations included are:

- Dale Folwell, Treasurer
- Mark Johnson, Superintendent Public Instruction
- Barbara Gibson, Director of OSHR
- Linda Gunter
- Oliver Holley
- David German
- John Ebbighausen
- Lentz Brewer



## STATE ETHICS COMMISSION

POST OFFICE BOX 27685

RALEIGH, NC 27611

PHONE: 919-814-3600

### Via Email

December 13, 2019

The Honorable Dale R. Folwell  
North Carolina Department of State Treasurer  
3200 Atlantic Avenue  
Raleigh, North Carolina 27604

**Re: Evaluation of Statement of Economic Interest Filed by The Honorable Dale R. Folwell  
Member of the Board of Trustees of the Teachers' and State Employees' Retirement System**

Dear Treasurer Folwell:

Our office has received your 2019 Statement of Economic Interest as a member of the **Board of Trustees of the Teachers' and State Employees' Retirement System (the "Board")**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act (the "Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

**We did not find an actual conflict of interest, but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity.**

The Board of Trustees of the Teachers' and State Employees' Retirement System (the "Retirement System") is responsible for administration of the Teachers' and State Employees' Retirement System, the Consolidated Judicial Retirement System, and the Legislative Retirement System. The Board serves as trustee and the State Treasurer is custodian of and makes decisions concerning investment of System funds.

The Act establishes ethical standards for certain public servants, and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

As State Treasurer of North Carolina, you hold an ex-officio role on the Board. Because you would benefit from the Retirement System, you have the potential for a conflict of interest. Accordingly, you should exercise appropriate caution in the performance of your public duties should issues involving your retirement benefits come before the Board for official action.

In addition to the conflicts standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. § 138A-24(e), the conflict must be recorded in the minutes of the applicable board and brought to the membership's attention by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act. N.C.G.S. § 138A-15(c).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 138A-14. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,



Mary Roerden, SEI Unit  
State Ethics Commission

cc: Laura Rowe, Ethics Liaison

Attachment: Ethics Education Guide



## STATE ETHICS COMMISSION

POST OFFICE BOX 27685

RALEIGH, NC 27611

PHONE: 919-814-3600

### Via Email

December 13, 2019

The Honorable Mark R. Johnson  
Superintendent of Public Education  
North Carolina Department of Public Instruction  
301 North Wilmington Street  
Raleigh, North Carolina 27601

**Re: Evaluation of Statement of Economic Interest Filed by The Honorable Mark R. Johnson  
Member of the Board of Trustees of the Teachers' and State Employees' Retirement System**

Dear Superintendent Johnson:

Our office has received your 2019 Statement of Economic Interest as a member of the **Board of Trustees of the Teachers' and State Employees' Retirement System (the "Board")**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act (the "Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

**We did not find an actual conflict of interest, but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity.**

The Board of Trustees of the Teachers' and State Employees' Retirement System (the "Retirement System") is responsible for administration of the Teachers' and State Employees' Retirement System, the Consolidated Judicial Retirement System, and the Legislative Retirement System. The Board serves as trustee and the State Treasurer is custodian of and makes decisions concerning investment of System funds.

The Act establishes ethical standards for certain public servants, and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

As the Superintendent of Public Instruction for the State of North Carolina, you hold an ex-officio role on the Board. Because you would benefit from the Retirement System, you have the potential for a conflict of interest. Accordingly, you should exercise appropriate caution in the performance of your public duties should issues involving your retirement benefits come before the Board for official action.

In addition to the conflicts standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. § 138A-24(e), the conflict must be recorded in the minutes of the applicable board and brought to the membership's attention by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act. N.C.G.S. § 138A-15(c).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 138A-14. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,



Mary Roerden, SEI Unit  
State Ethics Commission

cc: Laura Rowe, Ethics Liaison

Attachment: Ethics Education Guide



## STATE ETHICS COMMISSION

POST OFFICE BOX 27685

RALEIGH, NC 27611

PHONE: 919-814-3600

### Via Email

December 16, 2019

Barbara J. Gibson, Director  
North Carolina Office of State Human Resources  
116 West Jones Street  
Raleigh, North Carolina 27603

**Re: Evaluation of Statement of Economic Interest Filed by Director Barbara J. Gibson  
Member of the Board of Trustees of the Teachers' and State Employees' Retirement System**

Dear Director Gibson:

Our office has received your 2019 Statement of Economic Interest as a member of the **Board of Trustees of the Teachers' and State Employees' Retirement System (the "Board")**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act (the "Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

**We did not find an actual conflict of interest, but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity.**

The Board of Trustees of the Teachers' and State Employees' Retirement System (the "Retirement System") is responsible for administration of the Teachers' and State Employees' Retirement System, the Consolidated Judicial Retirement System, and the Legislative Retirement System. The Board serves as trustee and the State Treasurer is custodian of and makes decisions concerning investment of System funds.

The Act establishes ethical standards for certain public servants, and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

As the director of the Office of State Human Resources you fill the role of an ex-officio member on the Board. Because you and your spouse are state employees who would benefit from the Retirement System, you have the potential for a conflict of interest. Therefore, you should exercise appropriate caution in the performance of your public duties should issues involving you or your spouse's retirement benefits come before the Board for official action.

In addition to the conflicts standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. § 138A-24(e), the conflict must be recorded in the minutes of the applicable board and brought to the membership's attention by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act. N.C.G.S. § 138A-15(c).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 138A-14. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,



Mary Roerden, SEI Unit  
State Ethics Commission

cc: Laura Rowe, Ethics Liaison

Attachment: Ethics Education Guide



## STATE ETHICS COMMISSION

POST OFFICE BOX 27685  
RALEIGH, NC 27611  
PHONE: 919-814-3600

### Via Email

December 13, 2019

The Honorable Roy A. Cooper III  
Governor of North Carolina  
20301 Mail Service Center  
Raleigh, North Carolina 27699-0301

**Re: Evaluation of Statement of Economic Interest Filed by Ms. Linda H. Gunter  
Member of the Board of Trustees of the Teachers' and State Employees' Retirement System**

Dear Governor Cooper:

Our office has received **Ms. Linda H. Gunter's** 2019 Statement of Economic Interest as a member of the **Board of Trustees of the Teachers' and State Employees' Retirement System (the "Board")**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act (the "Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

**We did not find an actual conflict of interest, but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity.**

The Board of Trustees of the Teachers' and State Employees' Retirement System (the "Retirement System") is responsible for administration of the Teachers' and State Employees' Retirement System, the Consolidated Judicial Retirement System, and the Legislative Retirement System. The Board serves as trustee and the State Treasurer is custodian of and makes decisions concerning investment of System funds.

The Act establishes ethical standards for certain public servants, and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).



Ms. Gunter fills the role of a retired teacher serving on the Board. She is a beneficiary of the Retirement System and owns a financial interest in Bank of America, whose business could intersect with the Board. In addition, Ms. Gunter is the vice president of North Carolina Retired School Personnel; a division of the North Carolina Education Association (NCAE). Therefore, Ms. Gunter has the potential for a conflict of interest and should exercise appropriate caution in the performance of her public duties should issues involving these entities or her retirement benefits come before the Board for official action.

In addition to the conflicts standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. § 138A-24(e), the conflict must be recorded in the minutes of the applicable board and brought to the membership's attention by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act. N.C.G.S. § 138A-15(c).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 138A-14. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,



Mary Roerden, SEI Unit  
State Ethics Commission

cc: Linda H. Gunter  
Laura Rowe, Ethics Liaison

Attachment: Ethics Education Guide



## STATE ETHICS COMMISSION

POST OFFICE BOX 27685

RALEIGH, NC 27611

PHONE: 919-814-3600

### Via Email

December 11, 2019

The Honorable Roy A. Cooper III  
Governor of North Carolina  
20301 Mail Service Center  
Raleigh, North Carolina 27699-0301

**Re: Evaluation of Statement of Economic Interest Filed by Mr. Oliver A. Holley  
Member of the Board of Trustees of the Teachers' and State Employees' Retirement System**

Dear Governor Cooper:

Our office has received **Mr. Oliver A. Holley's** 2019 Statement of Economic Interest as a member of the **Board of Trustees of the Teachers' and State Employees' Retirement System (the "Board")**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act (the "Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

**We did not find an actual conflict of interest, but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity.**

The Board of Trustees of the Teachers' and State Employees' Retirement System is responsible for administration of the Teachers' and State Employees' Retirement System, the Consolidated Judicial Retirement System, and the Legislative Retirement System. The Board serves as trustee and the State Treasurer is custodian of and makes decisions concerning investment of System funds.

The Act establishes ethical standards for certain public servants, and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

Mr. Holley fills the role of an active member of the teaching profession in North Carolina. He is the superintendent of the Tyrrell County Schools. Because he is a potential beneficiary of the Retirement System, he has the potential for a conflict of interest. Therefore, Mr. Holley should exercise appropriate caution in the performance of his public duties should issues involving his retirement benefits come before the Board for official action.

In addition to the conflicts standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. § 138A-24(e), the conflict must be recorded in the minutes of the applicable board and brought to the membership's attention by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act. N.C.G.S. § 138A-15(c).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 138A-14. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,



Mary Roerden, SEI Unit  
State Ethics Commission

cc: Oliver A. Holley  
Laura Rowe, Ethics Liaison

Attachment: Ethics Education Guide



## STATE ETHICS COMMISSION

POST OFFICE BOX 27685

RALEIGH, NC 27611

PHONE: 919-814-3600

### Via Email

December 9, 2019

The Honorable Roy A. Cooper III  
Governor of North Carolina  
20301 Mail Service Center  
Raleigh, North Carolina 27699-0301

**Re: Evaluation of Statement of Economic Interest Filed by Mr. David L. German Jr.  
Member of the Board of Trustees of the Teachers' and State Employees' Retirement System**

Dear Governor Cooper:

Our office has received **Mr. David L. German Jr.**'s 2019 Statement of Economic Interest as a member of the **Board of Trustees of the Teachers' and State Employees' Retirement System (the "Board")**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act (the "Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

**We did not find an actual conflict of interest, but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity.**

The Board of Trustees of the Teachers' and State Employees' Retirement System is responsible for administration of the Teachers' and State Employees' Retirement System, the Consolidated Judicial Retirement System, and the Legislative Retirement System. The Board serves as trustee and the State Treasurer is custodian of and makes decisions concerning investment of System funds.

The Act establishes ethical standards for certain public servants, and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

Mr. German fills the role of a State law enforcement officer on the Board. He is currently retired. His spouse owns financial interests in RBC Bank and Lincoln Financial, whose businesses could intersect with the Board. Additionally, he is a potential beneficiary of the Retirement System. Therefore, Mr. German has the potential for a conflict of interest and should exercise appropriate caution in the performance of his public duties should RBC Bank, Lincoln Financial or issues involving his retirement benefits come before the Board for official action.

In addition to the conflicts standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

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Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 138A-14. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,



Mary Roerden, SEI Unit  
State Ethics Commission

cc: David L. German Jr.  
Laura Rowe, Ethics Liaison

Attachment: Ethics Education Guide



## STATE ETHICS COMMISSION

POST OFFICE BOX 27685

RALEIGH, NC 27611

PHONE: 919-814-3600

### Via Email

December 4, 2019

The Honorable Roy A. Cooper III  
Governor of North Carolina  
20301 Mail Service Center  
Raleigh, North Carolina 27699-0301

**Re: Evaluation of Statement of Economic Interest Filed by Mr. John H. Ebbighausen  
Member of the Board of Trustees of the Teachers' and State Employees' Retirement System**

Dear Governor Cooper:

Our office has received **Mr. John H. Ebbighausen's** 2019 Statement of Economic Interest as a member of the **Board of Trustees of the Teachers' and State Employees' Retirement System (the "Board")**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act (the "Act").

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Mr. Ebbighausen fills the role of a member who is affiliated with the National Guard. He is the Chief of Programs for the North Carolina Department of Public Safety's Office of Recovery and Resiliency and President of the North Carolina National Guard Association. Because he is a state employee who would benefit from the State's retirement system, he has the potential for a conflict of interest. Accordingly, Mr. Ebbighausen should exercise appropriate caution in the performance of his public duties should issues involving his retirement benefits come before the Board for official action.

In addition to the conflicts standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

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Sincerely,



Mary Roerden, SEI Unit  
State Ethics Commission

cc: John H. Ebbighausen  
Laura Rowe, Ethics Liaison

Attachment: Ethics Education Guide



## STATE ETHICS COMMISSION

POST OFFICE BOX 27685

RALEIGH, NC 27611

PHONE: 919-814-3600

### Via Email

December 4, 2019

The Honorable Phil Berger  
President Pro Tempore of the Senate  
16 West Jones Street, Room 2008  
Raleigh, North Carolina 27601

**Re: Evaluation of Statement of Economic Interest Filed by Mr. W. Lentz Brewer  
Member of the Board of Trustees of the Teachers' and State Employees' Retirement System**

Dear Senator Berger:

Our office has received **Mr. W. Lentz Brewer's** 2019 Statement of Economic Interest as a member of the **Board of Trustees of the Teachers' and State Employees' Retirement System (the "Board")**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act (the "Act").

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The Board of Trustees of the Teachers' and State Employees' Retirement System is responsible for administration of the Teachers' and State Employees' Retirement System, the Consolidated Judicial Retirement System, and the Legislative Retirement System. The Board serves as trustee and the State Treasurer is custodian of and makes decisions concerning investment of System funds.

The Act establishes ethical standards for certain public servants, and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).



Mr. Brewer fills the role of a member who has experience in practical banking. He is a commercial banker employed with South State Bank. In addition, Mr. Brewer owns a financial interest in Live Oak Bank. Because the Board is the general administrator for the Retirement System and South State Bank or Live Oak Bank could seek to conduct business with the Board and the North Carolina Department of State Treasurer, he has the potential for a conflict of interest. Therefore, Mr. Brewer should exercise appropriate caution in the performance of his public duties should issues involving South State Bank or Live Oak Bank come before the Board for official action.

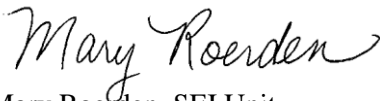
In addition to the conflicts standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. § 138A-24(e), the conflict must be recorded in the minutes of the applicable board and brought to the membership's attention by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act. N.C.G.S. § 138A-15(c).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 138A-14. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,



Mary Roerden, SEI Unit  
State Ethics Commission

cc: W. Lentz Brewer  
Laura Rowe, Ethics Liaison

Attachment: Ethics Education Guide