

NORTH CAROLINA EDUCATION LOTTERY POLICIES AND PROCEDURES MANUAL

CHAPTER 10 – COMMISSION AND EXECUTIVE OFFICE

10.4 – NC STATE LOTTERY COMMISSION: CODE OF ETHICS POLICY

Purpose and Intent

Fostering and maintaining public confidence in the operation of the North Carolina Education Lottery and the regulation of authorized sports and horse race wagering are essential functions of the North Carolina State Lottery Commission (“Commission”) as it fulfills its mission as established in Chapter 18C of the North Carolina General Statutes (the “Act”). Such public confidence requires that the Commission and its membership conduct the public’s business in a manner that demonstrates the highest ethical standards. In addition to former Governor Easley’s Executive Order Number 1 (2001) and applicable statutory requirements including, without limitation, N.C. Gen. Stat. §§ 133-32, 14-234, 14-234.1, 14-234.2, public records and open meetings laws, the State Government Ethics Act, and the Act, this Code of Ethics is adopted by the Commission to provide standards to ensure its duties are performed with honesty, integrity, and fairness.

Conflict of Interest

Members of the Commission shall exercise the utmost good faith in conducting the business of the Commission. Members shall not knowingly engage in any activity that creates a conflict between their personal financial interest, the financial interest of any family member, or the interests of any business organization or group with which the member or a family member is associated, and their duties as a Commissioner. Members shall make every effort to avoid the appearance of a conflict of interest. Commission members shall inform the Chair of any situation that may raise a conflict of interest or the appearance of a conflict of interest, and where a conflict may exist, recuse themselves from voting on such matters.

Gifts and Entertainment

Members of the Commission and their immediate family members shall not accept anything of value, including but not limited to gifts, meals, travel, lodging, entertainment, or other similar advantage or benefit from any contractor or potential contractor; from any licensee or license-seeking applicant; from any other regulated entity or potential regulated entity; or from any other potential interested parties seeking to do business with or before the Commission, including lobbyists or other representatives otherwise acting on behalf of any party described above.

Communications

The Commission shall conduct its business in compliance with the open meetings and public records laws of the State. Material communications between the Commission members and contractors, potential contractors, licensees, potential licensees, regulated entities, or potential regulated entities concerning the business of the Commission shall be made during lawfully noticed meetings of the Commission and its committees. Individual contacts with Commission members are specifically discouraged and the interested parties shall be referred to staff, the full Commission, or the appropriate committee for consideration of any questions and/or proposals.

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Communications protocols related to procurement of services, materials or other business shall be set forth in relevant requests for proposals and shall be strictly followed. Commission members shall not disclose or use for their own personal gain any confidential information obtained by virtue of their position as a Commission member. Commission members will not use knowledge of contemplated Commission action, or information known to the member in their official capacity and not made public, to: (i) acquire a financial interest in any property, transaction, or enterprise, or gain any financial benefit which may be affected by the information or contemplated action; or (ii) intentionally aid another to acquire a financial interest or gain a financial benefit.

Other Provisions

Commission members should also be aware of the following prohibitions:

- 1) No ticket or share in any lottery game shall be purchased by, and no prize shall be paid to, a member of the Commission, the Director, or employee of the Commission, or to any spouse, parent, or child living in the same household as a person disqualified by this subsection. N.C. Gen. Stat. § 18C-132(i).
- 2) For a period of two (2) years following the expiration of their tenure, Commission members are prohibited from the following:
 - a) Representing any vendor or lottery retailer before the Commission or Lottery staff;
 - b) Participating in a contract or agreement with the Commission in a managerial, entrepreneurial, or consulting capacity on behalf of a third party; or
 - c) Knowingly making, with the intent to influence, any communication to or appearance before any outside entity in connection with a particular matter in which the Commission has a direct and substantial interest.
- 3) No member or employee of the Commission shall engage in sports wagering in this State.
- 4) No member or employee of the Commission shall engage in pari-mutuel wagering authorized by the Act by placing a wager with an ADW licensee.

This Code of Ethics as adopted by the Commission is meant to supplement, and does not purport to supplant or modify, statutory enactments, Executive orders, or other rules or policies that may govern the activities of public officials.