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BOARD OF DIRECTORS CONFLICT OF INTEREST POLICY

I. SCOPE AND PURPOSE

Maryland Environmental Service is a Maryland State agency that is an innovative and leading-edge solver of environmental problems and a responsible and successful manager of environmental operations. The governance of the Maryland Environmental Service is vested in its Board of Directors. The purpose of this Conflicts of Interest Policy is to ensure all activities of the Maryland Environmental Service's Board of Directors are consistent with its mission and applicable laws, including, but not limited to, MD Code, Natural Resources, § 3-103.3.

II. DEFINITIONS

- A. Board – means the Board of Directors for the Maryland Environmental Service.
- B. Business Entity – means a person engaged in a business, whether profit or nonprofit, regardless of form.
- C. Director – means any member of the Maryland Environmental Service's Board of Directors.
- D. Disclosure Statement – means an electronic or paper copy of the financial disclosure statement that a Director is required to file with the Maryland State Ethics Commission pursuant to the Maryland Public Ethics Law. "Disclosure Statement" includes any schedules, attachments, and amendments.
- E. Family Member – means any Director's spouse, parents, children, siblings, whether by blood or marriage (e.g., in-laws or stepfamily) or adoption, and any other person residing in the Director's home.
- F. Person – Shall have the same meaning as set forth in Md. General Provisions Code Ann. §1-114.
- G. Service – means the Maryland Environmental Service.

III. POLICY

This policy establishes guidelines and principles to promote transparency, protect the interests of the Service, and advance a reputation of the highest integrity so that the Board makes decisions in an objective manner without undue influence from personal interest when transactions are considered, or policies adopted. The Service's Directors must avoid all situations where bias or opportunity for personal gain could influence their decisions. The Service's Directors must also avoid circumstances which suggest that favoritism or personal gain is a motivating factor in the performance of their official duties. The Service's Directors shall avoid activities which might result in the use and/or the appearance of use of their public duties for private gain or for providing favored treatment to any person, group, entity, or organization. The Service's Directors are subject to the Maryland Public Ethics Law set forth in MD Code, General Provisions, §§ 5-101 through 5-1001.

IV. PROCEDURES AND STANDARDS

- A. Standards for the disclosure of Financial Interests (as required by MD Code, Natural Resources, § 3-103.3 (a)(1)).
1. All Directors shall file an annual Disclosure Statement to the Maryland State Ethics Commission as provided in the Maryland Public Ethics Law.
 2. Disclosure Statements shall be filed on or before April 30th of each year. Statements due April 30th of each year shall be for the period commencing January 1st and ending December 31st of the preceding year.
 3. A Director who is appointed on or after April 30th of any year shall file a Disclosure Statement within 30 days of appointment. The Disclosure Statement shall cover the previous year whether or not the person was a Director of the Service during the previous year.
 4. A Director who leaves their position on the Board is required to file the Disclosure Statement within 60 days after leaving the Board. The Disclosure Statement shall cover the year preceding the year in which the Director left the Board, unless a Disclosure Statement covering that year has already been filed. In addition, the Disclosure Statement shall cover the portion of the current year during which the person was a Director.
 5. Immediately upon filing a Disclosure Statement with the State Ethics Commission a Director shall also submit a copy of the same Disclosure Statement to the Clerk of the Board of the Directors. The Clerk of the Board shall, upon the request of any Director, make available to the Director a copy of any Disclosure Statement submitted by any other Director. The Clerk shall also notify the Director whose Disclosure Statement has been requested by another Director. The Clerk may not

- release copies of any Disclosure Statements to any other individual except upon the authorization of the Director whose Disclosure Statement is requested.
6. References in the State Ethics Commission disclosure form to “business with the State” and “employment with the State” shall be deemed to include “business with the Service” and “employed by the Service” respectively, in addition to State business and State employment.
 7. Attribution of interests for disclosure shall be as provided under the General Provisions Article § 5-608, Annotated Code of Maryland. However, for purposes of this policy the interests of a Family Member as defined above shall be attributed to the Director to the same extent as required for a spouse or child of the Director as set forth in General Provisions Article § 5-608, Annotated Code of Maryland.
 8. Nothing in this section is meant to excuse or negate the duties of a Director to file any type of statements as may be required by the Maryland Public Ethics Law set forth in MD Code, General Provisions, §§ 5-101 through 5-1001.
- B. Standards for Director participation in contracts with the Service, including an attestation that the Director has complied with the conflict-of-interest standards adopted by the Board (as required by MD Code, Natural Resources, § 3-103.3 (a)(2)).
1. A Director may not participate in the consideration of, or enter into any contracts with the Service, but may exercise a purely administrative or ministerial duty which does not affect the disposition or decision concerning the contract, if the Director or a Family Member has an interest in the entity the Service is contracting with, or there is an appearance that the Director has an interest in the contract, or if the Director has any of the following interests in the contracting Business Entity:
 - (a) A Business Entity in which the Director or Family Member has a direct financial interest of which the Director may reasonably be expected to know;
 - (b) A Business Entity with which either the Director or Family Member is an officer, director, trustee, or employee;
 - (c) A Business Entity with which either the Director or Family Member has applied for employment, is negotiating employment, or has arranged prospective employment;
 - (d) A Business Entity which is a party to an existing contract with the Director or Family Member, or which either knows is a party to a contract with a Director or a Family Member, if the contract could reasonably be expected to result in a conflict, or the appearance of a conflict, between the private interests and the official duties of the Director;

- (e) A Business Entity engaged in a transaction with the Service in which a direct financial interest is owned by another Business Entity in which the Director or Family Member has a direct financial interest if the Director reasonably may be expected to know of both financial interests; and
 - (f) A Business Entity which is a creditor or obligee of the Director or Family Member with respect to a thing of economic value and which, by reason thereof, is in a position to affect directly and substantially the interest of the Director or Family Member.
2. A Director will have complied with the “attestation ” requirement set forth in MD Code, Natural Resources, § 3-103.3 (a)(2)) by filing a financial Disclosure Statement as set forth in Section A above. By filing the Disclosure Statement, a Director attests that the form was completed by them, is complete and accurate, and in compliance with MD Code, Natural Resources, § 3-103.3.
- C. Standards for recusal from voting (as required by MD Code, Natural Resources, § 3-103.3 (a)(3)).
1. A Director may not vote on any Service matter, but may exercise a purely administrative or ministerial duty which does not affect the disposition or decision concerning that matter, if the Director or a Family Member has an interest in the matter, or the Director has the appearance that he or she has an interest in the matter, or if any of the following is a party thereto:
- (a) A Business Entity in which the Director or Family Member has a direct financial interest of which the Director may reasonably be expected to know;
 - (b) A Business Entity with which either the Director or Family Member is an officer, director, trustee, or employee;
 - (c) A Business Entity with which either the Director or Family Member has applied for employment, is negotiating employment, or has arranged prospective employment;
 - (d) A Business Entity which is a party to an existing contract with the Director or Family Member, or which either knows is a party to a contract with a Director or a Family Member, if the contract could reasonably be expected to result in a conflict, or the appearance of a conflict, between the private interests and the official duties of the Director;
 - (e) A Business Entity engaged in a transaction with the Service in which a direct financial interest is owned by another Business Entity in which the Director or Family Member has a direct financial interest if the Director reasonably may be expected to know of both financial interests; and

- (f) A Business Entity which is a creditor or obligee of the Director or Family Member with respect to a thing of economic value and which, by reason thereof, is in a position to affect directly and substantially the interest of the Director or Family Member.
 2. A Director who otherwise would be disqualified from participation under subsection IV.C.1 of this section shall disclose the nature and circumstances of the conflict to the Board, and may participate or act, if:
 - (a) The disqualification would leave the Board with less than a quorum capable of acting;
 - (b) The disqualified Director is required by law to act; or
 - (c) The disqualified Director is the only individual authorized by law to act.
- D. A requirement that a Director may not use the Director's position on the Board for personal gain when contracting with the Service (as required by MD Code, Natural Resources, § 3-103.3 (a)(4)).
1. A Director may not use the prestige of the position for private gain or the private gain of another or create the appearance that the Director is utilizing the prestige of the Director's position for private gain or the private gain of another.
 2. Unless expressly authorized by the Board, a Director may not use the Director's title or insignia of the Service in connection with any private enterprise.
 3. A Director may not use any Service facility or property for personal use or for the private use of another person, unless the use is:
 - (a) Generally available to the public; or
 - (b) Authorized by a law, regulation, or administrative procedure or policy.
 4. A Director may not intimidate, threaten, coerce, or discriminate against any other Director, any officer of the Service, an employee of the Service, or any person employed by a contractor doing business with the Service, for the purpose of interfering with that person's freedom to engage in political activity.
- E. A requirement that a Director provide an attestation of any business relationship with the Service (as required by MD Code, Natural Resources, § 3-103.3 (a)(5)).
1. The Board shall designate a committee of three Directors to annually review the Disclosure Statements submitted by Directors as required by Section IV.A. The members shall review the Disclosure Statements for completeness and potential or existing conflicts of interest or appearance of conflicts of interest.

2. A Director will have complied with the “attestation ” requirement set forth in MD Code, Natural Resources, § 3-103.3 (a)(2)) by filing a financial Disclosure Statement as set forth in Section A above. By filing the Disclosure Statement, a Director attests that the form was completed by them, is complete and accurate, and in compliance with MD Code, Natural Resources, § 3-103.3.

V. RELATED POLICY AND PROCEDURE LINKS

N/A

VI. MARYLAND STATE ETHICS LAW

In the event any provision of this Policy conflicts with any provision of the Maryland State Ethics Law, the provisions of the Maryland State Ethics Law shall prevail.

VII. REVISION HISTORY

Version	Date of Change	Section	Description of Change
.001	10/28/21	Full Document	Initial adoption of new policy format