

STATE ETHICS COMMISSION

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ANNAPOLIS, MARYLAND 21401
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FREQUENTLY ASKED QUESTIONS REGARDING FINANCIAL DISCLOSURE

I. Financial Disclosure Background

1. ***What is Financial Disclosure?*** Financial disclosure is the filing of a form, usually on an annual basis, disclosing certain financial interests that may relate to the conflict of interest provisions in the Law.
2. ***Where is the Financial Disclosure Law found?*** Md. Code Ann., General Provisions §§5-601 through 5-611.
3. ***What is the purpose of the Financial Disclosure Law?*** Some of the purposes of the law are to: provide public access to documents disclosing possible conflicts of interest; provide access to documents that demonstrate to the public that financial interests are not hidden and that, generally, officials and employees are not engaging in conflicts of interest.
4. ***Who is required to file a financial disclosure statement with the Ethics Commission?*** Members of Executive Branch boards and commissions, all State elected officials, candidates for State office, members of the General Assembly, and certain employees who are designated as public officials under standards set in the Law. The criteria for designation as a public official may vary by branch of government and take into consideration a variety of factors, including compensation, duties or both.
5. ***What information does the financial disclosure statement require?*** Interests held in real property; interests in corporations and partnerships; interests in non-corporate business entities that do business with the State; gifts over \$20 in value or a series of gifts totaling more than \$100 received from a person doing business with the State, regulated by the State, or registered as a lobbyist; offices, directorships, salaried employment or similar interests in business entities that do business with the State, held by the official or employee or his or her immediate family; debts owed to persons doing business with or regulated by the filer's agency; names and positions of family members who are employed by the State; and the name of each place of salaried employment and identification of any business entity in which the official, employee or member of their immediate family was the sole or partial owner and from which income was earned.

6. ***Why am I required to file a financial disclosure statement providing information for the calendar year before I was an employee or a candidate?*** The law requires that a financial disclosure statement cover the calendar year immediately preceding the year of filing. As such, if you began State employment in 2019 in a position required to file financial disclosure, then you would need to file for the calendar year 2018 within 30 days of assuming the position.

II. Timing and Mechanics of Filing

1. ***How do I file the financial disclosure statement?*** The Public Ethics Law requires you to file electronically (no exceptions) at <https://efds.ethics.maryland.gov> (also accessible through our web site by clicking on Financial Disclosure Electronic Filing).
2. ***Can I file my form by fax?*** No. (See Question 1 in this section.)
3. ***What is the filing deadline?*** April 30th for incumbent employees and within 30 days of taking the position for new employees. (See Question 6 in previous section.) Candidates for office must, in the year of the election, file on or before the earlier of April 30 or the last day for the withdrawal of a candidacy under the Election Law Article.
4. ***What is the fee for filing a financial disclosure statement?*** There is no fee.
5. ***I left State service, or changed positions to one that is not required to file. Do I have to file a financial disclosure statement after leaving my position?*** You are required to file a statement for each year in which you hold a filing position and within 60 days after leaving your position. Therefore, you are required to file a statement, reflecting your financial interests from January 1st of the year in which you leave your position through the last day of your employment in that position. The statement must be filed within 60 days after you leave your position.
6. ***Must the financial disclosure statement be filed under oath?*** Yes. In submitting your electronic statement, you indicate that you swear or affirm under the penalties of perjury (on the Completion page).
7. ***What happens if I fail to file a financial disclosure statement by the deadline?*** The Commission may issue a complaint against you.
8. ***What is the sanction imposed for failing to file a financial disclosure statement?*** The Commission may assess late fees in the amount of \$5 per day up to \$500, issue a reprimand, and/or recommend censure, removal or other discipline.
9. ***Are financial disclosure statements publicly available?*** Yes. The individual inspecting the document must appear in person, present identification, and register his or her name, home address, and the identity of the person whose statement was inspected. If you have noted on your form that you wish to be notified if someone asks to see your form, we will notify you of the name and home address of the person who requested your form and the date on which it was requested. Statements filed on or after January 1, 2019, by State officials, candidates for office as State officials, and cabinet Secretaries are available to the public on the Internet. By Law, the Commission redacts home addresses from all statements filed after January 1, 2019.

10. ***If I omit something from my financial disclosure statement, can I amend it?*** Yes. Log back into the electronic system using your account information at <https://efds.ethics.maryland.gov>. Navigate to the statement you wish to amend. Click on the settings drop down button (next to the “View Form” button where you will find the option to “Amend Form”). Click there and follow the instructions to complete and file an amendment.

III. Contents of Financial Disclosure Statements

1. ***On Schedule A, if I own the property with my spouse, do I own it jointly or as tenants by the entirety?*** If you own the property with your spouse, you probably own it as tenants by the entirety. This is an undivided interest in real property with the right of survivorship. If you own it with siblings, parents, children, or others, it will likely be jointly held.
2. ***If I rent an apartment and do not own any real property, must I disclose anything on Schedule A?*** Yes. Schedule A requires that you disclose any interests you may have in real property, including apartment leases if you rent. It is rare not to have an entry on Schedule A. An example of the few circumstances not requiring disclosure would be if you live rent-free in a residence owned by someone else, you make no contributions to the household, and the interest is not attributable to you pursuant to the definitions in the Public Ethics Law.
3. ***I invested funds through a stock brokerage firm. Am I required to list each corporation in which I have invested through the stock brokerage firm on my financial disclosure statement?*** Yes, on Schedule B, the electronic filing system will take the filer right through the process. The electronic system does allow you to upload a year-end statement from your brokerage firm which lists all of your holdings and transactions throughout the calendar year in lieu of entering each holding individually. If you attach a year-end statement, be sure to black out your account number and social security number and any information that is not required (cash accounts, annuities, etc.). We are not permitted to alter your forms after they are submitted, and it is not wise to include unnecessary information on your financial disclosure statements.
4. ***Am I required to list mutual funds or exchange-traded funds on Schedule B of my financial disclosure statement?*** You are not required to list your mutual fund or exchange-traded fund holdings if the mutual fund or exchange-traded fund is publicly traded on a national scale. The one exception is if your mutual fund or exchange-traded fund holdings consist primarily of interests in a specific area (e.g. energy, health care, real estate) and your agency regulates that area.
5. ***Schedule E asks if there is collateral for the loan I am reporting. How do I respond to this question?*** If the loan is a home mortgage, a second mortgage, a home equity loan or any other type of loan involving your home, the collateral for that loan is your home. Thus, you would answer “yes” and click on “home” in the drop down box. If the loan is for a car or a boat, the answer to the question is “yes” and you would click on “boat” or “vehicle.” If the loan were a personal signature loan, you would answer “no.”
6. ***Schedule E asks if the indebtedness is in the name of another person but the filer is responsible for the debt. Exactly what does that mean?*** For example, your child obtains a car loan or student loan in his or her name, but you, the filer, co-signed for that loan. In this case, your response to the question would be yes, and in the fields below the question you would put your child’s name and the type of loan.

7. ***On Schedule F, should I list my employment with the State?*** No. The Account Information provides the information related to your employment with the State. Schedule F seeks other employment and offices you held during the reporting year (as an employee, partner, director, officer, etc.).

8. ***On Schedules G and H, what must a filer report concerning his spouse or dependent child?*** With regard to spouse, the filer must list the name and address of the spouse's employer from which income was earned and any business which the spouse owned during the reporting period wholly or partially from which income was earned. With regard to earned income by a dependent child, the filer needs to report this only if the source of the earned income was an entity that did business during the reporting period with or was regulated by the filer's agency. If the dependent child's earned income was from a source that was unrelated to (did not do business with or was not regulated by) the filer's agency, there is no requirement to report that source of earned income.

9. ***In simple language, what is an attributable interest?*** Although there is a pop-up definition in the glossary of terms that you can access just by clicking on the term as it is used on the form, the easiest way to answer this is as follows: if your name is on the deed or the lease, the interest is direct. If you own part of a corporation or are in a partnership that owns real property and your interest in the corporation or partnership is 30% or more, your interest in the real property owned by that partnership or corporation is an attributable interest. Also, if the property is in another person's name (e.g. spouse) but you are responsible for the payments or contribute toward the payments, taxes or maintenance, the interest in that property is attributable.

The Ethics Commission has drafted these financial disclosure FAQs to provide general information about financial disclosure and to assist financial disclosure filers while they complete the annual statement. The Commission encourages any person with additional questions, or a need for further assistance with the filing, to contact the Commission directly at 410-260-7770.