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## **Transforming Louisiana into a National Model for Governmental Ethics A Statewide Reform Initiative**

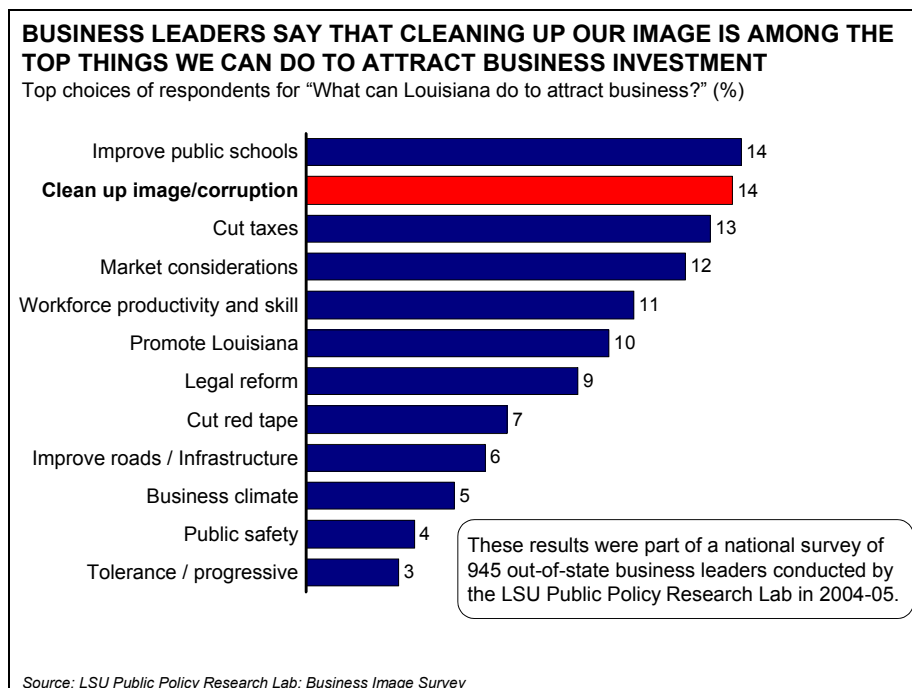
100 Black Men of Baton Rouge  
Ascension Chamber of Commerce  
Baton Rouge Area Chamber (BRAC)  
Baton Rouge Black Chamber of Commerce  
Baton Rouge Downtown Development District (DDD)  
Bayou Interfaith Shared Community Organizing (BISCO)  
Bossier Chamber of Commerce  
Chamber of Lafourche & The Bayou Region  
Chamber of Southwest Louisiana  
Citizens for 1 Greater New Orleans  
Committee of 100  
Common Cause Louisiana  
Council for A Better Louisiana (CABL)  
East St. Tammany Chamber of Commerce  
Feliciana Chamber of Commerce  
Greater Abbeville-Vermillion Chamber of Commerce  
Greater Iberia Chamber of Commerce  
Greater Lafayette Chamber of Commerce  
Greater New Orleans, Inc. (GNO Inc.)  
Greater Shreveport Chamber of Commerce  
Greater Tangipahoa Parish NAACP  
Hammond Chamber of Commerce  
Houma-Terrebonne Chamber of Commerce  
Iberia Comprehensive Community Health Center  
Iberville Chamber of Commerce

Jefferson Chamber of Commerce  
Jefferson Parish Business Council  
League of Women Voters of Louisiana  
Louisiana Association of Business & Industry (LABI)  
Louisiana Press Association (LPA)  
Louisiana State Alliance of YMCAs  
Louisiana Technology Council  
Louisiana United Businesses Association (LUBA)  
NAACP of Baton Rouge  
Natchitoches Area Chamber of Commerce  
Nat'l. Council of Jewish Women – Greater N.O. Section  
National Federation of Independent Business (NFIB)  
New Orleans Business Council  
New Orleans Chamber of Commerce  
Northshore Business Council  
Opelousas-St. Landry Chamber of Commerce  
River Region Chamber of Commerce  
Ruston-Lincoln Chamber of Commerce  
St. Mary Industrial Group  
St. Mary Parish Chamber of Commerce  
St. Tammany West Chamber of Commerce  
Thibodaux Chamber of Commerce  
Ville Platte / Evangeline Chamber of Commerce  
West Baton Rouge Chamber of Commerce  
West Feliciana Community Development Foundation

Louisiana has a long and colorful history of government corruption, which has left us with a state brand associated with a lack of integrity and transparency in government – despite meaningful progress in recent years. Business leaders nationwide suggest this brand image is a significant obstacle to economic development in our state. Our national image could take decades to improve if we make only incremental progress in this area. However, with a broad and activist coalition and an aggressive reform effort, we can make dramatic improvements and our state could become a national model for governmental ethics laws and enforcement in 2-3 years. Success with this effort would not only improve enforcement of ethics laws and cause Louisiana to become known for honest, transparent, and accountable government, but would also move us to the top of national, independent, third-party evaluations of state ethics laws. Success would also enable us to vigorously counter negative historical assumptions held by some business prospects.

### The case for reform: economic development

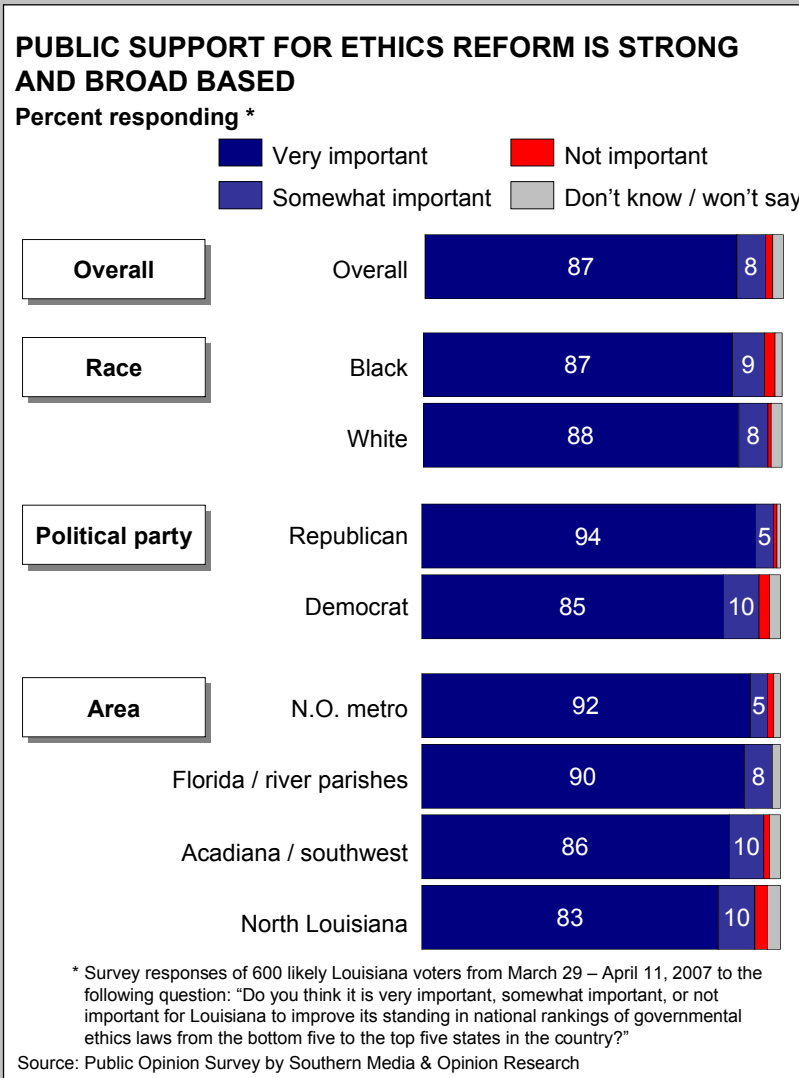
The benefits of becoming a national model are significant. According to a recent survey of nearly 1,000 business executives from around the country, 56 percent of out-of-state business leaders consider “perceptions of government corruption or unethical practices” as an important factor in site selection. Furthermore, they say that improving our state’s image is one of the top things we can do to attract additional business investment. In other words, due to its historical burden of government corruption, Louisiana is excluded from the competition for hundreds of millions of dollars in business investment every year.



By positioning our state as a national model for governmental ethics laws and enforcement, we can eliminate this unfortunate economic development obstacle. While ethics reform does not represent a “silver bullet” for Louisiana’s economic development, it is one of the important improvements our state needs to make (along with reforms in public education, higher education, transportation, and other key areas) in order to drive our economy forward.

**Public Support for Governmental Ethics Reform**

The public overwhelmingly supports initiatives to improve Louisiana’s governmental ethics laws. In a recent survey of 600 likely Louisiana voters, 96 percent of respondents felt it was important to improve the state’s national standing with regard to governmental ethics laws, with 87 percent stating that such a move was “very important.” Moreover, an overwhelming majority of respondents across every demographic believes that such a move is important for our state.



### History of governmental ethics laws in Louisiana

The Louisiana Code of Ethics began as a central element of John McKeithen’s gubernatorial campaign platform in 1963. Following a successful race, the new governor urged his staff to draft a Code of Governmental Ethics. The initial bill, passed in 1964, was among the first of its kind in any state and was considered one of the strongest in the country for a number of years.

However, other states drafted their own ethics laws and built upon them, passing additional key reforms over the past several decades while Louisiana often failed to keep pace. Moreover, during this same period more than 100 exceptions to the Louisiana Code were passed into law, reducing the consistency and reach of our governmental ethics laws despite some important advances in areas such as campaign finance (1980) and executive branch lobbying regulation (2004). More than forty years later, our Code lacks key provisions that are now standard throughout much of the country, such as extensive personal financial disclosure for legislators. In 2003, The Center for Public Integrity (CPI) ranked Louisiana 44<sup>th</sup> in the country in this area of ethics law due to the unusually narrow scope of our disclosure requirements. Once on the leading edge of governmental ethics, Louisiana has fallen behind, ranking 46<sup>th</sup> overall in a 2002 broad-based nationwide review by the Better Government Association (BGA). Louisiana’s Code of Ethics is one of the oldest in the country, but our state has not been on the forefront of governmental ethics laws and enforcement for a long time.

### The present state of governmental ethics laws in Louisiana

Relative to other states, the current profile of Louisiana’s governmental ethics laws is mixed, with strong laws in areas such as freedom of information and whistleblower protection but relatively weak laws governing lobbyist regulation and financial disclosure. In addition, the ethics administration in Louisiana is governed by a strong basic framework, but nevertheless has room for substantial improvement. Following is an **LA Ethics 1** comparison of Louisiana to other states, including “national” grades for ethics laws and administration.

#### Assessment of Current Ethics Laws in Louisiana

Ethics Law Category	National Grade	Comment
Freedom of Information (FOI)	B	Current law is arguably best in the South
Whistleblower Protection	B	Strong basic framework with key limitations
Gifts, Trips, and Honoraria	C	Total ban on honoraria; otherwise average
Lobbyist Regulation	D	Reporting standards are relatively weak
Financial Disclosure	F	Most elected officials disclose little or nothing
Ethics Administration	C	Strong framework but requires key reforms

*Freedom of Information (FOI) laws**Current grade: B*

FOI laws promote government transparency and accountability by allowing public access to most government records. Louisiana has some of the strongest FOI laws in the nation due to a mandatory response time for information requests, criminal and/or civil sanctions for failure or delays in providing information, and a relatively high level of redress for those with successful appeals. However, those denied a request currently do not have access to a clear administrative appeals process and must appeal directly to the courts, presenting a significant barrier that discourages many from pursuing appeals.

*Whistleblower protection laws**Current grade: B*

Whistleblower protection laws are designed to shield public employees who expose “improper acts” in government operations from subsequent reprisals. Louisiana currently has a relatively strong whistleblower law that not only protects public servants, but also covers all employees in private entities. However, the current statute does not specifically protect against threats and should emphasize the full range of penalties for those who violate such protections. Additionally, the effectiveness of our whistleblower protection laws could be significantly improved by building greater awareness among public employees, as there are currently few efforts to educate the people who these laws are intended to protect.

*Gifts, trips, and honoraria laws**Current grade: C*

Gifts, trips, and honoraria laws set limits and/or bans on the “things of economic value” that public servants are allowed to accept. Louisiana currently has a total ban on the receipt of honoraria, some limits and disclosure requirements for trips, and some limitations on other gifts. However, various exceptions relating to the acceptance of gifts and trips should be addressed by strengthening lobbyist disclosure requirements for permissible gifts and trips.

*Lobbyist regulation laws**Current grade: D*

Lobbyist regulation laws outline the rules for lobbyist registration and spending reports, as well as enforcement mechanisms and public access to related information. Louisiana currently requires annual public registration of legislative and executive branch lobbyists and semi-annual disclosures of expenditures. However, in order to fully inform the public about the influences on their government, additional information should be required on both lobbyist registration forms and expenditure reports, such as compensation type, subject matter lobbied, relevant industry, and spending categories. Furthermore, this information should be submitted in a timelier manner and in a fashion that facilitates greater public access.

*Financial disclosure laws**Current grade: F*

Financial disclosure laws require the reporting of certain personal financial information by public servants in order to highlight potential conflicts of interest.

Louisiana has weak financial disclosure laws in general, mandating annual disclosure for only the governor and the few legislators who have income derived directly from the state, its political subdivisions, or gaming interests. Despite frequent opportunities for conflicts of interest to arise, most legislators and other elected officials currently do not report any information on their personal finances other than confirming that they have filed their federal and state income tax returns for the previous year. Greater financial disclosure for legislators (and legislative candidates) would address this concern by promoting transparency and accountability in government.

#### *Ethics administration*

*Current grade: C*

In addition to the laws themselves, the administration of ethics laws is a critically important element in maintaining integrity and accountability in government. The Ethics Administration Program in Louisiana is responsible for administering the Code of Governmental Ethics, which is applicable to all state and local public employees, elected officials (except judges), and appointed members of boards and commissions. The overall framework of our Ethics Administration is strong, including the process for appointing members to the Ethics Board, but there are nevertheless recurring concerns about perceived subjectivity and vulnerability to influence. In order to partially address such concerns, the state ethics administrator should be subject to the highest standards of independence and transparency. Finally, the Ethics Administration should be given the resources to better manage information and to expand its outreach and education efforts.

#### **Becoming a national model: the year-one (2007) reform package**

In order to transform Louisiana into a national model for governmental ethics, the following reforms should be considered as a year-one (2007) package:

1. **Require financial disclosure by legislators and legislative candidates.** Require annual disclosure of income, assets, and liabilities in broad ranges (e.g., less than \$10,000, \$10,000-24,999, \$25,000+), which will promote accountability by revealing potential conflicts of interest.
2. **Strengthen access to public records.** Provide citizens and journalists denied access to public records with the option of a quick, free administrative appeal as an alternative to the court system, which can be too intimidating and costly for many.
3. **Make governmental ethics training mandatory.** Require training (e.g., via web-based modules) in ethics laws for elected officials, top public-sector employees, and appointees of public boards/commissions, which will dramatically reduce inadvertent violations of the Ethics Code and allow the Ethics Board to focus its attention on significant ethics violations.

4. **Create an independent, full-time ethics administrator.** Require the state ethics administrator to be a full-time position with adequate compensation and no significant outside business activity, which will ensure focused attention on ethics administration and an avoidance of real or perceived conflicts of interest in the enforcement of ethics laws.
5. **Enhance citizen access to ethics reports and filings.** Provide public access to streamlined, web-based, searchable information on lobbyist disclosure, legislative financial disclosure, and other ethics reports, which will greatly improve transparency and accountability in government.
6. **Implement targeted technical improvements to state ethics laws.** Adopt technical improvements to existing ethics laws, which will ensure that Louisiana keeps up with governmental ethics best practices in other states:
  - Enhance whistleblower protection and related outreach efforts
  - Expand lobbyist registration and reporting requirements
  - Form an expert task force to review the 100+ "exceptions" to ethics laws and recommend changes
  - Increase the Ethics Administration annual budget by \$550,000 for IT upgrades, expanded education efforts, and a full-time state ethics administrator

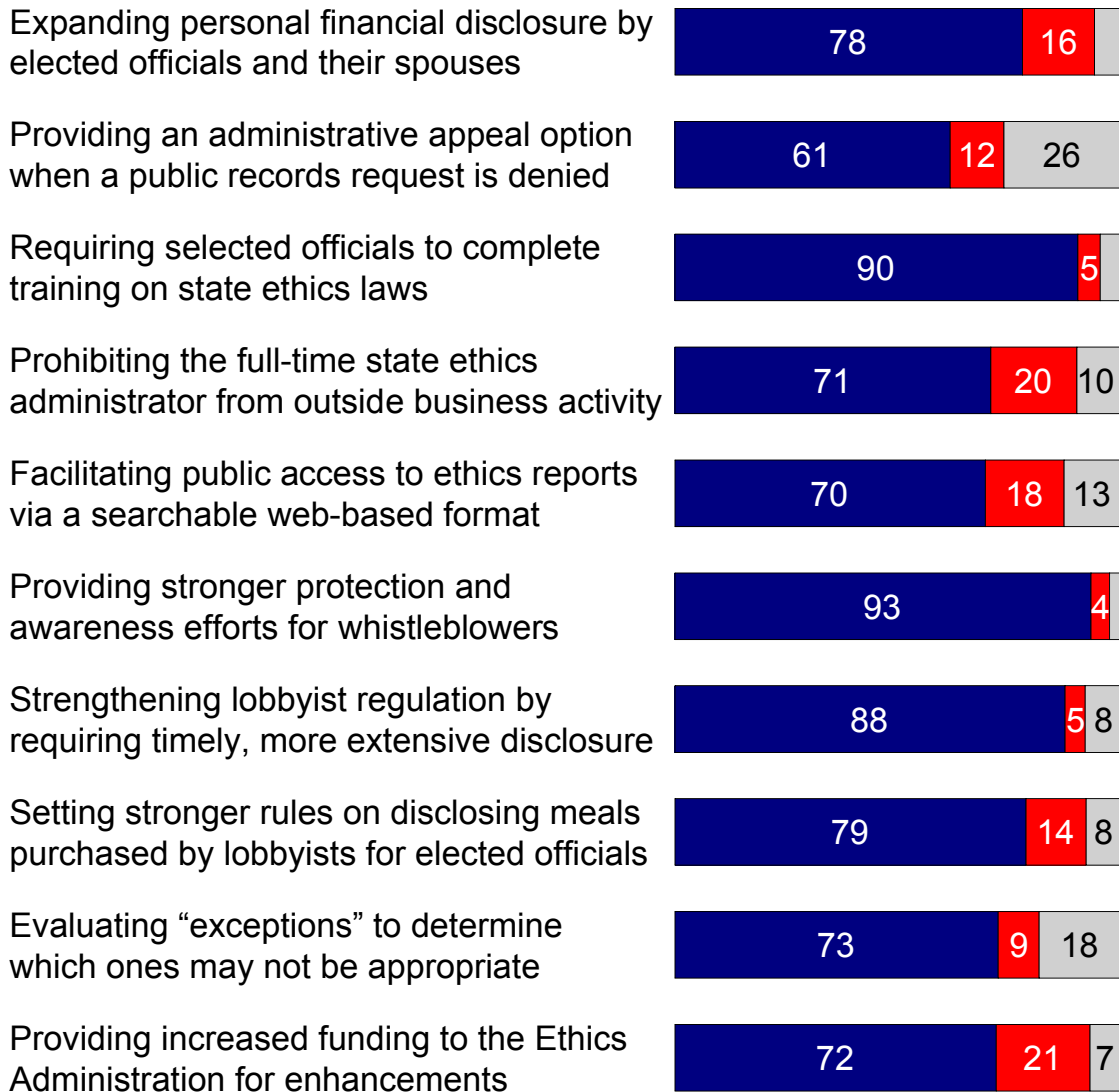
If fully implemented, the 2007 reform package likely would position Louisiana among the top five states in the country in governmental ethics laws and would substantially improve enforcement.

In a recent survey of 600 likely Louisiana voters, an overwhelming majority of respondents wants their legislators to support measures that strengthen ethics laws in these areas, as seen on the following page.

**EACH ETHICS REFORM PROPOSAL IS SUPPORTED BY THE PUBLIC**

Percent responding \*

■ "For" ■ "Against" ■ "Don't know"



\* Survey responses of 600 likely Louisiana voters from March 29 – April 11, 2007 to the following question: "If it could substantially improve Louisiana's national standing on governmental ethics, would you want your legislator to vote for or against..."

Source: Public Opinion Survey by Southern Media & Opinion Research

Following the year-one (2007) package, we anticipate pursuing a second year of reforms (2008), which tentatively includes the following items:

1. Elimination of unjustifiable exceptions to the Ethics Code
2. Additional improvements to the enforcement functions of the Ethics Administration
3. Expansion of financial disclosure requirements to other state elected officials
4. Strengthening of anti-shakedown laws and enforcement
5. Prohibition against legislators changing votes following adjournment
6. Prohibition against negotiated contracts between legislators and government entities
7. Prohibition against legislators engaging in private business relationships with lobbyists
8. Strengthening of civil and criminal penalties for elected officials who deliberately violate campaign finance laws

### **Conclusion**

**LA Ethics 1** has articulated a multi-year reform package that would dramatically improve Louisiana's governmental ethics laws and enforcement, positioning our state among the very best in America on this important factor in economic development. However, even if the present effort is fully successful, Louisiana must be vigilant in maintaining its position as a national model as other states will continue to implement new measures to improve ethics laws and/or enforcement. In addition, even the best ethics laws cannot replace the need to elect unquestionably honest, ethical public officials to lead state and local government. Although most of our state and local leaders work hard every day to do the right thing for Louisiana, a few unfortunate episodes can damage our state's reputation and economic development efforts for years.

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**LA Ethics 1** is a coalition of prominent Louisiana business and civic organizations that is pursuing a comprehensive, 2-3 year reform agenda designed to position our state as a national model for governmental ethics laws and enforcement. For additional information on this effort and the latest listing of organizations that comprise **LA Ethics 1**, please visit [www.LAethics1.com](http://www.LAethics1.com).