

Ethics Matters' Finances

Anonymous bloggers and Candidate Cassell have questioned Ethics Matters, Inc.'s finances based on its Form 990 filed with the IRS and Maryland. The form discloses \$108,585. in income for its first year of operations and expenses of \$77,923. The bloggers and Mr. Cassell question how Ethics Matters spends its money.

The 990 lists all our organization's expenditures: payment for legal services, supplies, web site design, and bank fees. We have spent no money for "grants and allocations" and no money on fund-raising.

Around \$500. was spent for supplies, the website, etc. As our 990 shows, our legal expenses have mostly been for "program services," the legal assistance necessary to establish and carry out our program which has, as its center, ethics laws.

Ethics laws are complex, and we volunteer citizens who make up the Board of Ethics Matters, Inc. have been blessed with a distinguished, knowledgeable, and effective legal team. They have enabled us to pursue our goal of promoting public understanding of ethical governance and of what would constitute a lawful, enforceable ethics code for Queen Anne's County.

Our attorneys have:

- researched and compared the QAC Ethics Code (in force from 1984 until 12/30/05) with other MD counties' codes, finding the QAC code to be the weakest in the State;
- examined and advised us on the State's requirements for County ethics codes;
- analyzed the new QAC Ethics Code (effective 12/30/05), advising us that it did not meet minimum State requirements;
- mapped out litigation strategies in case the County Commissioners do not provide the citizens with a lawful and enforceable ethics code;
- advised us on amendments necessary to make the new Queen Anne's Ethics Code meet state requirements;
- intervened successfully with the County Attorney to have the invalid, inadequate financial disclosure form that was distributed to County officials and employees replaced by the financial disclosure form that is required by law;

- advised us regarding the County’s proposed change to the Human Resources Code improperly allowing the “appointing authority” to determine an employee’s conflict of interest;
- assisted us when the new Ethics Code, as incorporated into the County Code, did not match the Ethics Code as it was passed.

The remaining payments for legal services were for what the 990 refers to as “management and general” – in our case, for handling the complexities of establishing a tax-deductible, non-profit, educational corporation with the ability to lobby and litigate to promote understanding of what is lawful, ethical governance in Queen Anne’s County.

Who supports Ethics Matters? Ethics Matters has received financial support to date in contributions from \$25 to \$5,000 and more. The greatest part of our initial funding was provided by a family foundation with an interest in open, accountable government mandated by strong ethics laws. Upon learning that Queen Anne’s County was struggling, mostly unsuccessfully, to meet these goals, the foundation came forward, unsolicited, with a very generous founding grant. Since that founding grant, Ethics Matters has received another unsolicited gift from a charitable trust concerned about ethical governance at the local level.

Ethics Matters has reported to the IRS the names of donors who have contributed \$5,000 or more, as required by law. To protect the privacy of contributors and save them from unwanted solicitations, the IRS does not disclose the names of those who give their money to non-profit organizations. Similarly, Ethics Matters, as a non-profit organization, does not disclose information that would enable others to identify and solicit its contributors.

As board members of Ethics Matters, we are grateful for the support we have received. As individuals, we are encouraged that persons who have enjoyed success, large or small, in our system of democratic capitalism so often give back to improve human welfare. The spirit of stewardship, exemplified in recent days by Bill and Melinda Gates and Warren Buffet, is strong in our nation. Ethics Matters is proud to have earned the confidence of similarly motivated persons.

Mary Campbell, President, for the Board of Ethics Matters