

# STATE OF DELAWARE



## EXECUTIVE DEPARTMENT DOVER

EXECUTIVE ORDER  
NUMBER ONE

TO: HEADS OF ALL STATE DEPARTMENTS AND AGENCIES  
RE: REQUIREMENT OF FINANCIAL DISCLOSURE FOR  
CERTAIN STATE OFFICIALS

WHEREAS, those in government hold positions of public trust which require adherence to the highest standard of honesty, integrity and impartiality; and

WHEREAS, the Delaware Code of Ethics prohibits a state officer or employee from having any interest or engaging in any activity which is in substantial conflict with the performance of his duties in the public interest; and

WHEREAS, the Delaware Code of Ethics prohibits a state employee from acting in his official capacity in any manner wherein he has a direct or indirect personal financial interest that might reasonably be expected to impair his objectivity or independence of judgment; and

WHEREAS, it is the duty of government officials to earn the trust and confidence of the people by avoiding even the appearance of impropriety; and

WHEREAS, a disclosure of personal interests of public officials will serve to restore the public's faith and confidence in its government representatives and will guard against conduct violative of the public trust.

NOW, THEREFORE, I, PIERRE S. du PONT, IV, by the authority vested in me as Governor of the State of Delaware, do hereby declare and order as follows:

1. Every public officer as defined in paragraph 6 hereof shall file a report disclosing certain directly and constructively controlled financial interests as hereinafter provided. Each report shall include the following information:

- (a) The name and position of the public officer;
- (b) The name, instrument and nature of ownership, and any position of management held in any business entity in which legal or equitable ownership is in excess of \$1,000 fair market value or from which income of \$1,000 or more was either derived during the preceding calendar year; or might reasonably be expected to be derived during the current calendar year. Time or demand deposits in a financial institution, or any debt instrument having a fixed yield does not have to be listed unless it is convertible to an equity instrument;
- (c) The name, address and type of practice of any professional organization in which the person reporting or his spouse is an officer, director or partner, or serves in any advisory capacity, from which income of \$1,000 or more was either derived during the preceding calendar year or might reasonably



be expected to be derived during the current calendar year;

(d) The source of each of the following items received during the preceding calendar year, or reasonably expected to be received during the current calendar year;

(i) Any income for services rendered, (other than from the State of Delaware) exceeding \$1,000;

(ii) Any capital gain from a single source exceeding \$1,000, other than from the sale of a residence occupied by the person reporting;

(iii) Reimbursement for expenditures (other than from the State of Delaware) exceeding \$1,000 in each instance;

(iv) Honorariums from a single source aggregating \$300 or more.

(e) (e) Each creditor to whom the person reporting was indebted for a period of ninety consecutive days or more during the preceding calendar year in an aggregate amount in excess of \$5,000.

2. Each report shall contain a certification by the public officer that he has read the report, and that to the best of his knowledge and belief it is true, correct and complete and that he has not and will not transfer any assets,

- interests or property for purpose of concealing it from disclosure while retaining an equitable interest therein.
3. On or before April 30 of each year for which this Order shall be effective, each public officer shall file the signed and notarized report required herein with the Secretary of State.
  4. The Secretary of State shall keep the reports on file for so long as the person submitting such report is a public officer of this State as defined in paragraph 6 of this Order, and for at least five years thereafter.
  5. The report filed pursuant to this Order shall be maintained by the Secretary of State and made available at reasonable hours for (responsible) public inspection.
  6. For the purpose of this Order:
    - (a) "Public officer" shall mean any person holding any of the following offices in the Executive Branch of the State Government, together with any offices added to such list by subsequent gubernatorial executive order:
      - (i) A All executive staff members of the governor, other than secretarial and clerical staff;
      - (ii) Department heads, whether sworn or acting as such;
      - (iii) Division heads;
      - (iv) Any individual employed in the Executive Branch of the State whose annual compensation



from all sources exceeds \$20,000;

(v) Any other managerial, supervisory, quasi-judicial or fiduciary personnel as designated by the various Department Heads.

(b) "Constructively controlled" means an interest which may be deemed to be controlled by the person filing by virtue of any relationship to another party. Financial interests in the name of another should be regarded as controlled by the person reporting if enhancement of those interests would substantially benefit the person reporting. In determining the applicability of the \$1,000 minimum with respect to any single source as referred to in paragraph 1 hereof, each public officer shall aggregate his or her interests with that of the individual whole interest is constructively controlled. Absent satisfactory documentary evidence to the contrary, the existence of which shall be noted on the reporting form and made available to the Governor or his designee upon request, any jointly held and/or any interest of a spouse or minor child shall be deemed to be constructively controlled.

(c) "Instrument of ownership" means, without limiting the generality of the foregoing, common or preferred stock, rights, warrants, articles of partnership, proprietary interests, deeds; debt instruments such as notes, bonds, etc. if convertible to equity instruments.

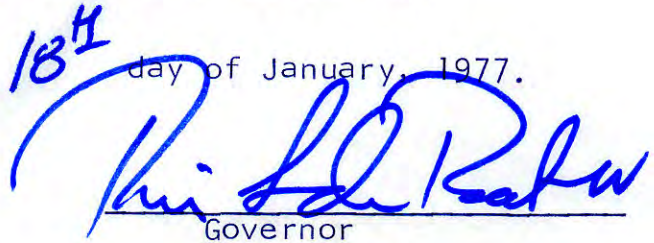
- (d) "Position of management" means officer, director, partner, proprietor, etc.
- (e) "Fair market value (in excess of \$1,000)" means if a marketed security, the quoted price as of December 31 with respect to the preceding calendar year, or, the date of filing the declaration, if not a marketed security, the price at which the owner would have sold as of that date. With respect to the current calendar year, valuation shall be determined as of April 15.
- (f) "Income in the manner aforesaid" means income received from a single source in dividends, retainer, salary, consulting fees or other.
- (g) "Time or demand deposit" means checking and savings accounts in banks; deposits (or so-called "shares") in savings and loan institutions, or credit unions, etc.
- (h) "Debt instrument" means bonds, notes, debentures, mortgages, or any other securities, having a fixed yield if not convertible to equity instruments.
- (i) "Professional organization" means medicine, law, accounting, engineering, etc. (any such organization construed as a business entity and reported under 1-(c) need not be reported again under 1-(d).)
- (j) "Income for services rendered" means income from a single source exceeding \$1,000, such as consulting fees, or professional services not reported in 1-(c).



- (k) "Capital gains" means as reportable to the Internal Revenue Service.
- (l) "Reimbursement for expenditures" means any item exceeding \$1,000, paid by a non-State source on behalf of the person filing.
- (m) "Honoraria" means fees received for speeches, written articles, participation in discussion groups and similar activities. (Reimbursed expenses need not be reported.)
- (n) "Pledge of Assets" means the legal commitment of any specific and bona fide collateral under constructive control of the debtor.

- 7. The failure of any public official as hereinbefore defined to timely file a report of financial disclosure, or to accurately and fully report all financial interests pursuant to this Order, shall constitute good and sufficient cause for the dismissal of said official.
- 8. Nothing herein shall be construed as requiring the disclosure of any fact the confidentiality of which is protected by applicable Federal or State law.

APPROVED this 18<sup>th</sup> day of January, 1977.

  
Governor

  
Secretary of State

