

VILLAGE OF FRIENDSHIP HEIGHTS

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VILLAGE COUNCIL

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VILLAGE OF FRIENDSHIP HEIGHTS

PUBLIC ETHICS POLICY

I. OVERVIEW

The Village of Friendship Heights, recognizing that our system of representative government is dependent in part upon the people maintaining the highest trust in their public officials and employees, finds and declares that the people have a right to be assured that the impartiality and independent judgment of Council Members, other Village Officials, and employees will be maintained.

It is evident that this confidence and trust would be eroded if the conduct of the Village's business were to be subject to improper influence. For the purpose of guarding against improper influence, the Village of Friendship Heights adopts this Public Ethics Policy to require Council Members, other Village Officials and employees to follow ethics standards for the conduct of local government business; and when specifically required, to certify to their adherence to those standards and/or submit various financial disclosure forms to be adopted by the Village from time to time.

It is the intention of the Village that this policy be liberally construed to accomplish this purpose.

II. ADHERENCE TO ETHICS REQUIREMENTS

The ethics principles set forth in this Public Ethics Policy apply to Council Members, other Village Officials, and employees of the Village, and as

specified, must be adhered to by every Council Member, any other Village Official, and employee in performing their duties for the Village.

III. GENERAL PRINCIPLES

1. Public service is a public trust, requiring Council Members, other Village Officials, and employees to place loyalty to the Federal and State Constitutions, applicable laws, and ethical principles above private gain.
2. Council Members, other Village Officials, and employees shall not hold financial interests that conflict with the conscientious performance of duty.
3. Council Members, other Village Officials, and employees shall not engage in financial transactions using nonpublic Government information or allow the improper use of such information to further any private interest.
4. Council Members, other Village Officials or employees shall not, except as permitted below, solicit or accept any gift or other item of monetary value from any person or entity seeking official action from, doing business with, or conducting activities regulated by the Village, or whose interests may be substantially affected by the performance or nonperformance of duties and responsibilities of the Council Member, Village Official or employee.
5. Those Village Officials and employees paid by the Village shall put forth honest effort in the performance of their duties.
6. Those Village Officials and employees paid by the Village shall not knowingly make unauthorized commitments or promises of any kind purporting to bind the Village.
7. Council Members, other Village Officials, and employees shall not use public office for private gain.
8. Those Village Officials and employees paid by the Village shall act impartially and not give preferential treatment to any private organization or individual.

9. Council Members, other Village Officials and employees shall protect and conserve Village property and shall not use it for other than authorized activities.
10. Employees shall not engage in outside employment or activities, including seeking or negotiating for employment, that conflict with official Government duties and responsibilities.
11. Employees shall disclose waste, fraud, abuse, and corruption to the Mayor or Village Council.
12. Council Members, other Village Officials, and employees shall satisfy in good faith their obligations as citizens, including all just financial obligations, especially those—such as Federal, State, or local taxes—that are imposed by law.
13. Council Members, other Village Official,s and employees shall adhere to all laws and regulations that provide equal opportunity for all Americans regardless of race, color, religion, sex (including pregnancy, gender identity, and sexual orientation), national origin, age, genetic information, or disability.
14. Council Members, other Village Officials and employees shall endeavor to avoid any actions creating the appearance that they are violating the law or the ethical standards set forth in this part. Whether circumstances create an appearance that the law or these standards have been violated shall be determined from the perspective of a reasonable person with knowledge of the relevant facts.

IV. DEFINITIONS

In this policy, the following terms have the meanings indicated.

1. "Business entity" means a corporation, general or limited partnership, sole proprietorship, joint venture, unincorporated association or firm, institution, trust, foundation, or other organization, whether or not operated for profit.
2. Business entity does not include a governmental entity.

3. "Compensation" means any money or thing of value, regardless of form, received or to be received by any individual covered by this policy from an employer for service rendered.
4. "Doing business with" means:
 - (a) Having or negotiating a contract that involves the commitment, either in a single or combination of transactions, of \$1,000 or more of Village controlled funds; or
 - (b) Being regulated by or otherwise subject to the authority of the Village.
5. "Elected official" means any individual who holds a position as Council Member.
6. "Employee" means an individual who is employed by the Village.
7. "Financial interest" means:
 - (a) Ownership of any interest as the result of which the owner has received, within the past 3 years, or is presently receiving, or in the future is entitled to receive, more than \$1,000 per year; or
 - (b) Ownership, or the ownership of securities of any kind representing or convertible into ownership, of more than 3 percent of a business entity by a Village Official or employee, or the spouse of an official or employee
8. "Gift" means the transfer of anything of economic value, regardless of the form, without adequate and lawful consideration but does not include a contribution as defined in Election Law Article, Annotated Code of Maryland.
9. "Interest" means a legal or equitable economic interest, whether or not subject to an encumbrance or a condition, that is owned or held, in whole or in part, jointly or severally, directly or indirectly
10. "Interest" includes any interest held at any time during the reporting period.
11. "Interest" does not include:
 - (a) An interest held in the capacity of a personal agent, custodian, fiduciary, personal representative, or trustee, unless the holder has an equitable interest in the subject matter;

- (b) An interest in a time or demand deposit in a financial institution;
 - (c) An interest in an insurance policy, endowment policy, or annuity contract under which an insurer promises to pay a fixed amount of money either in a lump sum or periodically for life or a specified period;
 - (d) A common trust fund or a trust which forms part of a pension or profit-sharing plan which has more than 25 participants and which has been determined by the Internal Revenue Service to be a qualified trust under the Internal Revenue Code;
 - (e) A college savings plan under the Internal Revenue Code; or
 - (f) A mutual fund or exchange-traded fund that is publicly traded on a national scale unless the mutual fund or exchange-traded fund is composed primarily of holdings of stocks and interests in a specific sector or area that is regulated by the individual's governmental unit.
12. "Official" means a Council Member, the Village Manager, and the Assistant Village Manager,
- (a) Whether or not paid in whole or in part with County, City, or Village funds; and
 - (b) Whether or not compensated (unless otherwise specified).
13. "Qualified relative" means a spouse, parent, child, brother, or sister.

V. CONFLICTS OF INTEREST PROHIBITED

1. All Council Members, other Village Officials and employees are subject to this section.
2. Participation prohibitions.
 - (a) Absent the exceptions noted below in subsections 2. (b) and 2. (c) below, an Official or employee may not participate in
 - (i) any matter in which, to the knowledge of the Official or employee, the Official or employee, or a qualified relative of the Official or employee has a financial interest;
 - (ii) any matter in which any of the following is a party:

- a. A business entity in which the Official or employee has a direct financial interest, of which the Official or employee may reasonably be expected to know;
 - b. A business entity for which the Official, employee, or a qualified relative of the Official or employee is an officer, director, trustee, partner, or employee;
 - c. A business entity with which the Official or employee or, to the knowledge of the Official or employee, a qualified relative is negotiating employment or has any arrangement concerning prospective employment;
 - d. A business entity that is a party to an existing contract with the Official or employee, or which, to the knowledge of the official or employee, is a party to a contract with a qualified relative where the contract reasonably could be expected to result in a conflict between the private interests of the official or employee and the official duties of the official or employee;
 - e. An entity, doing business with the Village, in which a direct financial interest is owned by another entity in which the Official or employee has a direct financial interest, if the Official or employee may be reasonably expected to know of both direct financial interests; or
 - f. A business entity that:
 - i. The Official or employee knows is a creditor or obligee of the official or employee or a qualified relative of the official or employee with respect to a thing of economic value; and
 - ii. As a creditor or obligee, is in a position to directly and substantially affect the interest of the Official or employee or a qualified relative of the Official or employee.
- (b) A person who is disqualified from participating under paragraphs (a)(i) or (ii) of this subsection shall disclose the nature and circumstances of the conflict and may participate or act if:
- (i) The disqualification leaves a body with less than a quorum capable of acting;

- (ii) The disqualified Official or employee is required by law to act; or
- (iii) The disqualified Official or employee is the only person authorized to act.

- (c) The prohibitions of paragraph (a)(i) or (ii) of this subsection do not apply either when the Official or employee is only exercising an administrative or ministerial duty that does not affect the disposition or decision with respect to the matter or when participation is allowed by the Village Council or regulation.

VI. EMPLOYMENT AND FINANCIAL INTEREST RESTRICTIONS

1. Absent the exceptions noted in subsection 2. below, an Official or employee may not:
 - (a) Be employed by or have a financial interest in any entity:
 - (i) Subject to the authority of the Village, the Official or the employee; or
 - (ii) That is negotiating or has entered a contract with the Village;
 - (b) Hold any other employment relationship that would impair the impartiality or independence of judgment of the Official or employee.
2. The prohibitions in subsection 1. (a) and (b) do not apply to:
 - (a) An Official or employee who is appointed to a regulatory or licensing authority pursuant to a statutory requirement that persons subject to the jurisdiction of the authority be represented in appointments to the authority;
 - (b) A Montgomery County Police Officer working for the Village off-duty, who shall follow MCPD ethics standards;

- (c) An Official or employee whose duties are ministerial, if the private employment or financial interest does not create a conflict of interest or the appearance of a conflict of interest;
- (d) An Official or employee permitted by the Village Council or by regulation to hold other employment when the interest is disclosed and does not create a conflict of interest or appearance of conflict.

VII. POST-EMPLOYMENT LIMITATIONS AND RESTRICTIONS

1. A former official or employee may not assist or represent any party other than the Village for compensation in a case, contract, or other specific matter involving the Village if that matter is one in which the former official or employee significantly participated as an official or employee.
2. A former Council Member may not assist or represent another party for compensation in a matter that is the subject of legislative action for one calendar year after the Council Member leaves office.

VIII. CONTINGENT COMPENSATION

Except in a judicial or quasi-judicial proceeding, an official or employee may not assist or represent a party for contingent compensation in any matter before or involving the Village.

IX. USE OF PRESTIGE OF OFFICE

1. An Official or employee may not intentionally use the prestige of office or public position:
 - (a) For the private gain of that Official or employee or the private gain of another; or
 - (b) To influence, except as part of the official duties of the official or employee or as a usual and customary constituent service

without additional compensation, the award of a state or local contract to a specific person.

2. A Council Member may not use public resources to solicit a contribution as that term is defined in the Election Law Article.

X. SOLICITATION AND ACCEPTANCE OF GIFTS

1. An Official or employee may not knowingly solicit or accept a personal gift, directly or indirectly, for himself or a qualified relative from a person that the official or employee knows or has reason to know:
 - (a) Is doing business with or seeking to do business with the Village;
 - (b) Has financial interests that may be substantially and materially affected, in a manner distinguishable from the public generally, by the performance or nonperformance of the official duties of the Official or employee;
 - (c) Is engaged in an activity regulated or controlled by the Official or the Village; or
 - (d) Is an association, or any entity acting on behalf of an association that is engaged only in representing counties or municipal corporations.
2. Paragraph (3) of this subsection does not apply to a gift:
 - (a) That would tend to impair the impartiality and the independence of judgment of the Official or employee receiving the gift;
 - (b) Of significant value that would give the appearance of impairing the impartiality and independence of judgment of the official or employee; or
 - (c) Of significant value that the recipient official or employee believes or has reason to believe is designed to impair the impartiality and independence of judgment of the official or employee.

3. Notwithstanding paragraph (1) of this subsection, an official or employee may accept the following:
 - (a) Meals and beverages consumed in the presence of the donor or sponsoring entity;
 - (b) Ceremonial gifts or awards that have insignificant monetary value;
 - (c) Unsolicited gifts of nominal value that do not exceed \$20 in cost or trivial items of informational value;
 - (d) Reasonable expenses for food, travel, lodging, and scheduled entertainment of the official or the employee at a meeting which is given in return for the participation of the official or employee in a panel or speaking engagement at the meeting, with the permission of the Mayor (or Council);
 - (e) Gifts of tickets or free admission extended to an elected local official to attend a charitable, cultural, or political event, if the purpose of this gift or admission is a courtesy or ceremony extended to the elected official's office;
 - (f) Gifts which would not be detrimental to the impartial conduct of the business of the Village and are purely personal and private in nature;
 - (g) Gifts from a person related to the official or employee by blood or marriage, or any other individual who is a member of the household of the official or employee; or
 - (h) Honoraria for speaking to or participating in a meeting, provided that the offering of the honorarium is not related in any way to the official's or employee's official position.

XI. DISCLOSURE OF CONFIDENTIAL INFORMATION

Other than in the discharge of official duties, an official or employee, or former official or employee, may not disclose or use confidential information that the official or employee acquired by reason of the individual's public

position or former public position and that is not available to the public, for the economic benefit of the official or employee or that of another person.

XII. ANTI-RETALIATION REQUIREMENTS

An official or employee may not retaliate against an individual for reporting or participating in an investigation of a potential violations of this Public Ethics Policy.

XIII. ANNUAL CERTIFICATE OF COMPLIANCE WITH THE PUBLIC ETHICS POLICY

1. Council Members, other Village Officials, and select employees as determined by the Village Council from time-to-time shall file an annual certification on a form provided by the Village attesting to their compliance with the provisions of the Public Ethics Policy and/or identifying provisions which they were not compliant.
2. Deadlines for filing certifications
 - (a) Filers shall submit their certifications to the Village Manager annually no later than April 30 of each year for the preceding calendar year. Certifications may be reviewed by the Mayor or the Chair as warranted to ensure that forms have been submitted properly.
 - (b) An individual who is appointed to fill a vacancy in an office for which a certification is required and who has not already filed such certification shall file a certification for the preceding calendar year within 30 days after appointment.
 - (c) An individual who, other than by reason of death, leaves an office for which a statement is required shall file a statement within 60 days after leaving the office.
3. Statements shall cover the following periods.

- (a) The calendar year immediately preceding the year in which the individual left office, unless a statement covering that year has already been filed by the individual; and
- (b) The portion of the current calendar year during which the individual held the office.

Approved by the Village Council on January 12, 2026.