



## STATE ETHICS COMMISSION

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ROBERT L. FARMER  
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February 5, 2013

The Honorable Patrick L. McCrory  
Governor of North Carolina  
20301 Mail Service Center  
Raleigh, NC 27699-0301

*Via email*

**Re: Evaluation of Statement of Economic Interest filed by The Honorable Lyons Gray  
Secretary – Department of Revenue**

Dear Governor McCrory:

Our office is in receipt of **former Representative Lyons Gray's** 2013 Statement of Economic Interest as an employee of the **North Carolina Department of Revenue ("the Department")**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act.

**We did not find an actual conflict of interest or the potential for a conflict of interest.**

The State Government Ethics Act establishes ethical standards for certain public servants, including conflict of interest standards. N.C.G.S. §138A-31 prohibits public servants from using their positions for their financial benefit or for the benefit of a member of their extended family or a business with which they are associated. N.C.G.S. §138A-36(a) prohibits public servants from participating in certain official actions from which the public servant, his or her client(s), a member of the public servant's extended family, or a business or non-profit with which the public servant or a member of the public servant's immediate family is associated may receive a reasonably foreseeable financial benefit.

Former Representative Gray will fill the role of Secretary of the Department.

In addition to the conflicts standards noted above, N.C.G.S. §138A-32 prohibits public servants from accepting gifts, directly or indirectly (1) from anyone in return for being influenced in the discharge of their official responsibilities, (2) from a lobbyist or lobbyist principal, or (3) from a person or entity which is doing or seeking to do business with the public servant's agency, is regulated or controlled by the public servant's agency, or has particular financial interests that may be affected by the public servant's official actions. Exceptions to the gifts restrictions are set out in N.C.G.S. §138A-32(e).

Finally, the State Government Ethics Act mandates that all public servants attend an ethics and lobbying education presentation. Please review the attached document for additional information concerning this requirement.

The Honorable Patrick L. McCrory  
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Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the State Government Ethics Act.

Sincerely,

A handwritten signature in cursive script that reads "Teresa H. Pell". The signature is written in black ink and is positioned below the word "Sincerely,".

Teresa H. Pell  
SEI Attorney

cc: The Honorable Lyons Gray

Attachment: Ethics Education Flyer