



STATE ETHICS COMMISSION

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GEORGE L. WAINWRIGHT, JR.
CHAIRMAN

PERRY Y. NEWSON
EXECUTIVE DIRECTOR

November 3, 2015

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 Mr. Lee H. Roberts
State Budget Director**

Dear Governor McCrory:

Our office is in receipt of **Mr. Lee H. Roberts'** 2015 Statement of Economic Interest as an employee of the **Office of State Budget and Management**. 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, but found the potential for a conflict of interest. The potential conflict identified does not prohibit Director Roberts' service in his current position.

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.

Mr. Roberts fills the role of State Budget Director. Director Roberts has a threshold amount of stock options in Yadkin Financial and a threshold interest in a non-public company, MS KEPER Fund. He also is a trustee for the private school Ravenscroft School. Director Roberts should exercise appropriate caution in the performance of his public duties should entities in which he has a financial interest come before him for official action or otherwise seek to conduct business with the State.

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).

The Honorable Patrick L. McCrory
November 3, 2015
Page 2 of 2

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.

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 blue ink that reads "Isaac T. Avery, III". The signature is written in a cursive style with a large, stylized initial "I".

Isaac T. Avery, III
SEI Unit

cc: Mr. Lee H. Roberts
Ms. Lindsey Wakely, Ethics Liaison
Ms. Debra Young, Ethics Liaison

Attachment: Ethics Education Flyer