



STATE ETHICS COMMISSION

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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 for Mr. Kieran J. Shanahan
Secretary – Department of Public Safety**

Dear Governor McCrory:

Our office is in receipt of **Mr. Kieran J. Shanahan's** 2013 Statement of Economic Interest as an employee of the **Department of Public Safety ("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, but found the potential for a conflict of interest. The potential conflict identified does not prohibit service in this 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. Shanahan will fill the role of Secretary of the Department. He is the Manager of Shanahan Law Group, PLLC. He and his spouse own threshold amounts of interest in numerous companies which could market their products or services to the Department. Also, Mr. Shanahan is a board member of The Two Hundred Club of Wake County which provides financial assistance for families of slain law enforcement officers, sheriff deputies, firemen, EMS squad members and N.C. State Highway Patrol serving in Wake County. He is the Past Chairman of Prevent Child Abuse NC, Inc. which receives grant funds from the Governor's Crime Commission. As such, Mr. Shanahan has the potential for a conflict of interest and should exercise appropriate caution in the performance of his public duties should any of these entities, including his law firm and any of his clients, come before him for official action. This would include recusing himself to the extent that his interests would influence or could reasonably appear to influence his actions.

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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.

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 black ink that reads "Teresa H. Pell". The signature is written in a cursive style with a horizontal line above the first name.

Teresa H. Pell
Attorney, SEI Unit

cc: Mr. Kieran J. Shanahan

Attachment: Ethics Education Flyer