

**INSTRUCTIONS FOR DISCLOSURE BY SPECIAL STATE EMPLOYEE
UNDER G. L. c. 268A, § 7(e)**

FINANCIAL INTEREST IN A STATE CONTRACT

SUMMARY

You are a special state employee, as described below. You wish to have a financial interest, directly or indirectly, in a contract made by a state agency. You participate in or have official responsibility for the activities of the state agency that made the contract. To be eligible for an exemption under § 7(e) of the conflict of interest law, you must fill out a § 7(e) disclosure, and the Governor must approve the exemption. The approved disclosure must be filed with the State Ethics Commission.

WHO CAN USE A § 7(e) DISCLOSURE FORM

You are an elected or non-elected special state employee as defined by G.L. c. 268A, § 1(o), because:

- You serve in a state position for which no compensation is provided.
- You are not an elected official, and you receive compensation for fewer than 800 hours in the preceding 365-day period; OR
- You are not an elected official, and by classification by your state agency or by the terms of a contract or the conditions of your employment, you are permitted to have personal or private employment during normal working hours, and disclosure of such classification or permission has been filed with the State Ethics Commission.

You also are a special state employee if:

- A state agency has made a contract with the company or organization where you work, and
 - o You are a “key employee” because the contract names you or makes it clear the state has contracted for your services in particular; AND
 - o The contract states that you are a special state employee or indicates that you meet one of the requirements above.

If you need advice about whether you are a special state employee, please contact the State Ethics Commission

WHEN TO USE THE § 7(e) DISCLOSURE FORM

Section 7 of the conflict of interest law prohibits you from having a **financial interest, directly or indirectly, in a contract made by a state agency**. This financial interest may be:

- A **non-elected, compensated state position**, or
- A direct financial interest in a **contract between a state agency and you**; or
- An indirect financial interest in a state contract – in other words, you have a **financial stake in a contract or transaction between a state agency and someone else**, such as a company or organization.

You may be able to use a § 7(e) exemption, however, to keep or add such a financial interest in a state contract.

You must use a § 7(e) exemption if the contract is with the **same state agency** which you already serve.

You also must use a § 7(e) exemption if, in your position as a special state employee, **you participate in or have official responsibility for the activities of the state agency that made the contract in which you have a financial interest**.

You must file a **§ 7(e) disclosure**, and **you will need approval from the Governor**.

FINANCIAL INTEREST IN A STATE CONTRACT

A financial interest may be **direct or indirect, large or small, positive or negative** – a gain or a loss, a benefit or an obligation. Section 7 does not prohibit you from having a financial interest in a state contract by owning less than 1% of the stock of a corporation.

Examples of financial interests in a state contract are:

- You have a **non-elected, compensated state employee position** -- this is a **personal services contract** if you work directly for a state agency.
- **A state agency has a contract with you.**
- **You have a financial stake in a contract or transaction between a state agency and another person or an entity**, such as a company or organization.
- You work for a company or organization that has a contract with a state agency other than the one you serve as a state employee, and the contract identifies you by name or otherwise makes it clear that the state has contracted for your services in particular – you are a **“key employee.”**

KEEPING OR ADDING A FINANCIAL INTEREST IN A STATE CONTRACT

Depending on the circumstances, you may use a **§ 7(e) disclosure** to report the following facts:

- You **ALREADY HAD** a financial interest in a state contract **BEFORE** you became a state employee, and you will continue to **KEEP** it, **OR**
- You already are a state employee, and you will **ADD** a **NEW** financial interest in a state contract.

The disclosure form indicates when **ELECTED** and **NON-ELECTED** state employees can use a **§ 7(e) exemption** to **KEEP** or **ADD** a financial interest in a state contract of the types listed above.

WHO SHOULD NOT USE A § 7(e) DISCLOSURE

If you are **ADDING** an **elected or appointed uncompensated special state employee position**, use an **exemption under 930 CMR 6.02** instead of § 7(e).

EXEMPTION FOR SPECIAL STATE EMPLOYEES WHO PROVIDE PROFESSIONAL OR LEGAL SERVICES

If you are a **special state employee** because **you provide contracted professional or legal services for a state agency**, you may be able to have a financial interest in a contract made by **the same state agency that made the contract with your company or organization**. You must satisfy the requirements of an **exemption under 930 CMR 6.13**, including filing a disclosure. **You do not need approval from the Governor for such an exemption.**

FILING A § 7(e) DISCLOSURE

In the disclosure, enter information about your special state employee position at the top of the form.

Enter information about the financial interest in a state contract in the next parts of the form.

- Answer questions in **Box # 1** if you are an **ELECTED special state employee**.
- Answer questions in **Box # 2** if you are a **NON-ELECTED special state employee**.

Complete and sign the § 7(e) disclosure form. **Submit the completed disclosure to the Governor for approval.** Once the Governor approves the exemption, the disclosure must be **filed with the State Ethics Commission.**

If you need advice about completing the disclosure, please call the Attorney of the Day at 617-371-9500 or e-mail the State Ethics Commission at requestadvice@massmail.state.ma.us.

Form revised August 2015