

EXECUTIVE BRANCH ETHICS COMMISSION

**ADVISORY OPINION 03-11**

March 25, 2003

RE: May employee accept travel expenses from international association of insurance fraud agencies?

DECISION: Yes.

This opinion is issued in response to your March 7, 2003, request for an advisory opinion from the Executive Branch Ethics Commission (the "Commission"). This matter was reviewed at the March 25, 2003, meeting of the Commission and the following opinion is issued.

You state the relevant facts as follows. You are employed by the Department of Insurance (the "Department") as the Director of the Insurance Fraud Investigation division, a state law enforcement agency within the Department. In addition, you serve as the president of the International Association of Insurance Fraud Agencies, Inc., ("IAIFA"). The IAIFA consists of approximately 200 members, of which approximately 1/3 are regular members (regulators) and approximately 2/3 are associate (corporate) members. The regular members vote and consist of law enforcement and other governmental regulatory agencies. The associate or corporate members include insurance companies which are regulated by the Department, but which do not vote or serve on the Executive Committee. Approximately 1/3 of the annual dues is from the regular members within the governmental sector, and 2/3 is from the associate members.

The IAIFA plans to hold its annual meeting this year in London, England. As president of the IAIFA, you are responsible for moderating the seminar, serving as a speaker, and conducting meetings of the executive committee and regular member meetings. You ask whether you may accept travel expense reimbursement from the IAIFA for your attendance at the annual meeting in London.

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KRS 11A.045(1), relating to the acceptance of gifts provides the following:

(1) No public servant, his spouse, or dependent child knowingly shall accept any gifts or gratuities, including travel expenses, meals, alcoholic beverages, and honoraria, totaling a value greater than twenty-five dollars (\$25) in a single calendar year from any person or business that does business with, is regulated by, is seeking grants from, is involved in litigation against, or is lobbying or attempting to influence the actions of the agency in which the public servant is employed or which he supervises, or from any group or association which has as its primary purpose the representation of those persons or businesses. Nothing contained in this subsection shall prohibit the commission from authorizing exceptions to this subsection where such exemption would not create an appearance of impropriety.

In reviewing your request, the Commission believes the overriding issue that needs to be determined is whether the IAIFA has as its primary purpose the representation of insurance companies regulated by the Department. Although it appears that the IAIFA is funded in part by the dues of insurance companies, the organization appears to have as its primary purpose the representation of the interests of state and federal regulators, rather than those of insurance companies. This is supported by the fact that the associate members (insurance companies) do not vote or serve on the executive committee.

Thus, the Commission believes that you are not prohibited from accepting reimbursement from the IAIFA for your travel expenses during your participation at the annual meeting in London. Also, see Advisory Opinions 02-30 and 02-44, included, which provide additional guidance in this area.

Sincerely,

EXECUTIVE BRANCH ETHICS COMMISSION

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BY CHAIR: Joseph B. Helm, Jr.

Enclosures    Advisory Opinion 02-30  
                  Advisory Opinion 02-44