

Section 2

Conflicts of Interest and Employee Conduct

Section 2
Conflicts of Interest and Employee Conduct

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Section 2-01
Administrative Provisions
(Updated June 2013)

2-01.1 Purpose and Scope

In order to assure the proper performance of the Department of Banking's business and to maintain public confidence in state government and in the State's regulation of the financial services and death care industries, Department employees are expected to maintain the highest standards of honesty, integrity, impartiality, independence, confidentiality, and conduct, and to avoid misconduct, conflicts of interest or the appearance of conflicts of interest. This section establishes the Department's policies and procedures with regard to the ethical conduct, statutory requirements, and responsibilities for employees. It also addresses restrictions on financial interests, obligations, and outside employment, the procedures for certifying independence, and reporting financial interests and obligations and confidentiality. This ethics policy does not overrule any applicable federal or Texas law or administrative rule, but it may be stricter.

2.01.2 Designation of Ethics Advisor and Alternate Ethics Advisor

The Department's ethics program is coordinated and managed by the Ethics Advisor, as named in the Department's contact list. The Ethics Advisor may appoint one or more Deputy Ethics Advisors, to whom the Ethics Advisor may delegate duties and responsibilities. Any duty or responsibility delegated by the Ethics Advisor may not be redelegated.

2-01.3 Employee Responsibility, Counseling, and Distribution of Regulation

Each employee is responsible for being familiar and complying with all applicable federal and Texas laws, administrative rules, and Department conduct policies, including this ethics policy. The Commissioner, the Deputy Commissioners, and the designated Ethics Advisor are available for counseling, guidance, and interpretation of the statutes and regulations affecting employee responsibility and conduct.

This section is discussed with each new employee during new employee orientation and new employees are directed where to find the Department's ethics policies on DOBIE.

A Department employee shall:

1. Perform his or her official duties in a lawful, professional, and ethical manner befitting the state and the Department; and
2. Report any conduct or activity that the employee believes to be in violation of this ethics policy to the Ethics Advisor.

2-01.4 Remedial Actions

Noncompliance with this section occurs when a potential breach of policy or law is disclosed or discovered or an actual breach of policy or law occurs. In such cases, remedial action may

include, but is not limited to, divestment of conflicting interests, change in assigned duties, disqualification from a particular assignment or matter, or termination. A Department employee who violates any applicable federal or Texas law or rule may be subject to civil or criminal penalties in addition to any employment-related sanction.

Disqualification will take effect immediately. Other remedial actions may take place immediately or, at the option of the Commissioner, may take effect up to 30 days after the employee receives notice of the decision ordering the action unless an employee requests a review of the decision. When a remedial action has been ordered, the affected employee may ask the Commissioner to reconsider the decision by submitting a request for reconsideration in writing within 20 days of receipt of the decision. The request must contain the reasons for the reconsideration request. The Commissioner will promptly review the matter and provide the employee with a written determination. Remedial action that has been reviewed, approved, and that is not already in effect, will take effect as soon as the employee receives the determination notice. All determinations made by the Commissioner are final.

Section 2-02
Ethical and Other Conduct and Responsibilities of
Employees (Updated February 2015)

2-02.1 Employee Responsibilities

All Department employees are expected to maintain and be committed to the highest standards of honesty, integrity, impartiality, independence, confidentiality, and conduct. Misconduct, conflicts of interest, or the appearance of conflicts of interest must be strictly avoided. An employee must not engage in any action, whether or not specifically prohibited by this section, which might result in, or create the appearance of:

- using their public office for private gain;
- giving preferential treatment to any person;
- impeding the Department's efficiency or economy;
- losing complete independence or impartiality;
- improperly disclosing nonpublic or sensitive information;
- making a Department decision outside official channels; or
- adversely affecting the public's confidence in the integrity of the Department.

To be successful within this environment, employees must be resolute in their commitment to perform at the highest ethical level. This commitment must guide each employee in every aspect of his or her business endeavors in every business relationship, with each other, our regulated entities and the public.

Department of Banking employees are subject to the conflict of interest and ethics requirements set out in this policy, Section 12.107 of the Texas Finance Code. Employees are also subject to the conflict of interest and ethics requirements that are established under other state law and that apply generally to all state employees (Chapters 556 and 572 of the Texas Government Code, and Chapters 36 and 39 of the Texas Penal Code). New department employees receive ethics and conflict of interest training regarding these requirements during New Employee Orientation, and every year each employee is required to file a Conflicts of Interest Disclosure Statement and Vehicle Safety Certification.

An annual reminder will be sent to all employees on the ethical responsibilities imposed on state employees by state law. The Texas Ethics Commission considers it important that each employee review the information related to ethics and conduct on their [website](#). Each employee is responsible for reviewing this information to stay in compliance with state ethics laws and must so acknowledge annually on their Conflicts of Interest Disclosure Statement and Vehicle Safety Certification.

Employees must conscientiously perform their duties for the Department and the public. Employees must readily respond to the directions of their supervisors, cooperate fully with all properly constituted authorities, and perform their work assignments promptly, professionally, and accurately. Relations with fellow employees and others must be conducted in a manner which will not needlessly cause dissension or discord among employees or disrupt official business.

2-02.2 Honesty and Fair Dealing Practices

Honesty is required in all elements of an employee's service to the state. Given the high degree of integrity and confidentiality required of Department's staff, dishonesty in any form or degree is not tolerated. An employee must not falsify or misrepresent any fact or circumstance related to his or her job.

All employees must act fairly, honestly, and in good faith in any dealings on behalf of the Department with any of its regulated entities, the public, and all others. Employees may not misrepresent material facts, conceal or abuse privileged information, or engage in any other unfair-dealing practice.

2-02.3 Violence

Violence and other unruly and offensive behavior are prohibited. Differences or disagreements with fellow employees or supervisors should be handled properly through official channels. Threats, caustic remarks, unruly behavior, and inappropriate physical contact are actions that constitute misconduct.

2-02.4 Standards of Conduct

- A. Except as provided in the following paragraph (B), a Department employee shall not:
1. accept or solicit any gift, favor, or service that might reasonably tend to influence the employee in the discharge of official duties, or that the employee knows or should know is being offered with the intent to influence the employee's official conduct;
 2. intentionally or knowingly solicit, accept, or agree to accept any benefit for having exercised his or her official powers or performed his or her official duties in favor of another;
 3. do any of the following with regard to Department information:
 - a. disclose confidential information, information that is excepted from public disclosure under the Texas Public Information Act (Tex. Gov't Code chapter 552), or information that has been ordered sealed by a court, that was acquired by reason of the employee's official position, or accept other employment, including self-employment, or engage in a business, charity, nonprofit organization, or professional activity that the employee might reasonably expect would require or induce the employee to disclose confidential information, information that is excepted from public disclosure under the Texas Public Information Act, or information that has been ordered sealed by a court, that was acquired by reason of the employee's official position;
 - b. directly or indirectly, communicate, use or allow the use of information that is not available to the general public that has been obtained as a result of his/her employment with the Department;
 - c. maintain, disclose, or otherwise use information in a manner which violates Chapter 31, Subchapter D of the Texas Finance Code, or other provision of this manual;
 - d. disclose information from the examination process or an examination report, or confidential business information obtained in the course of his/her employment or

- official duties, except as authorized by law;
4. utilize state time, property, facilities, email, or equipment for any purpose other than official state business, unless such use is reasonable, legal, and incidental and does not result in any direct cost to the state or the Department, interfere with the employee's official duties, or interfere with the Department functions;
 5. utilize his or her official position, or state issued items, such as a badge, indicating such position for financial gain, obtaining privileges, or avoiding consequences of illegal acts;
 6. knowingly make misleading statements, either oral or written, or provide false information, in the course of official state business;
 7. engage in any political activity while on state time or utilize state resources for any political activity; or
 8. engage in financial transactions with state-chartered banks, branches of out-of-state state-chartered banks, or other regulated entities, that benefit the employee above other customers of the entity. Examples of prohibited transactions include waiver of normal charges associated with accounts; receipt of preferential interest rates; or reduced sales prices on products sold by the entity. This prohibition includes the acceptance of goods, refreshments, and/or entertainment.
- B. The prohibitions of paragraph (A) do not apply to:
1. the solicitation or acceptance of anything of monetary value from a parent, spouse, child, or other close relative where it is clear from the circumstances that family relationships rather than the business of the persons concerned are the motivating factors;
 2. the acceptance of offered but unsolicited advertising or promotional material, such as pens, pencils, note pads, calendars, and other items of nominal value;
 3. the acceptance of food, refreshments, and accompanying entertainment of nominal value offered in the course of a group function or widely attended gathering of mutual interest to the state and the private sector, such as receptions and informational programs sponsored or hosted by universities, educational associations, the financial services or death-care industries, technical and professional associations, international organizations, or government entities where it has been determined that attendance is in the interest of the Department and is related to its mission;
 4. the attendance at a conference or training event which is provided complimentary to the Department as a courtesy to the state government; and
 5. the receipt of travel, lodging and meal expenses paid by a sponsor of a conference or similar event at which the employee renders services, such as addressing an audience or participating in an event, to the extent that those services are more than merely perfunctory.
- C. If an employee receives a gift or other item of monetary value that is prohibited by paragraph (A) of this section, or receives a gift or other item of monetary value from a source other than a source described in paragraph (B) of this section because of the employee's official position or in conjunction with official duties carried out by the employee, the employee must notify the Commissioner or a Deputy Commissioner within ten (10) days of receipt of the gift or item. The gift or item must be promptly returned to the sender or disposed of as directed by the Commissioner or Deputy Commissioner. The Department will pay for the cost of returning the item.
- D. An employee must not solicit a contribution from another employee for a gift to a Department supervisor, make a donation as a gift to a supervisor, or accept a gift from an

employee receiving less pay than himself/herself, unless it is a voluntary gift or donation of nominal value made on a special occasion, such as marriage, illness, resignation, or retirement.

- E. An employee must not solicit a donation, the sale of any item, good, merchandise, or service, or offer a business opportunity to an entity regulated by the Department or any employee of such a regulated entity. An employee may seek donations from or solicit the sale of an item, good, service or merchandise or offer a business opportunity of nominal value to another Department employee only in a reasonable manner that does not interfere with agency business. Agency email may not be used for co-worker solicitation of this type.
- F. An association or organization of employees of the Department may not solicit, accept, or agree to accept anything of value from a business entity regulated by the Department or from an individual directly or indirectly connected with that business entity.

2-02.5 Lectures, Speeches, and Manuscripts

An employee must not publish any material or participate in a speaking engagement on matters involving the Department unless the employee receives prior approval by the Commissioner or a Deputy Commissioner.

An employee must not use in any teaching, lecturing, speaking, or writing engagement information obtained as a result of his/her employment with the Department unless the information is available to the general public or the appropriate supervisor has determined that the use of the information is in the public interest and has authorized such use.

Except as provided in 2-02.4 and this section, an employee must not receive compensation or any other thing of monetary value for any speech, lecture, publication, or similar engagement, if the subject matter relates specifically to matters involving the Department or contains information that is not available to the general public.

2-02.6 Use and Purchase of Department or Receivership/Liquidation Property

An employee must not, directly or indirectly, use or allow the use of any Department property, including but not limited to, property that the Department holds in its corporate capacity, leased property, or property that the Department holds in its capacity as receiver, liquidator, or liquidating agent, for any purpose other than officially approved activities. Every employee has a duty to protect and conserve the Department's property, including equipment, supplies, and other property entrusted or issued to the employee.

Property Owned by the Department:

Employees are prohibited from directly or indirectly purchasing any property placed for sale by the Department except at a public sale or auction which has been declared excess property by the Department and conveyed to the Texas Facilities Commission for public sale.

Property Held by Department as Receiver/Liquidator:

An employee may not purchase an asset owned by a person regulated by the department in the possession of the banking commissioner or other receiver for purposes of liquidation, unless the asset is purchased at public auction or with the approval of the receivership court.

An employee who is involved in the disposition of liquidation assets must disqualify himself/herself from participating in the disposition of those assets when the employee becomes aware that any relative, organization, or partnership with which the employee, the employee's spouse or a dependent are associated, has submitted a bid for purchase of those liquidation assets. The employee must advise his/her immediate supervisor and the Commissioner or a Deputy Commissioner in writing of the self-disqualification.

An employee must not, directly or indirectly, use or release to persons outside the Department confidential information regarding the sale or disposition of liquidation assets except as mandated by the employee's official responsibility to liquidate those assets.

2-02.7 Use and Purchase of Department or Receivership/Liquidation Property

An employee, the employee's spouse or a dependent, or members of the employee's immediate household, must not directly or indirectly purchase an asset (i.e. real property, automobiles, trucks, mobile homes, or repossessed goods) of a state-chartered bank, an out-of-state state-chartered bank with branches in Texas, or other regulated institution unless such asset is sold at public auction, is offered to the general public at the same price, or is sold by other means that assure that the selling price is the asset's fair market value. In no event shall an employee, and the employee's spouse or a dependent, or a member of the employee's immediate household purchase an asset from any bank or regulated institution in reliance on information obtained in the course of the employee's performance of his/her official duties or from any other source not available to the general public. Employees have a responsibility to consult with the Ethics Advisor as to the propriety of the proposed purchase and report to the Commissioner or a Deputy Commissioner.

2-02.8 Loss or Damage of Official Records and Property

Employees must promptly report to their supervisors the loss of any government property, such as credentials, government travel requests, computers, telephones, or briefcases. They must also report the loss or mutilation of any official record or document, such as examination reports and the loss or damage of office equipment. In the case of stolen equipment, the employee to whom the property is assigned must file a police report on the theft, and provide a copy of the police report along with the Department's Security Incident Report (Appendix A in Section 14 of the Personnel Manual) to their Division or Regional Director, the Staff Services Officer, and the Information Security Officer.

2-02.9 Attempted Bribery

An attempt by any non-employee to bribe a Department employee constitutes an attack on the integrity of the Department. An attempt to bribe is an offer to confer any benefit with the intent of influencing the employee in a specific exercise of the employee's powers or duties. A "benefit" is defined as anything reasonably regarded as an economic gain or advantage, including

the benefit of any third party in whose welfare the employee is interested (for example, a family member). Employees need to be aware that a bribery offense occurs even if an outsider offers a benefit after the employee has already acted in the matter in which the outsider was interested.

Any bribe offer made to a department employee is a criminal offense punishable under the laws of the State of Texas, and must be reported immediately to employee's Division Head or Regional Director. The supervisor will then refer the matter to a Deputy Commissioner and the Commissioner for appropriate action.

2-02.10 Violations of State Laws

Employees must report to their Division Head or Regional Director any knowledge or information they may have concerning any violation of state law related to their duties or the institutions supervised by the Department, or attempted fraud against the State of Texas by any person.

2-02.11 Lawsuits Related To Official Duties

Employees who receive a complaint or summons in a civil suit involving their duties with the Department must report the matter immediately to their Division Head or Regional Director, who is then responsible for conveying the information to the Department's General Counsel and the appropriate Deputy Commissioner.

An employee who is sued civilly or charged with a violation of local, state, or federal law as a result of the performance of official duties within the established policies of this Department, is entitled to be represented free of charge by the Office of the Attorney General (OAG). The employee must immediately report this to their supervisor or General Counsel. The Department will consult with the Attorney General's Office (OAG). The employee may hire a legal representative at his/her own expense and will be required to do so if the matter is not promptly brought to the attention of the OAG. If an employee hires private counsel, he/she may later be unable to avail himself/herself of free representation by the OAG.

2-02.12 Testimony in Federal, State, and Local Courts

Upon receiving a subpoena requiring records or testimony regarding official matters or facts, an employee must promptly seek guidance through supervisory channels and the General Counsel or designee. An employee must not give official records, or any copies thereof, to private persons or to local or state officials, and no records or copies of records may be produced in state or local court, in the absence of a subpoena or without prior authorization from the Commissioner or a Deputy Commissioner.

2-02.13 Assaults and Threats against Employees

Employees must report to their supervisors all assaults, threats, or forcible interference made against them in the course of performance of their official duties. Employees must also report any assault or threat against members of their families made to impede the performance of the

employee's official duties.

2-02.14 Recommending Attorneys, Accountants and Consultants

Employees must not recommend or suggest specific individual attorneys, accountants, consultants or law or accounting firms to represent persons or banks in connection with official Department business.

2-02.15 Firearms

Unless specifically authorized by statute, Department employees must not carry a firearm or other weapon while in an office of the Department or an office of an entity regulated by the agency.

2-02.16 Telephone System Use

All employees must use the State Telecommunications System (STS) to conduct business by telephone. State employees may be held liable for the cost difference between a non-STC call and an STS call, unless the non-STC call meets the following standards: (1) the Commissioner or a Deputy Commissioner certifies that an emergency exists; (2) the Texas Facilities Commission determines the non-STC call is most cost effective; or (3) the STS network is not available at the location. The STS is for official business only.

Employees must not charge telephone calls or faxes (business or personal) to any business or financial institution being examined.

2-02.17 Personal and Other Matters

- **Gambling** - Employees must not participate in any gambling activity, including the use of gambling devices, lotteries, games for money or property, or numbers tickets, **while on duty** for the Department.
- **Crimes and Illegal Conduct** - Employees must not engage in illegal or other conduct prejudicial to the Department or the state.
- **Dress Code** - As a representative of the Department, an employee's appearance while conducting official business in a regulated entity and with the public is a direct reflection on the Department's professionalism. For this reason, all employees must adhere to the following basic guidelines in regard to dress and personal appearance:

Employees in positions that require contact with the general public must dress in a manner that is in keeping with professional office attire. Suits or sports coats and slacks are preferred dress for men, but slacks and dress shirts with ties are acceptable. Women should wear dresses, skirts and blouses, or suits. Pants suits and dress slacks are also acceptable. Employees who do not have direct contact with the public should still dress for a professional office

environment. Some examples of *inappropriate* clothing include T-shirts with logos, sweat shirts/pants, shorts of any length, spaghetti strap or strapless dresses, short dresses (4 inches or more above the knees), spandex clothing of any type, midriff tops, faded denim pants or jeans, shirts that reveal cleavage and see-through clothing. Beach sandals are also inappropriate.

- b. Employees may enjoy a "casual dress" code, except on those days that Finance Commission meetings or other major events are scheduled. Staff should use discretion and good judgment about clothing selections. Examples of *appropriate* casual dress attire are pullover shirts with collars or dress shirts without ties, casual slacks or jeans for men, and jeans or casual pants and shirts for women. Some examples of *inappropriate* clothing include T-shirts with logos, sweat shirts/pants, shorts of any length, spaghetti strap or strapless dresses, short dresses (4 inches or more above the knees), spandex clothing of any type, midriff tops, faded denim pants or jeans, shirts that reveal cleavage and see-through clothing. Beach sandals are also inappropriate.
 - c. Employees will be notified of major events or times when business dress should be worn. It is the responsibility of each employee to ensure that proper dress for a professional office environment is worn, when appropriate. The Commissioner/Deputy Commissioner may require that employees wear business attire and terminate the "casual dress" practice at any time.
 - d. Employees must be cognizant of appropriate personal hygiene such as body odor or use of perfume or cologne. Fragrances or scented lotions should not be used in offices or at the work site due to the possibility of triggering allergic reactions of co-workers or customers.
- **Personal Appearance** - When an employee representing the Department has contact with persons other than Department staff, the employee may not display body art, including tattoos, visible piercing other than two earrings per ear, or unusual hair color or eye color. Employees should ensure that body art is covered or removed to comply with this policy. Employees who are unsure about how to comply with this provision should confer with their supervisor or Human Resources.
 - **Dating** - An employee must not date an employee of a regulated entity while performing supervisory/examination functions of that entity. If an employee is assigned to perform a supervisory or examination function of an entity employing someone that person is dating, or has dated within the last twelve months, the employee must disclose that fact to his or her immediate supervisor and recuse him or herself from the assigned duty.
 - **Other Relationships** - If an employee is assigned to perform a supervisory or examination function of an entity employing someone with whom the employee has, or had, any other relationship (direct or indirect, business or personal) which creates or may create an actual or perceived conflict of interest, the employee must disclose that fact to his or her immediate supervisor with a recommendation of whether they should be recused from the institution.

Section 2-03
Financial Interest and Obligations, Ownership Interests,
Previous Employments, and Outside Employment
(Updated June 2013)

2-03.1 Handling Financial Matters

Employees must manage their personal financial affairs and handle their personal debts and obligations in a manner that does not negatively reflect on their ability to perform their job. All employees and agents (including supervisors and conservators placed by the Department), but especially those enjoying supervisory, management or other senior-level duties, must show integrity and responsibility in all personal financial matters. Failure to exhibit integrity and responsibility in personal financial matters may result in disciplinary action, including termination.

In order to assess the ability of a prospective employee to promote and protect the financial services industry in Texas, it is the policy of the Department to obtain a consumer credit report on those applicants who would be in a position of financial institution supervision and regulation or administrative employees who work with financial records and monetary matters. Evidence of a continuing lack of financial responsibility and ability may eliminate a prospective employee from consideration.

2-03.2 Indebtedness

Examiners, Attorneys, and Directors

Employees in the financial examiner, attorney, and related director series may not knowingly be or become indebted, directly or indirectly, to any state bank, out-of-state state-chartered bank with branches in Texas, or other entity regulated by the Department in accordance with Section 12.107(d)(2). This prohibition extends to the spouse and dependents of these employees.

Because an overdraft or draw on uncollected funds in an account results in an extension of credit to the account holder, even inadvertent overdrafts can constitute a violation by an employee prohibited from indebtedness as described above. Therefore, these employees are encouraged to avoid maintaining accounts in regulated banks. Failure to comply with this policy may result in termination of employment.

If indebtedness that was permissible when incurred becomes a prohibited indebtedness under this section as a result of employment by the department or a circumstance over which the employee has no control, including a merger, acquisition, purchase or sale of assets, or assumption of assets involving a regulated person, the employee may be allowed to repay the debt according to its terms and be recused from examination of or work related to that entity.

Clerical and Administrative Employees

Clerical and administrative employees that do not exercise discretionary decision-making authority are exempt from the indebtedness prohibition in this section in accordance with Texas Finance Code Section 12.107(e).

All Employees

All Department employees are prohibited from obtaining a product or service from a person regulated by the Department (or from an affiliate of a regulated entity) on terms or rates that are more favorable to the employee than those prevailing at the time for comparable transactions with or involving similarly situated customers.

2-03.3 Ownership Interests

While employed by the Department, an employee must not **be or become financially interested in or** purchase, own, or control, directly or indirectly, any securities of a state-chartered bank, out-of-state state-chartered bank with branches in Texas, or any entity regulated by the Department of Banking except to the extent permitted by Texas Finance Code Section 12.107(d)(3) and (f).

Interests of an employee's spouse or a dependent may be considered interests of the employee.

2-03.4 Guidelines for Outside Employment and Business Activities

Department employees may engage in outside employment or business activities, subject to the notification requirements of Section 2-03.5 and the following limitations:

- An employee must not accept employment or engage in any business or professional activity which one might reasonably expect would require or induce the employee to disclose confidential information acquired by reason of his or her official position.
- An employee must not engage in any activity that is prohibited by any statute, regulation, order, or directive.
- An employee must not accept other employment, including self-employment or compensation or engage in a business, charity, nonprofit organization, or professional activity that could reasonably be expected to impair the employee's independence of judgment in the performance of the employee's official duties.
- An employee must not make personal investments, or have a personal or financial interest, that could reasonably be expected to create a substantial conflict between the employee's private interest and the public interest.
- An employee must not be an officer, employee, or paid consultant of a trade association of any industry regulated by the Department as per Texas Finance Code Section 12.107(b)(1).

This section does not preclude an employee from participating, outside of normal working hours, in the activities of:

- Charitable, religious, professional, social, fraternal, nonprofit educational and recreational, public service, or civic organizations, so long as such participation does not violate state or federal laws or these policies; or
- National or state political parties, if not prohibited by law.

2-03.5 Outside Employment Notification Procedure

Employees must notify the Deputy Commissioner before outside employment begins. An activity that creates a conflict of interest or otherwise violates state law for an employee in one position may not create such a conflict for another employee in a different position or at a different level. An employee who violates the guidelines for outside employment and business activities may be terminated.

The procedure for notifying the Deputy Commissioner of outside employment is as follows:

- An employee must submit an [Outside Employment or Business Request Form](#) to his/her supervisor;
- The supervisor must review the form and forward it to the Ethics Advisor;
- The Ethics Advisor must forward the form to the Deputy Commissioner and indicate whether, in his or her opinion, the activity violates the guidelines; and
- The Deputy Commissioner will indicate agreement/disagreement with the Ethics Advisor and forward the form to the Manager of Human Resources who will return a copy to the employee. The original request will be filed in the employee's personnel file.

2-03.6 Continued Compliance with the Guidelines

An employee must promptly notify the Deputy Commissioner of any substantial change in the duties required by the outside employment. If the changed duties violate the guidelines for outside employment and business activities, the employee must terminate the outside employment or face termination from the Department.

2-03.7 Dual Office Holding

An employee must notify a Deputy Commissioner and otherwise comply with all provisions of law regarding dual office holding (Texas Government Code, Chapter 574), if the employee seeks election to public office or other government employment or appointment. An employee may hold non-elective offices or positions of honor, trust, or profit under this State or the United States, if holding the other office or position is:

1. a benefit to the State of Texas; or
2. is required by state or federal law; and
3. there is no conflict between holding the office or position and holding the original office or position for which the officer or employee receives salary or compensation.

An employee must secure a finding from the Deputy Commissioner that the requirements are satisfied. The activity may not interfere with the employee's job performance.

Before a Department employee may accept dual employment at any other state agency or institution of higher education, the employee must inform the Department in accordance with Texas Government Code, Section 667.007, and obtain the Department's prior approval.

2-03.8 Employment of Family Members

In order to certify independence from regulated entities and confirm the avoidance of any conflict of interest or appearance of a conflict, each employee must complete an annual filing and report to his or her supervisor the employment of the employee's spouse and dependents by:

- Any entity or their affiliate regulated by the Department;
- A firm or business with which, to the employee's knowledge, the Department has a contractual or other business or financial relationship; or
- A firm or business which, to the employee's knowledge, is seeking a business or contractual relationship with the Department.

In accordance with the Texas Finance Code Section 12.107(b)(2), an Department employee or employee's spouse may not be an officer, employee or paid consultant of a trade association for an industry regulated by the Department.

An employee will not be assigned to any examination, investigation, application, or other matter involving the family member's employer or any bank or entity identified by the employee and confirmed to present a potential conflict of interest. The Deputy Commissioner, in consultation with the Ethics Advisor, will review the nature of the family member's employment to determine whether it is likely that the employee's services to the Department will be affected by the family member's relationship with a regulated entity or vendor. In making determinations under this section, significant weight will be given to the policy-making character of the family member's position. Under most circumstances, positions that are clerical or lacking policy-making character do not require disqualification.

2-03.9 Examinations Where Previously Employed

Field personnel must not engage in examination activities involving entities at which they have been previously employed in the past three years unless specific approval has been granted by the Deputy Commissioner. Additionally, unless specifically authorized by the Deputy Commissioner, an employee must not engage in official Department activities with persons or entities with which the employee had prior significant financial or business interests. Personnel receiving an assignment involving a previous employer or an entity or person with whom they had prior business arrangements must notify their supervisor immediately.

2-03.10 Discussions of Employment with Regulated Entities

An actual or potential conflict of interest arises whenever a Department employee has, or appears to have, a self-interest that might interfere with his or her objectivity in performing job-related duties. Discussions of employment between Department employees and regulated entities might actually, potentially, or be perceived to, interfere with the employee's objectivity. Moreover, to allow a Department employee to examine (or otherwise regulate) an entity in which he or she is (or is perceived to be) actively seeking employment could potentially undermine public and industry confidence in the integrity of our examinations (or other regulatory activities). Therefore, when employment discussions between a Department employee and a regulated entity occur, the employee must immediately report such negotiations to his or her supervisor. The employee must then be recused from direct participation in the regulation of that entity for at

least one year (and for at least one departmental examination of that entity), unless the Deputy Commissioner determines that good cause exists to waive the recusal. An employee must never initiate an employment discussion with an entity that is under examination by that employee. Should an unsolicited job offer or discussion of employment be initiated by the entity under examination, the employee must notify his or her supervisor and immediately recuse him or herself from further participation in the examination.

Section 2-04
Nepotism
(Updated June 2013)

2.04.1 Employment of Relatives by the Banking Department

For the purposes of this section:

- A "relative" is any person related to a Department official as parent, step-parent, child, step-child, brother, sister, step-brother, step-sister, half-brother, half-sister, spouse, uncle, aunt, first cousin, niece, nephew, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law;
- An "official" is any employee who has authority to employ, promote, or advance other employees, or to recommend anyone for employment, promotion, or advancement with the Department; and
- A "supervisor" is any employee who has responsibility for daily operations and has the authority to hire, discipline, reward, assign/reassign duties, approve leave requests, resolve employee relations problems, and formally evaluate employee performance.

A Department official must not:

- Employ, promote, advance or affect the status of compensation of their relative to a position at the Department; or
- Advocate their relative's employment, promotion, status, compensation or advancement at the Department.

In addition:

- An employee must not be a supervisor of his/her relative; and
- An employee, who becomes a relative of another Department employee, must report that fact in writing to the appropriate Division Director or Regional Director, who shall notify the Deputy Commissioner. The Deputy Commissioner will determine if the relative's position can be removed from the supervisor's authority, taking into consideration the nature of the supervisor's position, the operational needs of the division, and the potential for conflicts of interest or the appearance thereof. If it is determined that it is not feasible to remove the relative's position from the supervisor's authority, the Deputy Commissioner will determine if the relative may be reassigned to another position within the Department that is outside the supervisor's authority.
- Other relationships may also dictate that a supervisor/employee role is inappropriate. Such relationships, upon determination by the Deputy Commissioner, may result in reassignment.

Section 2-05
Limitations on Activities of Former Employees
(Updated June 2013)

1. Definitions.
 - a. “Participated” means to have taken action through decision, approval, disapproval, recommendation, giving advice, investigation, or similar action.
 - b. “Particular Matter” means a specific investigation, application, request for a ruling or determination, rulemaking proceeding, formal or informal enforcement action, contract, claim, accusation, charge, arrest, or judicial or other proceeding.
 - c. “Business Entity” means any entity recognized by law through which business for profit is conducted, including a sole proprietorship, partnership, firm, corporation, holding company, joint stock company, receivership, or trust.
2. A former Banking Commissioner is prohibited from communicating with or appearing before the Finance Commission on a Department matter or before the Department with intent to influence an agency decision on behalf of a person or business entity, for a period of two years after termination as Banking Commissioner.

A former senior employee of the Department, (Deputy Commissioner or General Counsel) is prohibited from communicating with or appearing before the Finance Commission on a Department matter or before the Department with intent to influence an agency decision on behalf of a person or business entity, for a period of one year after termination from such position.

An employee of the Department compensated at or above the salary level established by Texas Government Code §572.054(c)(2) who terminates incurs certain prohibitions. He/she may not represent any person or business entity or receive compensation for services rendered on behalf of any person or business entity, in any particular matter in which the Department employee participated while employed by the Department, either through personal involvement or because the case or proceeding was a matter within the employee’s official responsibility. This policy does not apply to a rulemaking proceeding that was conducted before the employee’s service or employment ceased.

Section 2-06
Conflicts of Interest Disclosure Statement and Vehicle Safety Certification
(Section Updated June 2013)

Upon employment and by June 30 of each year thereafter, each Department employee must execute a [*Conflicts of Interest Disclosure Statement and Vehicle Safety Certification*](#) form. This form must also be executed by interviewed applicants, and any time an existing employee or his or her supervisor becomes aware of any changes in outside employment or financial interests which have occurred since the initial or last statement. Employees will also be required to certify that personally owned vehicles used for agency business have the Texas minimum liability automobile coverage and a valid state inspection. Forms must be submitted through and signed by the Division Head or Regional Director and then forwarded to the Human Resources Manager.

The disclosure statements will assist each employee and the Department in assuring that: (1) all vehicles used for agency business are properly maintained and are covered with at least the Texas minimum liability automobile coverage; and (2) there is no conflict or appearance of conflict or financial interest that would conflict with the public's interests or otherwise impair the employee's independence of judgment in the performance of his or her official duties. It will also serve to remind each employee of the Department's high standards for confidentiality, and independence.

More detailed information on vehicle safety is referenced in Section 11-08.

Section 2-07
Fraud Prevention Policy
(Section Updated February 2016)

2-07.1 General Information

The Department of Banking (Department) strives to maintain a culture of financial integrity. Management is committed to assuring the proper performance of the Department's business and to maintain public confidence in state government and in the State's regulation of the financial services and death care industries. The processes are in place for preventing, detecting, and eliminating fraud, waste and abuse. Within the Department, the opportunities for fraud are limited and closely reviewed and controlled. This policy provides guidelines and assigns responsibility for the development of controls and conduct of investigations.

The purpose of this policy is to:

1. minimize the impact of all potential or actual fraudulent or illegal acts at the Department by deterring such activity or detecting it as early as possible;
2. alert all Department employees that there is a mechanism in place through which such activities can be reported and investigated; and
3. ensure the fair, objective and thorough investigation and reporting of all such activities while safeguarding individual rights and maintaining confidentiality in accordance with applicable law.

This policy relates to all potential or actual fraudulent and other illegal activities within the Department involving its employees in the conduct of their employment responsibilities, which includes but is not limited to theft, malfeasance, abuse of power or authority, kickbacks and embezzlement. The policy also covers the loss, misappropriation or theft of any assets belonging to the Department or for which the Department is responsible, including, but not limited to, cash, checks, property and equipment, information and other data.

Good business practice dictates that every suspected defalcation, misappropriation and other fiscal irregularity be promptly identified and investigated. Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service or position/title to the Department.

2-07.2 Fraud Prevention Policy

All employees are responsible for the detection and prevention of fraud, misappropriations, and other fiscal irregularities. Fraud is defined as the deliberate misuse or misapplication of the Department's resources or assets. Each member of the management team is responsible for establishing and maintaining a system of internal control that provides reasonable assurance that improprieties are prevented and detected. Each Division Director should be familiar with the types of improprieties that might occur in his/her area and be attentive to any indication of irregularity.

Any irregularity that is detected or suspected must be reported immediately to the Fraud Prevention Coordinator (FPC), Deputy Commissioner Stephanie Newberg. The FPC will coordinate all investigations with the General Counsel and other affected areas.

Texas Department of Banking

Conflict of Interest Disclosure Statement and Vehicle Safety Certification

DECLARATION OF POLICY. It is the policy of this Department that no employee shall have any employment or interest, financial or otherwise, direct or indirect, or engage in any business transaction or professional activity of any nature which is in actual conflict with or appears to conflict with the public interest or that otherwise impairs, or may impair the independence of judgment in the performance of the employee's official duties. In addition, employees in the financial examiner, attorney and director series may not be indebted to any entity or affiliate thereof, chartered/licensed/registered and regulated by the Department. Furthermore, to comply with this policy, an employee's spouse and dependents must avoid financial transactions which are prohibited to the employees themselves.

PURPOSE AND USE OF INFORMATION. The information reported on this form will be used by the Department to: (1) monitor compliance with the conflict of interest prohibitions in law and policy; (2) underscore the need for ethical conduct; (3) identify and avoid potential conflicts of interest or appearances thereof; (4) obtain assurance that employees understand and will adhere to confidentiality rules and vehicle safety requirements; and (5) certify the independence of employees.

SCOPE AND FREQUENCY OF DISCLOSURE. This disclosure statement applies to all employees. A basic premise of this disclosure statement is that supervisors and others having responsibility for the review of this information must be given sufficient notice by the reporting employee concerning the nature of his/her outside interests and activities so that an informed judgment can be made with respect to the employee's compliance with ethical conduct and conflict of interest policies and laws.

To implement this policy, each employee subject to this disclosure shall complete this form: (1) at the time of initial employment with the Department; and (2) not less than annually thereafter; and (3) at any other time the employee or his/her supervisor becomes aware of any changes which have occurred since the initial or last statement.

REVIEW AND CONFIDENTIALITY OF STATEMENTS. Statements of outside employment and financial interests shall be held in confidence subject to the Texas Public Information Act and shall be retained in Human Resources.

Whenever a statement or other information indicates a possible or actual conflict or an appearance thereof between the interests of an employee and the unbiased performance of service to the Department, the Ethics Advisor shall review the matter and allow the employee a reasonable opportunity to explain why he or she does not believe a conflict, or appearance thereof, exists. The Banking Commissioner, or his or her designee, shall make a final determination in the matter and if appropriate, prescribe a course of remedial action to eliminate or to avoid actual or perceived conflicts.

NOTE: *You will only receive written correspondence back from the Executive Division if a conflict is deemed to exist and/or you are required to take further action based on the disclosures in this form.*

Conflicts of Interest Disclosure Statement and Vehicle Safety Certification

Each employee shall answer questions 1-8. Question 9 is to be completed only by employees in the financial examiner, attorney and director series. **If any changes have occurred since the last filing, please provide a full explanation. Attach additional pages and any documentation if necessary.**

1. Is your spouse or your dependent, employed by or does your spouse or your dependent provide management/consulting services, with or without compensation, to any entity, or affiliate thereof, chartered/licensed/registered and regulated by this Department? No Yes

If yes, or if a change has occurred since the last filing, provide details below.

If yes, does the individual have policy making decision authority at this entity or affiliate? No Yes

Veterans, Reservist or Guardsmen with an MOS or additional duties that fall in the fields of 001802-Administrative Assistant (Navy), 0111-File Clerks and Office Clerks (Marines), 56- Office Clerks (Army), 3A1X1- Office Clerk and File Clerks (Air Forces), and other related fields pertaining to the minimum experience requirements may meet the minimum qualifications for this position. +

2. Do you, or your spouse or dependent have any financial interests or investments (excluding deposit relationships) in any entity or affiliate thereof, chartered/licensed/registered and regulated by this Department (including any out-of-state state-chartered banks with branches in Texas ①)? No Yes

If yes, or if a change has occurred since the last filing, provide details below.

Veterans, Reservist or Guardsmen with an MOS or additional duties that fall in the fields of 001802-Administrative Assistant (Navy), 0111-File Clerks and Office Clerks (Marines), 56- Office Clerks (Army), 3A1X1- Office Clerk and File Clerks (Air Forces), and other related fields pertaining to the minimum experience requirements may meet the minimum qualifications for this position. +

3. Do you have any outside employment or business activities, with or without compensation? No Yes

If yes, or if a change has occurred since the last filing, provide details below.

If yes, has this activity been previously approved by the Commissioner? No Yes

If no, complete an Outside Employment or Business Request form ② and attach it to this form for review and approval.

Veterans, Reservist or Guardsmen with an MOS or additional duties that fall in the fields of 001802-Administrative Assistant (Navy), 0111-File Clerks and Office Clerks (Marines), 56- Office Clerks (Army), 3A1X1- Office Clerk and File Clerks (Air Forces), and other related fields pertaining to the minimum experience requirements may meet the minimum qualifications for this position. +

4. Have you been employed by an entity or affiliate thereof, chartered/licensed/registered and regulated by this Department within the last **three** years? (including any out-of-state state-chartered banks with branches in Texas ①)? No Yes

If yes, or if a change has occurred since the last filing, provide details below; include ending dates of employment.

Veterans, Reservist or Guardsmen with an MOS or additional duties that fall in the fields of 001802-Administrative Assistant (Navy), 0111-File Clerks and Office Clerks (Marines), 56- Office Clerks (Army), 3A1X1- Office Clerk and File Clerks (Air Forces), and other related fields pertaining to the minimum experience requirements may meet the minimum qualifications for this position. +

5. Do you, or a member of your family, or a person living with you as a member of your household, have any other relationships or situations with any entity or affiliate thereof, or employee of an entity chartered/licensed/registered and regulated by this Department that you feel warrants disclosure (including any out-of-state state-chartered banks with branches in Texas ①)? No Yes

If yes, or if a change has occurred since the last filing, provide details below.

If yes, do you wish to be recused from dealing with this entity or affiliate? No Yes

Veterans, Reservist or Guardsmen with an MOS or additional duties that fall in the fields of 001802-Administrative Assistant (Navy), 0111-File Clerks and Office Clerks (Marines), 56- Office Clerks (Army), 3A1X1- Office Clerk and File Clerks (Air Forces), and other related fields pertaining to the minimum experience requirements may meet the minimum qualifications for this position. +

Conflicts of Interest Disclosure Statement and Vehicle Safety Certification

6. Are you, your spouse, your parent, your child, or your child's spouse, an officer, employee or paid consultant of a Texas trade association in an industry regulated by the Department? No Yes

If yes, or if a change has occurred since the last filing, provide details below.

7. Is your spouse or your dependent employed by an entity that has or is seeking a business or contractual relationship with the Department? No Yes

If yes, or if a change has occurred since the last filing, provide details below.

8. During the past 12 months have you accepted any item, service or gift, other than unsolicited advertising or promotional material of nominal value, not previously reported? No Yes

If yes, provide details below.

**QUESTION 8 IS TO BE COMPLETED ONLY BY EMPLOYEES IN THE
FINANCIAL EXAMINER, ATTORNEY AND DIRECTOR SERIES:**

9. During the last twelve months, have you, your spouse or your dependent have any financial obligation(s) to any entity or affiliate thereof, chartered/licensed/registered and regulated by the Department (including any out-of-state state-chartered banks with branches in Texas ^❶)? No Yes

If yes, or if a change has occurred since the last filing, provide details below.

If yes, is this obligation on the same terms and conditions afforded to other customers of the institution? No Yes

If no, provide details below.

❶ *The listing of out-of-state state-chartered banks with branches in Texas can be accessed at <http://www.dob.texas.gov/banks-trust-companies/entities-not-supervised>*

❷ *The Outside Employment or Business Request form can be accessed on DOBIE at http://dobiedrupal/sites/default/files/forms/hr/outside_emplmt.pdf*

Conflicts of Interest Disclosure Statement and Vehicle Safety Certification

EMPLOYEE CERTIFICATION. My signature below certifies that:

- The statements I have made on this form and any attached schedules are true, complete, and correct to the best of my knowledge and belief;
- I have not disclosed any confidential or sensitive information to any non-agency parties, and that I understand the law regarding confidentiality and the penalties for offenses;
- I am responsible for complying with the applicable law and policy;
- I have been provided with access to Section 2, Conflicts of Interest and Employee Conduct Policy of the Department's Personnel Policy and Procedures manual located at <http://dobie/policies/personnel/conflicts>;
- I have been provided access to the ethics guide on the Texas Ethics Commission's website at <https://www.ethics.state.tx.us/guides/Go-e.pdf>;
- I have been provided access to Section 12.107 of the Texas Finance Code, Conflicts of Interest, located at <http://z2policy.ctspublish.com/texas/Z2Browser2.html?showset=txdobset> or <http://www.statutes.legis.state.tx.us/Docs/FI/htm/FI.12.htm> and,
- I acknowledge that I have the minimum liability automobile coverage required by the State of Texas and have a valid Texas inspection certification for all personally owned vehicles that I operate while in the course and scope of agency business. (I understand that the agency has the right to verify my compliance at any time.)

Employee's Printed Name

Employee's Title or Position

Employee Signature

Date

Signature of Regional Director or Division Head

Date

This area must be completed by all Division Heads and/or Regional Directors

If any recusals are warranted please indicate below all entities and cities to which the recusal should apply:

<i>Entity Name(s)</i>	<i>City(ies)</i>	<i>Recusal End Date</i>

2-07.3 Actions Constituting Fraud

The terms defalcation, misappropriation and other fiscal irregularities include but are not limited to:

- Dishonest, illegal, or fraudulent act involving Department property;
- Forgery or alteration of checks or drafts;
- Forgery or alteration of expense vouchers; includes the willful submission of inaccurate expense vouchers;
- Forgery, alteration, or willful submission of inaccurate employee benefit or salary related items such as time cards, billings, claims, surrenders, assignments, changes in beneficiary, etc.;
- Misappropriation of funds, supplies or any other asset;
- Misuse of Department-issued purchasing cards;
- Illegal or fraudulent handling or reporting of money or financial transactions;
- Disclosing confidential and proprietary information to outside parties;
- Profiteering as a result of insider knowledge of regulated entities activities;
- Accepting or seeking any gift, favor, or service that might reasonably tend to influence the employee in the discharge of his or her official duties with the exception of those activities outlined in Section 2-02 of the Personnel Policy and Procedure Manual.
- Destruction or disappearance of records, furniture, fixtures, or equipment where theft is suspected; and/or
- Any similar or related irregularity.

Irregularities concerning an employee's moral, ethical, or behavioral conduct, as referenced in the Personnel Policy and Procedure Manual, Section 2-02 Ethical and Other Conduct and Responsibilities of Employees, should be resolved by the Ethics Advisor or Assistant Ethics Advisor as designated by the Ethics Advisor. The Department's General Counsel serves as the Ethics Advisor. If there is any question as to whether an action constitutes fraud, contact the Commissioner, Deputy Commissioners, or Ethics Advisors for guidance.

2-07.4 Investigation Responsibilities

The FPC has the primary responsibility for the investigation of all suspected fraudulent acts as defined in this policy. The FPC will make a preliminary determination as to the necessity for proceeding with an investigation or the reported fraud or illegal activity. After determining to proceed, the FPC will advise the Commissioner, the other Deputy Commissioner, and the General Counsel of all facts known regarding the reported fraud or illegal activity. The FPC will contact the internal auditors contracted to perform an internal audit function to arrange an investigation, if deemed appropriate and necessary.

Upon completion of all investigative measures, the findings will be reviewed and discussed with the Commissioner and Deputy Commissioners. If the Commissioner determines that: (a) the findings warrant referral to outside enforcement and /or prosecutorial agencies; or (b) money received by the Department may have been lost, misappropriated, or misused; or (c) other fraudulent or unlawful conduct has occurred in relation to the operations of the Department, then the Commissioner or Deputy Commissioners in conjunction with the General Counsel will contact the State Auditor's Office (SAO) and law enforcement agencies, and fully cooperate with

all outside investigations. The Commissioner will also present these findings to the Finance Commission during the Executive session of the next regularly scheduled meeting.

2-07.5 Confidentiality

The FPC treats all information received confidentially. In order to avoid damaging the reputations of innocent persons initially suspected of wrongful conduct, and to protect the Department from potential civil liability, the results of audits/investigations will not be disclosed or discussed by Department personnel with anyone other than authorized representatives of law enforcement, and only those persons associated with the Department who have a legitimate need to know such results in order to perform their duties and responsibilities, subject to the provisions of the Texas Public Information Act, *Government Code, Chapter 552*. Management and others will not discuss or make statements regarding the alleged guilt of the perpetrator.

To the extent permitted by the applicable provisions of the Texas Public Information Act, confidentiality of those reporting dishonest or fraudulent activities will be maintained. However, the confidentiality cannot be maintained if that individual is required to serve as a witness in legal proceedings.

2-07.6 Authorization for Investigating Suspected Fraud

The FPC and the internal auditors will have:

- Free and unrestricted access to all Department records and premises, whether owned or leased; and
- The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, computers, and other storage facilities on the premises without prior knowledge or consent of any individual who might use or have custody of any such items or facilities when it is within the scope of their investigation.

2-07.7 Reporting Procedures

Any employee who suspects dishonest or fraudulent activity should immediately notify (1) his/her Division Director; or (2) the FPC; or (3) utilize the “Suggestion Box”, a confidential electronic reporting mechanism which employees may use to report suspected or possible fraud anonymously. Comments submitted through this box are sent directly to the FPC who will provide a copy to the other Deputy Commissioner.

Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way. The reporting individual should be advised of the following:

- Do not contact the suspected individual to determine facts or demand restitution; and
- Do not discuss any facts, suspicions or allegations associated with the case with anyone, unless specifically directed to do so by the Commissioners, internal auditors, or the General Counsel.

All inquiries from the suspected individual, their representative or their attorney shall be directed

to Department's General Counsel. Proper response to such an inquiry should be, "I'm not at liberty to discuss this matter." Under no circumstances should there be any reference to "what you did," "the crime," "the fraud," "the forgery," "the misappropriation," etc.

The Department is required by law (Texas Government Code, Section 321.022) to report suspected fraud or unlawful conduct to the SAO, the state agency authorized to investigate the misuse or misappropriation of states resources. Employees may report fraud, waste, or abuse related to the expenditure of state funds by a Texas state agency, college, or university to the State Auditor's Office Hotline at (800) 892-8348 or their [website](#).

2-07.8 Termination

Any recommendations to terminate employees should be reviewed by the Division Director, Human Resources, and the General Counsel. Sections 4-07.1 and 4-07.2 in the Personnel Policy and Procedure Manual address the Department's Termination policy. Refer to the Personnel Policy and Procedure Manual, Section 5-01 Disciplinary Actions, for procedures to use when dismissing an employee. Any involuntary dismissal will be reviewed for compliance with non-discrimination policies; dismissals may not discriminate based on race, color, disability, sex, religion, age, or national origin.

2-07.9 Administration

The FPC and the Director of Strategic Support are responsible for the administration, revision, interpretation, and application of this policy. The policy will be reviewed annually and revised as needed by the FPC and the Director of Strategic Support.

OUTSIDE EMPLOYMENT OR BUSINESS REQUEST

TO: Ethics Advisor
Texas Department of Banking

THROUGH: Regional Director and/or Division Director and Deputy Commissioner

FROM: _____
Name of Employee *Region and/or Division Name*

TO BE COMPLETED BY REQUESTING EMPLOYEE

Type of Outside Employment or Business Activity

Hours Worked Per Week

Expected Duration

Employee Remarks (Attach additional pages if necessary)

I have examined all aspects of this employment / business opportunity and do not feel that this will conflict in any way with my full-time primary position with the Texas Department of Banking.

Employee Signature

Date

DIVISION AND/OR REGIONAL DIRECTOR and DEPUTY COMMISSIONER

I am forwarding this request for consideration of the Ethics Advisor and agree that this outside employment / business activity will not impact the employee's primary duties and responsibilities; it does not appear that a conflict would exist.

Regional Director (if applicable)

Date

Division Director

Date

Deputy Commissioner

Date

ETHICS ADVISOR

I have reviewed this request and have determined that this outside employment / business activity does not violate the conflict of interest guidelines of the Texas Department of Banking.

Ethics Advisor

Date

Ethics Advisor's Remarks

COMMISSIONER

I **Agree** with the Ethics Advisor Determination

I **Disagree** with the Ethics Advisor Determination

Commissioner's Signature

Date

Commissioner's Remarks