



## STATE ETHICS COMMISSION

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### Via Email

August 18, 2021

The Honorable Phil Berger  
President Pro Tempore of the Senate  
16 West Jones Street, Room 2008  
Raleigh, North Carolina 27601

**Re: Evaluation of Statement of Economic Interest Filed by Ms. Lisa Estep  
Nominee for Appointment to the State Board of Community Colleges**

Dear Senator Berger:

Our office has received **Ms. Lisa Estep's** 2021 Statement of Economic Interest as a nominee for appointment to the **State Board of Community Colleges (the "Board")**. 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 (the "Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

**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 on this entity.**

The State Board of Community Colleges implements Chapter 115D of the General Statutes, which provides for the establishment, organization, and administration of a statewide system of educational institutions in the form of two-year community colleges. Among other things, the Board recommends the establishment of community colleges after determining that an educational need exists within a proposed administrative area; approves the expenditure of any State funds for capital improvements of existing institutions; develops appropriate criteria and standards to regulate the addition and operation of college transfer programs to institutions; and adopts and executes such policies, regulations, and standards concerning the establishment, administration, and operation of institutions as the Board deems necessary to insure the quality of educational programs, to promote the systematic meeting of educational needs of the State, and to provide for the equitable distribution of State and federal funds to the several institutions.

The Act establishes ethical standards for certain public servants and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated

persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

Ms. Estep is the Finance Director for Griffin-Estep Benefit Group Inc. Because the company could seek to provide services for the community college system, she has the potential for a conflict of interest. Therefore, Ms. Estep should exercise appropriate caution in the performance of her public duties should issues involving Griffin-Estep Benefit Group Inc. come before the Board for official action.

In addition to the conflict standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. § 138A-24(e), the conflict must be recorded in the minutes of the applicable board and brought to the membership's attention by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act. N.C.G.S. § 138A-15(c).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 138A-14. 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 Act.

Sincerely,

A handwritten signature in cursive script that reads "Mary Roerden".

Mary Roerden, SEI Unit  
State Ethics Commission

cc: Lisa Estep  
Attachment: Ethics Education Guide