STATE OF TENNESSEE

EXECUTIVE ORDER

BY THE GOVERNOR

No. 2

AN ORDER CONCERNING FINANCIAL AND OTHER DISCLOSURES BY CERTAIN EXECUTIVE BRANCH EMPLOYEES

WHEREAS, the maintenance of high standards of honesty, integrity, impartiality, and conduct by employees and agents of the State of Tennessee is essential to ensure the proper performance of government business and the maintenance of confidence by citizens in their government; and

WHEREAS, full disclosure is an appropriate measure reasonably related to helping to ensure the maintenance of these high standards;

NOW THEREFORE, I, Phil Bredesen, Governor of the State of Tennessee, by virtue of the power and authority vested in me by the Tennessee Constitution and the laws of Tennessee, do hereby direct and order that:

1. Each employee of the Executive Branch holding a position listed on Attachment A to this Order shall annually disclose the following information:

   i. The name and address of any business, and the nature of the employee's interest in the business, in which the employee or spouse or minor child of the employee has a financial interest exceeding 5%;

   ii. The address of and nature of interest in any real property in which the employee or spouse or minor child of the employee has a financial interest exceeding 5%, excepting the primary personal residences of those individuals;

   iii. Any non-governmental position held, whether compensated or not, with any business entity, non-profit organization, labor group, educational institution or other entity of any type, together with the nature and amount of any compensation;

   iv. Any litigation involving the State of Tennessee, or any entity with a relationship to the State of Tennessee, in which the person is a party or has a financial interest;

   v. Any felony conviction within 20 years of the date of the disclosure;

   vi. Any debts, guarantees or endorsement of debts aggregating over $5,000 owed to one creditor at any time during the year, excluding loans from established financial institutions made in the ordinary course of business on usual and customary terms and liabilities owed to a relative;

vii. Any debts of the employee or spouse or minor child of the employee which are secured by a guarantee or collateral of any individual other than the employee, or a parent, spouse, or minor child of the employee;

viii. The employee's Form 1040 Federal Income Tax return (with social security number redacted) for the most recent year during which the employee held a position listed on Attachment A, or in the alternative a statement in the form of Attachment B describing the employee's sources of income for the same time period; and

ix. An employee who has placed assets into a "blind trust" arrangement, pursuant to which the employee does not have knowledge of the retention or disposition of such assets can respond to subsections (i) and (ii) with respect to those assets by disclosing a copy of the "blind trust" document.

2. In addition, each employee required to report by this Order shall annually sign a statement stating that he or she knows of no circumstances related to his or her duties respecting State government that might result in or create the appearance of (i) through (vi) in paragraph 1 of Executive Order 3, or listing and describing any such circumstances.

3. The Commissioner of Finance and Administration shall prepare forms to be used to report the information described in paragraphs 1 and 2 of this Order and shall provide those forms to each individual on or before July 1 of each year. Such statements shall be filed with the Commissioner of Finance and Administration by July 15th of each year.

4. Each employee required to submit a statement pursuant to paragraph 2 shall notify the Commissioner of Finance and Administration by letter of any substantial change in circumstance subsequent to submission of the statement which might result in or create the appearance of (i) through (vi) in paragraph 1 of Executive Order 3.

5. The Commissioner of Finance and Administration shall maintain files of the disclosures and statements required by this Order and shall make them available for inspection by the public during normal working hours.

6. This Executive Order is intended only to improve the internal management of the Executive Branch of the State of Tennessee and does not create any right to administrative or judicial review, or any other right or benefit, substantive or procedural, enforceable at law or equity by a party against the State of Tennessee, its agencies or instrumentalities, its officers or employees, or any other person.

7. Executive Orders 1, 2 and 3 supercede and repeal all other Executive Orders and implementing directives and memoranda concerning ethics policies applicable to the Executive Branch.

IN WITNESS WHEREOF, I have subscribed my signature and caused the Great Seal of the State of Tennessee to be affixed this 3rd day of February, 2003.

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GOVERNOR

ATTEST:

_____
SECRETARY OF STATE

ATTACHMENT A TO EXECUTIVE ORDER 2
POSITIONS COVERED

Office of the Governor
- Governor
- Chief Administrative Officer to the Governor
- Deputy to the Governor
- Senior Advisor for Legislation and Policy
- Director of Legislation
- Legislative Liaison
- Legal Counsel to the Governor
- Assistant Legal Counsel to the Governor
- Special Assistant to the Governor and Communications Director
- Press Secretary
- Special Projects Director
- Special Assistant to the Governor for Projects
- Policy Chief
- Assistant to the Governor/Boards and Commissions

Department of Agriculture
- Commissioner
- All deputy commissioners
- All assistant commissioners

Department of Children's Services
- Commissioner
- All deputy commissioners
- All assistant commissioners

Department of Commerce and Insurance
- Commissioner
- All deputy commissioners
- All assistant commissioners

Department of Correction
- Commissioner
- All deputy commissioners
- All assistant commissioners

Department of Economic and Community Development
- Commissioner
- All deputy commissioners
- All assistant commissioners

Department of Education
- Commissioner
- All deputy commissioners
- All assistant commissioners

Department of Environment and Conservation
- Commissioner
- All deputy commissioners
- All assistant commissioners

Department of Finance and Administration
- Commissioner
- All deputy commissioners
- All assistant commissioners

Department of Financial Institutions
- Commissioner
- All deputy commissioners

All assistant commissioners

Department of General Services
- Commissioner
- All deputy commissioners
- All assistant commissioners

Department of Health
- Commissioner
- All deputy commissioners
- All assistant commissioners

Office of Homeland Security
- Director
- All deputy directors
- All assistant directors

Department of Human Services
- Commissioner
- All deputy commissioners
- All assistant commissioners

Department of Labor and Workforce Development
- Commissioner
- All deputy commissioners
- All assistant commissioners

Department of Mental Health and Developmental Disabilities
- Commissioner
- All deputy commissioners
- All assistant commissioners

Military Department
- Adjutant General
- All assistant adjutant generals
- Director of TEMA

Department of Personnel
- Commissioner
- All deputy commissioners
- All assistant commissioners

Department of Revenue
- Commissioner
- All deputy commissioners
- All assistant commissioners

Department of Safety
- Commissioner
- All deputy commissioners
- All assistant commissioners

Department of Tourist Development
- Commissioner
- All deputy commissioners
- All assistant commissioners

Department of Transportation
- Commissioner
- All deputy commissioners
- All assistant commissioners

Department of Veterans Affairs
Commissioner
All deputy commissioners
All assistant commissioners

ATTACHMENT B TO EXECUTIVE ORDER 2

ALTERNATIVE TO IRS FORM 1040

In lieu of filing Federal Income Tax Form 1040, the Executive Branch employees required to file under Executive Order 2 may submit the following information:

1. Name.

2. Address.

3. Title of office.

4. Amount of employee's taxable income as reflected on Internal Revenue Service Forms W-2, 1099 and/or K-1.

5. Amount of income derived from real property, other than a primary personal residence, which has been subject to executive or legislative action by the State of Tennessee. (Income shall include rents, capital gains or losses or capital gains distribution.)

6. Aggregate amount of income received from all positions listed in paragraph 1 (iii) of Executive Order 2, requiring a list of all non-governmental positions held in a business entity, non-profit organization, labor group, educational institution or other entity of any type.