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Testimony in Support of HB 1404 Conflicts of Interest Act

Environment and Transportation Committee
March 3, 2020

Dear Chair Barve, Vice Chair Stein and Members of the Environment and Transportation Committee:

I am Board Chair of Our Maryland, a nonprofit launched a few years ago and now the largest online platform for promoting a just and sustainable future for all Marylanders across multiple issues and constituencies. Our Maryland currently has more than 55,000 Facebook followers and tens of thousands of engagements by Marylanders each week on issues of public importance.

No issue is more important in protecting our democracy than the public's trust in their elected officials and government. No public official regardless of political party and whether serving at the state, local or national levels should allow private business interests to improperly influence or give the appearance of such influence over the official decisions to be made in the public interest. As the Maryland Public Ethics Law state, "the people have a right to be assured" of impartial and independent judgment from the conduct of the State.

Based on facts reported by respected publications such as *Maryland Matters*, the *Baltimore Sun*, and the *Washington Monthly*, Governor Hogan has apparently violated our ethics laws through his personal participation in and oversight of official State decisions that he knew conflicted with and would benefit his own economic and financial interests, including his family-owned real estate business called HOGAN. Governor Hogan's spokesperson says the Governor has never recused himself and never informed the General Assembly of his private business conflicts of interest. The Governor also states that he's gone beyond what the law requires in terms of his ethics and transparency. All of these are exemplary reasons for why we need strong rules and enforcement for full-time officials who maintain large private business interests while in office starting and why HB 1404 is an important, bi-partisan first step.

Finally, a few points about Governor Hogan's business conflicts of interests that bear on the importance of this legislation.

1. The State Ethics Commission conducted its negotiations with Governor Hogan under a confidential process. The first public discussion of Governor's Hogan significant and wide-ranging conflicts wasn't until February 2018 – three years into office - when *Maryland Matters* reported based on its disclosures. The General Assembly and the public need to be

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- aware of conflicts from the start. Moreover, the public shouldn't have to rely on enterprising, but underresourced, reporters and media to enforce the law. Apparently, the State Ethics Commission does not do independent investigation or monitoring for compliance.
2. Governor Hogan didn't reach a conditional agreement with the Ethics Commission until September 2015. The Ethics Commission specifically instructed Governor Hogan to comply with the financial conflicts of interest provisions during that time. He didn't. That is the main subject of a recent *Washington Monthly* piece and then a formal Ethics Complaint filed by Public Citizen.
 3. The Governor has not been transparent. His public disclosures have listed the names of LLCs and not the names of individual properties, investors and other interests that would allow policy makers and the public to understand the conflicts of interest between his and his family's financial interests and state decisions affecting Marylanders. That is the intent of Maryland's Public Ethics Laws.
 4. Finally, we're concerned with the way Governor Hogan, including through his spokesmen, has treated these serious issues. He called the in-depth *Washington Monthly* piece a "blog thing" and called Public Citizen – one of the nation's most respected, bipartisan government watchdog groups - "an activist group peddling delusions."

We appreciate your consideration and urge a favorable report on HB 1404.