

STATE OF COLORADO  
DEPARTMENT OF THE TREASURY

**Walker R. Stapleton**  
State Treasurer



**Brett J. Johnson**  
Deputy Treasurer

January 14, 2011

Jane T. Feldman, Executive Director  
Colorado Independent Ethics Commission  
101 West Colfax Avenue, Suite 500  
Denver, CO 80202

Re: Request for Advisory Opinion regarding the permissibility of the Colorado State Treasury's acceptance of reasonable expenses to participate in National Association of State Treasurers' Conferences.

Dear Members of the Independent Ethics Commission:

I am respectfully requesting an advisory opinion pursuant to Article XXIX, section 5 (5) of the Colorado Constitution, section 24-181.5-101 (4) (b), Colorado Revised Statutes, and Rule 5 of the Rules of Procedure of the Independent Ethics Commission ("IEC"). The question involves the use the \$4,000.00 Western States Scholarship Fund monies to pay for airfare, hotel, and other expenses to attend the National Association of State Treasurers (NAST) conferences held throughout the year. The following are facts and IEC interpretations that may be relevant to this request:

1. Treasury pays \$3,100.00 in annual dues to NAST.
2. Western States Scholarships Fund monies available for use total \$4,000.00.
3. In Position Statement 10-01, the Independent Ethics Commission stated that reasonable expenses for travel paid for by a "governmental exchange organization," such as NAST, would not violate the gift bans set out in Article XXIX of the state constitution.
4. Section 3 (3) of Article XXIX establishes an exception to the gift ban for reasonable expenses paid for by a nonprofit organization for attendance at a convention to represent the state.
5. Finally, by acceptance of this opportunity, I do not think I would be breaching the public trust for private gain or personal financial gain as contemplated in section 6 of Article XXIX of the state constitution or as defined in section 24-18.5-101 (5), C.R.S., since the expenses paid on my behalf would not be given by the Western States Scholarship Funds in order to influence any official act that I might perform in the course of my public duties.

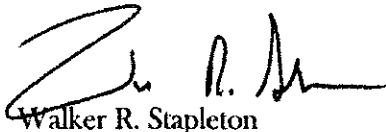
(303) 866-2441

140 State Capitol  
Denver, Colorado 80203  
[www.colorado.gov/treasury](http://www.colorado.gov/treasury)

FAX (303) 866-2123

Thank you for your timely consideration of this request for an advisory opinion. Please be advised that the first NAST conference of 2011 is scheduled for March 28 - March 31 in Washington, D.C. I therefore respectfully appreciate your timely consideration of this request. I waive confidentiality for purposes of this request and the forthcoming advisory opinion.

Respectfully submitted,



Walker R. Stapleton  
Colorado State Treasurer

NAST Conference Schedule

March 28 - 31, 2011  
Washington, D.C.

May 1 - 4, 2011  
Atlanta, Georgia

August 28 - 31, 2011  
Bismarck, North Dakota

December 4 - 6, 2011  
New York, New York

**From:** Jon Lawniczak [<mailto:jlawniczak@csq.org>]  
**Sent:** Tuesday, January 25, 2011 9:22 AM  
**To:** Stapleton, Walker  
**Subject:** NAST Scholarship Program

Walker:

How are you? I wanted to remind let you know about our scholarship program. As a treasurer in the Western Region you fall under their program. Every year (December 1 – November 30 for Western Treasurers) your office is provided with \$4,000 to offset the costs of you and/or your staff attending NAST Conferences. This fiscal year includes the:

- Legislative Conference in Washington, DC, March 28 – 31
- Treasury Management Conference in Atlanta, GA, May 1 – 4 and
- Annual Conference in Bismarck, ND, August 28 – 31.

Please see the attached Travel Guidelines for Members, which include instructions for reimbursement. The main restriction on scholarship funds is that a state **must** be current in its dues in order to receive reimbursement.

In addition, Western Treasurers are provided with \$1,500 to attend the Public Finance Institute. The PFI will take place this year in Chicago from July 31 – August 4. This is a great opportunity for you and your senior staff to learn more about the core functions of treasury offices.

I did chat briefing with someone from your ethics commission. Since she wanted to know about how the funds were raised, etc. I sent her to the office of the treasurer of the Western State Treasurers – Richard Ellis of Utah. I hope we get a favorable response and you are able to use the scholarship funds to attend our meetings.

If you have any questions, please let me know.

I hope to see you in Washington!

Jon Lawniczak

Jonathan Lawniczak  
Executive Director/CEO  
National Association of State Treasurers  
[jlawniczak@csq.org](mailto:jlawniczak@csq.org)  
859-244-8175 (voice)  
859-533-2759 (mobile)

**feldman, jane**

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**From:** David Damschen [ddamschen@utah.gov]  
**Sent:** Monday, January 24, 2011 6:13 PM  
**To:** Jane Feldman  
**Cc:** Richard Ellis  
**Subject:** Re: Question relating to the Western States Scholarship Fund for attendance at NAST conferences

Hi, Jane:

My responses are **following your questions** below.

Please let me know if I can be of further assistance.

Warm regards,

David Damschen, CTP  
Chief Deputy  
Utah State Treasurer's Office  
(801) 538-1042  
[ddamschen@utah.gov](mailto:ddamschen@utah.gov)

>>> "Jane Feldman" <[jane.feldman@state.co.us](mailto:jane.feldman@state.co.us)> 1/24/2011 2:33 PM >>>  
Mr. Damschen,

The Colorado Independent Ethic Commission has received a request for advisory opinion relating to the propriety of accepting scholarship funds from the Western States Scholarship Fund for attendance at NAST conferences. A representative of NAST gave me your name as someone who may be answer my questions.

1. Public employees and officials in Colorado may accept travel reimbursement from organizations to which the state pays dues. As I understand it, this exemption does not apply, because although Colorado pays dues to NAST, it does not pay dues to the Western States Scholarship Fund—is that correct?

**WSTA does not collect dues from its members at present. However, WSTA is affiliated with NAST, and participation in WSTA's scholarship programs requires that participating states pay NAST dues.**

2. Public officials and employees may accept travel reimbursement from nonprofit organizations which receive less than 5% of its funding from for profit sources. Can you tell me something about how the Scholarship Fund gets its money? The NAST representative told me that he thought that the fund consists primarily of left-over monies from registration fees at conferences. Is that correct? Doe the Scholarship fund do fundraising from for profit corporations, etc to provide these scholarships?

**As the NAST representative indicated, WSTA's scholarship funds come from excess net proceeds from past WSTA conferences. These excess proceeds were generated from a combination primarily of member registration fees, corporate affiliate registration fees and corporate donations. WSTA hasn't held a conference for six years or more and the organization has no ongoing funding sources.**

I appreciate any help you can give me. Please feel free to call me if you have any questions.

Sincerely,

Jane

Jane T. Feldman  
Executive Director  
Colorado Independent Ethics Commission  
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[jane.feldman@state.co.us](mailto:jane.feldman@state.co.us)

# State of Colorado



**Matt Smith**, *Chairperson*  
**Dan Grossman**, *Vice-Chairperson*  
**Roy V. Wood**, *Commissioner*  
**Sally H. Hopper**, *Commissioner*  
**Larry R. Lasha**, *Commissioner*

**Jane T. Feldman**, *Executive Director*  
**Doug Platt**, *Communication Director*

## INDEPENDENT ETHICS COMMISSION

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Walker R. Stapleton  
State Treasurer  
140 State Capitol  
Denver, CO 80203

BY EMAIL

Re: Advisory opinion Request 11-01

Dear Treasurer Stapleton:

The Independent Ethics Commission met today and had several additional questions for you before it can render an Opinion relating to your request.

1. What is the balance of the Western States Scholarship Fund ("WSSF")
2. How much of the balance of the WSSF is interest?
3. How much dues did the State of Colorado pay to the Western States Treasurer's Association *per annum* when the Association was operational?

The Commission has another meeting scheduled for March 3, 2011 at 9am. If you can get this information to me prior to that date, that would be helpful. Otherwise, the Commission will not be meeting again until April 21, 2011.

Sincerely,

For the Commission,

Jane T. Feldman  
Executive Director

cc: Maurice G. Knaizer  
Lisa Brenner Freimann

STATE OF COLORADO  
DEPARTMENT OF THE TREASURY

**Walker R. Stapleton**  
State Treasurer



**Brett J. Johnson**  
Deputy Treasurer

March 02, 2011

Colorado Independent Ethics Commission  
101 West Colfax Avenue, Suite 500  
Denver, CO 80202

**Re: Advisory Opinion Request 11-01**

Dear Members of the Independent Ethics Commission:

Before addressing the Independent Ethic Commission's questions, received by email on February 23, 2011, I believe it will be helpful to review some background information. The Western States Treasurers' Association (WSTA) was an independent governmental enterprise organization comprised of 12 states: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Nevada, New Mexico, Oregon, Washington, and Wyoming. WSTA dissolved more than 10 years ago, leaving an outstanding balance in their bank account. The residual balance consisted of dues paid by member states and funds collected from conferences provided by WSTA. Upon dissolution, a nonprofit organization, Western States Scholarship Fund (WSSF), was created to administer the bank balance. The nonprofit's board annually allocates or appropriates \$4,000.00 per former member state for reimbursement of travel expenses associated with attendance to any of the National Association of State Treasurers' (NAST) conferences. The allocation is only for the designated year and may or may not be reallocated in subsequent years. Although not pertinent to the request, an additional allocation of \$1,500.00 per former member state for reimbursement of travel expenses associated with attendance at National Institute of Public Finance conferences is also provided subject to reallocation every two years.

The travel to the NAST conferences is for a legitimate state purpose. The conferences provide important information about investments, banking, and other strategies necessary to preserve public monies.

The travel needs are similar for all who attend including transportation to the host city, lodging and meals. The itinerary consists of meetings with other state treasurers and Congressional representatives. These meetings provide chances for networking and creative exchange.

I will not be extending the trip for personal reasons. I have never been, nor will be in the near future, in a position to take direct financial action with respect to the entity that controls the WSSF.

This past week, I spoke with David Damschen, Chief Deputy Treasurer of Utah, who is also an administrator for WSSF. Mr. Damschen's knowledge of the fund is limited to ten years. His responses to the Commission's questions follow:

1. The fund balance has exceeded \$200,000.00 during his tenure;
2. The fund earns interest although the portion of the balance would be determinant upon the characterization of the allocations (interest or principal); and
3. The State of Colorado paid dues to WSTA before dissolution. The records of those payments were made prior to any records that are currently maintained by the nonprofit or the Colorado State Treasury and therefore are no longer retrievable.

Thank you for your careful consideration of my request.

Respectfully submitted,



Walker Stapleton  
Colorado State Treasurer