

# NEWS RELEASE

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## **Vermont Commission finds Gov. Scott in violation of State Ethics Code**

**Montpelier, VT** – In its first ever advisory opinion issued Tuesday, Vermont’s new Ethics Commission offered a stern rebuke of Gov. Phil Scott’s ongoing financial relationship with his former business. The governor receives large annual payments from the business while the business itself has received at least one major state contract valued at \$250,000 since Scott took office.

The Commission stated that the governor “has a conflict of interest because he is financially intertwined as a creditor, who has an ongoing financial interest in a company that contract [*sic*] with the State, which the public official as governor is the chief executive officer.”

The Commission noted that the conflict is not avoided due to the contract being awarded by a subordinate of the governor. Applying Principle 13 of the State Code of Ethics, the Commission stated that:

“the first public official’s conflict of interest is imputed to any subordinate public official acting as the first public official’s delegate, in this case the Commissioner of Buildings and General Services and the Secretary of Administration, who serve at the direction and control of the first public official, in this case the governor, who has actual knowledge of the conflict of interest.”

The request for an advisory opinion of the Ethics Commission came from the Vermont Public Interest Research Group, which has long been engaged in campaign finance and government reform work in Vermont. VPIRG helped to pass the legislation that created the Ethics Commission in 2017.

“The Ethics Commission has delivered a very clear and convincing opinion in this matter,” said Paul Burns, executive director of VPIRG. “The governor’s ongoing financial entanglements with his former business are a violation of Vermont’s Code of Ethics. The question now is, what will Gov. Scott do about it?”

The Ethics Commission has no enforcement powers of its own. And the opinion issued in this matter was advisory only. But the message was unambiguous:

“The appearance of the potential or actual conflict of interest is apparent by virtue of the filing of this ethics advisory request. Furthermore, given the governor’s authority over the Commissioner of Buildings and General Services, and the Secretary of Administration, this appearance is well founded.”

The opinion noted that the facts submitted as part of VPIRG’s request amounted to violations of four separate principles in Vermont’s new Code of Ethics, adopted this past June.

One charge that the opinion did not address involves language in the current contract between the State and Dubois Construction, the business that Gov. Scott formerly co-owned. The contract states:

“No Gifts or Gratuities: Party [Business] shall not give title or possession of anything of substantial value (including property, currency, travel and/or education programs) to any officer or employee of the State during the term of this Agreement.”

The opinion suggested that the Commission lacks the authority to investigate this, and suggested that it might better be “reviewed as a contractual matter by the Vermont Attorney General...”

“This isn’t Washington, D.C., and I don’t think ethical violations can be as easily ignored here as they apparently are there,” said VPIRG’s Burns. “But right now the ball is in the governor’s court. Let’s see what he does with it.”

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