



## **Administrator Ethics Training Issue Brief**

### **Issue Overview**

North Carolina school board members and other locally elected officials are required to receive ethics training within 12 months of each election or appointment. However, ethics training for school administrators is currently not required under State or federal law. In recent years, there have been multiple instances of ethics concerns and/or violations involving North Carolina school administrators.

### **NCSBA Position**

Due to various levels of experience within the administrative ranks and complex ethics laws at the federal and state levels, NCSBA believes there should be a requirement for all school administrators involved in the making, awarding, or administering of contracts to have at least two hours of ethics training upon employment. Continuation of this training in odd-numbered years is recommended as laws change, new contractual relationships are established, and new examples of ethics violations emerge.

Some superintendents are hired from other states, and because ethics laws vary from state to state, many are unaware of the laws pertaining to their new role in North Carolina. Additionally, federal ethics laws differ from State ethics laws and are often more strict. It is critical to inform and re-educate school administrators on both State and federal ethics laws to ensure that the trust of the local school board, community, and taxpayers is honored. This training is especially important given that roughly 50% of North Carolina's school districts are led by a superintendent with four years or less of experience in that position.

### **Issue Background**

State law prohibits school system employees involved in the making, awarding, or administering of contracts on behalf of the local school board from deriving a direct benefit from a contract unless there is a clear exception.<sup>1</sup> It is also unlawful for those school system employees to accept gifts or favors from a contractor, subcontractor, or supplier who has a contract, anticipates bidding on a contract, or in some cases has had a contract with the school district.<sup>2</sup> Yet, there is no required ethics training to inform and educate school administrators of these important laws. The following are examples of recent ethics concerns and/or violations by school district administrators in North Carolina.

- In 2019, a school administrator allegedly made a deal with a vendor without school board approval, even though the total cost of the project was significantly above the

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<sup>1</sup> G.S. 14-234(a)(1)

<sup>2</sup> G.S. 133-32

administrator's signing authority. Based on email correspondence obtained by local media, the administrator and vendor agreed to write multiple contracts for the same project. The arrangement included eight payments that were each less than the amount required to gain school board approval. By the time the school board learned about the scheme and voted to void the contract, three payments totaling \$259,470 had already been made. Additionally, the district paid the vendor a \$82,200 settlement.<sup>3</sup>

- In 2019, a superintendent resigned not long after the local school board was notified about a potential conflict of interest. A vendor that the superintendent strongly encouraged the school board to sign an agreement with employed the superintendent's son and a longtime business associate.<sup>4</sup>
- In 2018, two local superintendents potentially violated ethics laws for accepting gifts from Apple during a trip to the company's California headquarters.<sup>5</sup>
- In 2016, a State audit<sup>6</sup> found that a former superintendent spent thousands of dollars in federal money allocated for at-risk students on personal expenses including meals, hotels, flights, and entertainment.<sup>7</sup>
- In 2013, a local school board terminated the superintendent's district-issued credit card after records showed a variety of personal charges ranging from a couple hundred dollars to almost \$2,000 from June 2012 to June 2013. The superintendent had also used a school bus to transport friends and family to private events.<sup>8</sup>

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<sup>3</sup> Brighton McConnell, "Emails Show Effort from CHCCS Leadership to Keep \$767k Contract from School Board," Chapelboro, February 20, 2020.

<sup>4</sup> Annie Ma and Fred Clasen-Kelly, "Did people close to Clayton Wilcox benefit from CMS deals he helped broker?," The Charlotte Observer, October 17, 2019.

<sup>5</sup> Kelly Hinchcliffe, "NC Superintendent Accuses Board of Being 'Petty,' 'Hostile' as Members Urge Him to be More Transparent," WRAL, September 6, 2018.

<sup>6</sup> Washington County Schools Investigative Report, State of North Carolina Office of the State Auditor, January 2016.

<sup>7</sup> "Audit: Former NC Superintendent spent thousands on bounce houses, food, travel," WRAL, January 5, 2016.

<sup>8</sup> "Durham Public Schools revokes district credit cards," WRAL, November 25, 2013.