



STATE OF ARKANSAS
**Department of Finance
and Administration**

OFFICE OF THE DIRECTOR
1509 West Seventh Street, Suite 401
Post Office Box 3278
Little Rock, Arkansas 72203-3278
Phone: (501) 682-2242
Fax: (501) 682-1029
www.dfa.arkansas.gov

January 11, 2017

Steve Eggensperger
500 Woodlane Street, Suite 120
Little Rock, AR 72201
Steve.eggensperger@governor.arkansas.gov

RE: Advisory Opinion No. 2017-03

Dear Mr. Eggensperger,

This letter is in response to your request for an advisory opinion, in accordance with Ark. Code Ann. § 19-11-715(b), concerning a possible conflict of interest between yourself and the Arkansas Department of Finance and Administration (DFA), regarding Peregrine Integrated Management, Inc. (Peregrine), in which you have a 30% ownership interest. I appreciate your inquiry. Public service is a position of trust. Thus, it is paramount that public employees strive to avoid even the mere appearance of a conflict of interest under Ark. Code Ann. § 19-11-705 or a violation of the public services code of ethics under Ark. Code Ann. § 21-8-304.

This opinion is based upon the following facts that have been presented to me. It should be noted that if one or more of these facts are later shown to be incorrect, that could result in a revised opinion.

1. You are currently employed as a Military, Veteran, and Public Safety Liaison with the Office of Governor Hutchinson.
2. Your employment with began in August of 2016.
3. Peregrine recently responded to a request from DFA to provide prices for a series of professional development courses for the staff at DFA.

Ark. Code Ann. § 19-11-705 prohibits state agencies, including state-supported institutions of higher education, from contracting with a business in which an employee or an employee's immediate family member has a financial interest if the employee participates, either directly or indirectly, in the procurement of such contracts. "Employee" is defined broadly to include volunteer members of state boards and commissions. Ark. Code Ann § 19-11-701(8). "Direct or indirect participation" is defined under Ark. Code Ann. § 19-11-705(a)(2), and includes, without limitation, "involvement through decision, approval, disapproval, recommendation, preparation of any part of a procurement request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity." The position of employment and an employee's participation in the procurement process, both directly and indirectly, are examined on a case-by-case basis.

Under the facts as stated above, I find no conflict of interest or breach of ethical standards, owing to the fact that you are employed with the Office of Governor Hutchinson and not by the DFA. Additionally, it is assumed that neither you nor a member of your immediate family had any direct or indirect participation with contract's approval, disapproval, recommendation, preparation or any participating in any other advisory capacity regarding the contract.

This advisory opinion is issued in accordance with Ark. Code Ann § 19-11-715(b). Compliance with the above course of conduct is deemed to constitute compliance with Arkansas law and Executive Order 98-04.

Sincerely,



Larry W. Walther
Director and Chief Fiscal Officer of the State