

**COUNCIL OF THE DISTRICT OF COLUMBIA  
COMMITTEE OF THE WHOLE  
COMMITTEE REPORT**

1350 Pennsylvania Avenue, NW, Washington, DC 20004

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**TO:** All Councilmembers

**FROM:** Chairman Phil Mendelson  
Committee of the Whole

**DATE:** September 20, 2022

**SUBJECT:** Report on Bill 24-706, “Board of Ethics and Government Accountability Delinquent Debt Recovery Amendment Act of 2022”

The Committee of the Whole, to which Bill 24-706, the “Board of Ethics and Government Accountability Delinquent Debt Recovery Amendment Act of 2022” was sequentially referred, reports favorably thereon, and recommends approval by the Council.

CONTENTS

I.	Background And Need.....	1
II.	Legislative Chronology.....	3
III.	Summary Of Testimony.....	3
IV.	Impact On Existing Law .....	3
V.	Fiscal Impact.....	3
VI.	Racial Equity Impact.....	3
VII.	Section-By-Section Analysis .....	4
VIII.	Committee Action.....	4
IX.	Attachments .....	4

**I. BACKGROUND AND NEED**

On March 9, 2022, Bill 24-706, the “Board of Ethics and Government Accountability Delinquent Debt Recovery Amendment Act of 2022” was introduced by Councilmember Brianne Nadeau. The bill would allow the Board of Ethics and Government Accountability (BEGA) to retain funds resulting from ethics or open meetings violations under its jurisdiction. The bill would also allow the Central Collection Unit of the Office of Chief Financial Officer to collect delinquent debt on BEGA’s behalf and deposit it into the Ethics Fund (D.C. Official Code § 1-1162.10) or the Open Government Fund (D.C. Official Code § 1-1162.10a).

***Background***

The Board of Ethics and Government Accountability (BEGA) is an independent agency of the District charged with administering and enforcing the Code of Conduct, receiving, investigating, and adjudicating violations of the Code of Conduct and Open Meetings Act, conducting training on the Code of Conduct and the Open Meetings Act for District employees, and issuing rules and regulations governing the ethical conduct of District employees and elected

officials.<sup>1</sup> If a District employee or elected official is accused of violating the Government Ethics Act of 2011 (“Ethics Act”), BEGA’s Office of Government Ethics conducts an investigation and submits findings of fact and recommendations to the Board of Directors. Similarly, if a District employee or elected official is accused of violating the Open Meetings Act, BEGA’s Office of Open Government conducts an investigation and submits findings of fact and recommendations to the Board of Directors. Violations of the Ethics Act may result in a fine of up to \$5,000 or 3 times the amount of an unlawful contribution, expenditure, gift, honorarium, or receipt of outside income for each violation, while a violation of the Open Meetings Act may result in a fine of up to \$250 for each violation.<sup>2</sup>

Currently, fines for Ethics Act or Open Meetings Act violations are deposited into the Ethics Fund or the Open Government Fund, respectively.<sup>3</sup> However, pursuant to the Delinquent Debt Recovery Act of 2012 (D.C. Official Code § 1-350.01 *et seq.*), if an individual does not pay the fine within 60 days, the remaining balance is transferred to the Central Collections Unit (CCU) of the Office of Chief Financial Officer. When the CCU collects these delinquent fines, the funds are deposited into the General Fund. Bill 24-706 would change this process so that delinquent debts owed to BEGA and collected by the CCU are deposited into the appropriate special purpose fund. Those funds could then be used to support operations and personnel of the respective offices, pursuant to the D.C. Code.

While most individuals who are found guilty of an Ethics Act or Open Meetings Act violation pay their fines, Ashley Cooks, the Director of the Office of Government Ethics, noted in her testimony that BEGA is currently owed nearly \$65,000 in unpaid fines.<sup>4</sup> If these funds are deposited into the Ethics Fund or Open Government Fund, they could be used to support the critical work of BEGA. Additionally, exceptions to the process prescribed in the Delinquent Debt Recovery Act of 2012 have been approved multiple times by the Council since 2012, including for delinquent debt owed to United Medical Center, debts arising from non-resident student tuition, and debts arising out of settlements and judgments brought by the Office of Attorney General.<sup>5</sup> So there is ample precedent to support this bill.

The Committee Print does not make any substantive changes to the bill as marked up by the Committee on Human Services on July 6, 2022.

### ***Conclusion***

Bill 24-706 would ensure that delinquent fines generated from the enforcement of the Ethics Act and the Open Meetings Act and collected by the CCU are deposited into the Ethics Fund or the Open Government Fund, rather than the General Fund. Given the importance of these Funds to the critical work done by BEGA, and the existence of other exceptions to the District’s delinquent debt recovery process, the Committee recommends Council approval of the Committee Print for Bill 24-706.

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<sup>1</sup> D.C. Official Code § 1-1162.02(a)(1)-(9).

<sup>2</sup> D.C. Official Code §§ 1-1162.21 and 2-579.

<sup>3</sup> The Ethics Fund also collects revenue generated from lobbyist registration fees.

<sup>4</sup> Testimony of Ashley Cooks, Director of the Office of Government Ethics, on Bill 24-70, April 6, 2022.

<sup>5</sup> D.C. Official Code § 1-350.02(a-2)-(a-4).

## **II. LEGISLATIVE CHRONOLOGY (ABBREVIATED)**

- March 9, 2022 Bill 24-706, the “Board of Ethics and Government Accountability Delinquent Debt Recovery Amendment Act of 2022” is introduced by Councilmember Brianne Nadeau.
- April 6, 2022 The Committee on Human Services holds a public hearing on Bill 24-706.
- July 6, 2022 The Committee on Human Services marks up Bill 24-706.
- September 20, 2022 The Committee of the Whole marks up Bill 24-706.

## **III. SUMMARY OF TESTIMONY**

Testimony on Bill 24-706 from Directors Ashley Cooks and Niquelle M. Allen was supportive. Director Cooks noted that, under the Delinquent Debt Recovery Act of 2012, fines issued pursuant to the Ethics Act become “delinquent debt” after 60 days, are transferred to the Central Collection Unit, and any collected funds are deposited into the General Fund. She said BEGA is seeking the same type of exception to the Delinquent Debt Recovery Act of 2012 that exists for the Office of Attorney General regarding the Litigation Support Fund. Director Allen stated that she supports the bill but recommends a revision so BEGA can recoup the costs of litigation.

## **IV. IMPACT ON EXISTING LAW**

Bill 24-706 amends the Delinquent Debt Recovery Act of 2012 to allow the Central Collections Unit of the Office of Chief Financial Officer to deposit collections arising out of a fine or civil penalty pursuant to Section 221 of the Government Ethics Act of 2011 to be deposited into the Ethics Fund, and to allow CCU to deposit debts arising out of a fine or civil penalty pursuant to section 409 of the Open Meetings Act to be deposited into the Open Government Fund. The bill also makes conforming amendments to the Board of Ethics and Government Accountability Establishment and Comprehensive Ethics Reform Amendment Act of 2011.

## **V. FISCAL IMPACT**

The attached July 5, 2022 fiscal impact statement from the District’s Chief Financial Officer states that funds are sufficient in the FY 2023 through FY 2026 budget and financial plan to implement the bill.

## **VI. RACIAL EQUITY IMPACT**

The attached July 6, 2022 racial equity impact assessment from the Council Office of Racial Equity finds that the racial equity impact of Bill 24-706 is inconclusive.

## VII. SECTION-BY-SECTION ANALYSIS

- Section 2 (a) Adds a new subsection (a-5) to D.C. Official Code § 1-350.02 to require the CCU to deposit delinquent debts arising from violations of the Ethics Act or Open Meetings Act into the Ethics Fund or Open Government Fund.
- (b) Makes a conforming amendment to D.C. Official Code § 1-350.04(b)(2).
- Section 3 (a) Makes a conforming amendment to D.C. Official Code § 1-1162.10(b).
- (b) Makes a conforming amendment to D.C. Official Code § 1-1162.10a(b).
- Section 4 Fiscal impact statement.
- Section 5 Effective date.

## VIII. COMMITTEE ACTION

## IX. ATTACHMENTS

1. Bill 24-706 as introduced.
2. Committee on Human Services report on Bill 24-706 without attachments.
3. Fiscal Impact Statement for Bill 24-706.
4. Legal Sufficiency Determination for Bill 24-706.
5. Racial Equity Impact Assessment for Bill 24-706.
6. Comparative Print for Bill 24-706.
7. Committee Print for Bill 24-706.

OFFICE OF WARD 1 COUNCILMEMBER BRIANNE K. NADEAU  
COUNCIL OF THE DISTRICT OF COLUMBIA

John A. Wilson Building, 1350 Pennsylvania Ave. NW, Suite 102, Washington DC 20004 • (202) 724-8181

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**Statement of Introduction**  
**Board of Ethics and Government Accountability Delinquent Debt Recovery Amendment**  
**Act of 2022**  
**March 9, 2022**

Today, I am introducing the Board of Ethics and Government Accountability Delinquent Debt Recovery Amendment Act of 2022. This legislation will allow the Board of Ethics and Government Accountability (“BEGA”) to retain the funds resulting from ethics and open meetings violations under its jurisdiction. It will allow the Central Collection Unit (“CCU”) to collect delinquent debt on BEGA’s behalf and deposit those funds into the Ethics Fund or the Open Government Fund, instead of the General Fund. The money deposited into those funds do not revert to the unrestricted fund balance of the General Fund of the District of Columbia at the end of a fiscal year, or at any other time. The delinquent debt that is recovered and transferred to BEGA will supplement the agency’s limited operating budget by providing additional special purposes revenue. BEGA will have the benefit of using that special purposes revenue to support its operations and personnel.

Pursuant to its enacting legislation, the BEGA maintains two funds for the collection of fines and civil penalties paid in connection with violations of statutes under its jurisdiction. The Office of Government Ethics (“OGE”) maintains an Ethics Fund for civil penalties collected in connection with violations of the Ethics Act. The Office of Open Government (“OOG”) maintains an Open Government Fund for fines collected in connection with violations of the Open Meetings Act.

BEGA entered into a Memorandum of Understanding with the Office of the Chief Financial Officer (“OCFO”) to allow the CCU within the OCFO to collect delinquent debt stemming from ethics violations on behalf of BEGA and to deposit those collections in the Ethics Fund. The CCU recently informed BEGA that pursuant to the Delinquent Debt Recovery Act of 2012, D.C. Law 19-168; D.C. Official Code § 1-350.01 *et seq.* District agencies are required by law to forward any uncollected debt that is over 90 days to the CCU and that debts collected by the CCU on behalf of BEGA are to be deposited into the District’s General Fund.

To allow BEGA to retain the funds resulting from ethics and open meetings violations under its jurisdiction, this legislation amends the “Delinquent Debt Recovery Act of 2012” and the “Board of Ethics and Government Accountability Establishment and Comprehensive Ethics Reform Amendment Act of 2011.” It does this by allowing BEGA, at its discretion, to transfer and refer delinquent debts associated with settlements and judgements for ethics and open meetings violations to the CCU for collection and for the funds collected to be deposited into the Ethics Fund and Open Government Fund instead of the General Fund. The Delinquent Debt Recovery Act requires all District agencies to transfer and refer delinquent debts to the Central Collection Unit within 60 days after a financial obligation becomes a delinquent debt.

Brianne K. Nadeau

Councilmember Brianne K. Nadeau

A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend the Delinquent Debt Recovery Act of 2012 and the Board of Ethics and Government Accountability Establishment and Comprehensive Ethics Reform Amendment Act of 2011 to allow the Board of Ethics and Government Accountability to retain the funds resulting from ethics and open meetings violations under its jurisdiction by transferring and referring delinquent debts associated with settlements and judgements for ethics violations to the Central Collection Unit for collection and for the funds collected to be deposited into the Ethics Fund and Open Government Fund instead of the General Fund.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Board of Ethics and Government Accountability Delinquent Debt Recovery Amendment Act of 2022”.

Sec. 2. The Delinquent Debt Recovery Act of 2012, effective September 20, 2012 (D.C. Law 19-168; D.C. Official Code § 1-350.01 *et seq.*), is amended as follows:

(a) Section 1043 (D.C. Official Code § 1-350.02) is amended as follows:

(1) Subsection (a) is amended by striking the phrase “subsections (a-1) and (a-4)” and inserting the phrase “subsections (a-1), (a-4), and (a-5)” in its place.

(2) A new subsection (a-5) is added to read as follows:

32           “(a-5) The Board of Ethics and Government Accountability may, in its discretion,  
33 transfer and refer delinquent debts associated with settlements and judgments to the Central  
34 Collection Unit for collection. Beginning in Fiscal Year 2023 and for each fiscal year thereafter:

35                   “(1) Funds collected by the Central Collection Unit arising out of delinquent debts  
36 associated with a fine or civil penalty pursuant to section 221 and subtitle E of the Government  
37 Ethics Act of 2011, effective April 27, 2012 (D.C. Law 19-124; D.C. Official Code § 1-1162.21  
38 and § 1-1162.27 *et seq.*) (“Ethics Act”), transferred and referred to the Central Collection Unit by  
39 the Board of Ethics and Government Accountability for collection, net of costs and fees, shall be  
40 deposited into the Ethics Fund established by section 210 of the Ethics Act, within 60 days; and

41                   “(2) Funds collected by the Central Collection Unit arising out of delinquent debts  
42 associated with a fine or civil penalty pursuant to section 409 of the Open Meetings Act,  
43 effective March 31, 2011 (D.C. Law 18-350; D.C. Official Code § 2-579), transferred and  
44 referred to the Central Collection Unit by the Board of Ethics and Government Accountability  
45 for collection, net of costs and fees, shall be deposited into the Open Government Fund  
46 established by section 210a of the Ethics Act, within 60 days.”.

47           (b) Section 1045(b)(2) (D.C. Official Code § 1-350.04(b)(2)) is amended by striking the  
48 phrase “section 1043(a-1), (a-2), (a-3), and (a-4)” and inserting the phrase “section 1043(a-1), (a-  
49 2), (a-3), (a-4), and (a-5)” in its place.

50           Sec. 3. The Board of Ethics and Government Accountability Establishment and  
51 Comprehensive Ethics Reform Amendment Act of 2011, effective April 27, 2012 (D.C. Law 19-  
52 124; D.C. Official Code § 1-1161.01 *et seq.*), is amended as follows:

53           (a) Section 210(b) (D.C. Official Code § 1-1162.10(b)) is amended to read as follows:

54                   “(b) Revenue from the following sources shall be deposited into the Fund:

55                   “(1) All fines collected under section 221 and subtitle E of this title; and  
56                   “(2) Funds collected pursuant to section 1043(a-5)(1) of the Delinquent Debt  
57 Recovery Act of 2012, effective September 20, 2012 (D.C. Law 19-168; D.C. Official Code § 1-  
58 350.02(a-5)(1)).”.

59                   (b) Section 210a(b) (D.C. Official Code § 1-1162.10a(b)) is amended to read as follows:

60                   “(b) Revenue from the following sources shall be deposited into the Fund:

61                   “(1) All fines collected pursuant to section 409 of the Open Meetings Act; and

62                   “(2) Funds collected pursuant to section 1043(a-5)(2) of the Delinquent Debt  
63 Recovery Act of 2012, effective September 20, 2012 (D.C. Law 19-168; D.C. Official Code § 1-  
64 350.02(a-5)(2)).”.

65                   Sec. 4. Fiscal impact statement.

66                   The Council adopts the fiscal impact statement in the committee report as the fiscal  
67 impact statement required by section 4a of the General Legislative Procedures Act of 1975,  
68 approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

69                   Sec. 5. Effective date.

70                   This act shall take effect after approval by the Mayor (or in the event of veto by the  
71 Mayor, action by the Council to override the veto), a 30-day period of congressional review as  
72 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December  
73 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of  
74 Columbia Register.



**Council of the District of Columbia  
COMMITTEE ON HUMAN SERVICES  
COMMITTEE REPORT**

1350 Pennsylvania Avenue, NW, Washington, D.C. 20004

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**TO:** All Councilmembers

**FROM:** Councilmember Brianne K. Nadeau *Brianne K. Nadeau*  
Chairperson, Committee on Human Services

**DATE:** July 6, 2022

**RE:** Report on Proposed Bill 24-0706, the “Board of Ethics and Government  
Accountability Delinquent Debt Recovery Amendment Act of 2022”.

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The Committee on Human Services, to which Bill 24-0706, the “Board of Ethics and Government Accountability Delinquent Debt Recovery Amendment Act of 2022” was referred, reports **favorably** thereon, and recommends approval by the Council of the District of the Columbia.

**CONTENTS**

I. PURPOSE AND EFFECT..... 2

II. LEGISLATIVE CHRONOLOGY ..... 3

III. POSITION OF THE EXECUTIVE ..... 4

IV. SUMMARY OF TESTIMONY ..... 4

V. IMPACT ON EXISTING LAW ..... 4

VI. FISCAL IMPACT ..... 5

VII. SECTION-BY-SECTION ANALYSIS ..... 5

VIII. COMMITTEE ACTION..... 5

IX. ATTACHMENTS.....6

## I. PURPOSE AND EFFECT

The purpose of Bill 24-0706, the “Board of Ethics and Government Accountability Delinquent Debt Recovery Amendment Act of 2022” is to allow BEGA to retain the funds collected from ethics and open meetings violations under its jurisdiction and for those funds to be deposited into an already established Ethics Fund or Open Government Fund, instead of the District’s General Fund. Bill 24-0706 was introduced by Councilmember Brianne K. Nadeau. Chairman Mendelson referred the bill to the Committee on Human Services and the Committee of the Whole for consideration on March 15, 2022.

### *Background*

The Council created the Board of Ethics and Government Accountability (“BEGA” or “Agency”) in 2012 as an independent agency charged with the critical responsibility of ethics and open government enforcement and training in the District. BEGA was established pursuant to Section 202(a) of the Board of Ethics and Government Accountability Establishment and Comprehensive Ethics Reform Amendment Act of 2011 (the “Ethics Act”).

BEGA is comprised of two offices: Office of Government Ethics (“OGE”) and the Office of Open Government (OOG). OGE administers and enforces the District’s Code of Conduct. OGE issues *sua sponte* and requested advisory opinions relating to the Code of Conduct and the District’s Ethics Manual, provides ethics training to District government employees, receives and reviews public financial disclosure statements from officials and certification statements from Advisory Neighborhood Commissioners, and receives and audits lobbyist registration forms and activity reports.

The Office of Open Government (“OOG”) receives and resolves all Open Meetings Act (“OMA”) complaints against public bodies, oversees compliance of public bodies and enforces all requirements of the Open Meetings Act, issues advice to public bodies on compliance with the Open Meetings Act, issues advice to District government agencies on compliance with the Freedom of Information Act (“FOIA”), conducts mandatory trainings for the Open Meetings Act and Freedom of Information Act, and provides policy recommendations to government agencies on transparency best practices.

BEGA maintains two funds for the collection of fines and civil penalties paid in connection with violations of statutes under its jurisdiction. OGE maintains an Ethics Fund for civil penalties collected in connection with violations of the Ethics Act and OOG maintains an Open Government Fund for fines collected in connection with violations of the Open Meetings Act. Both funds were previously created through the Fiscal Year 2019 Budget Support Emergency Act of 2018.<sup>1</sup> Within that Act, Section 210 (b) of the Ethics Fund, states that “[r]evenue from all fines under section 221 and Subtitle E of Title II shall be deposited into the Fund.”<sup>2</sup> Section 210a (b) also states that for the Open Government Fund, “[r]evenue from all fines collected pursuant to section 409 of the Open Meetings Act shall be deposited in the Fund.”

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<sup>1</sup> D.C. Act 22-434, July 30, 2018, § 1083(l) (emergency); D.C. Act 22-458, Oct. 3, 2018, § 1083(l) (emergency); D.C. Act 22-442 (D.C. Law 22-168), Oct. 30, 2018, § 1083(l).

<sup>2</sup> *Id.*

To allow BEGA to retain the funds resulting from ethics and open meetings violations under its jurisdiction, this legislation amends the “Delinquent Debt Recovery Act of 2012” and the “Board of Ethics and Government Accountability Establishment and Comprehensive Ethics Reform Amendment Act of 2011”. It does this by allowing BEGA, at its discretion, to transfer and refer delinquent debts associated with settlements and judgments for ethics and open meetings violations to the Central Collection Unit (or “CCU”) for collection and for the funds collected to be deposited into the Ethics Fund and Open Government Fund instead of the General Fund. The current Delinquent Debt Recovery Act also allows for the Office of the Attorney General to deposit delinquent debts in a separate designated fund for its Office.<sup>3</sup>

*Changes to Bill as Introduced*

Based on a recommendation from Office of Open Government, Director Niquelle Allen, the only change to the bill as introduced is the inclusion of language to reflect that the funds deposited to the Open Government Fund should not just be the delinquent debts, but the costs and fees that are associated with those debts being paid on time. Thus, “costs, and fees” was added alongside “fines” as revenue that can be collected for a violation of the Open Meetings Act.<sup>4</sup>

**II. LEGISLATIVE CHRONOLOGY**

- |                |  |
|----------------|--|
| March 9, 2022  | Bill 24-0706, the “Board of Ethics and Government Accountability Delinquent Debt Recovery Amendment Act of 2022” is introduced by Councilmember Brianne K. Nadeau. |
| March 15, 2022 | Bill 24-0706 is referred to Committee on Human Services, and Committee of the Whole with comments from the Committee on Business and Economic Development.         |
| March 16, 2022 | Notice of public hearing filed in the Office of Secretary.   |
| March 18, 2022 | Notice of Intent to Act on Bill 24-0706 Published in <i>the District of Columbia Register</i> .  |
| March 18, 2022 | Notice of public hearing is published in the <i>District of Columbia Register</i> .  |
| April 6, 2022  | Public hearing held on Bill 24-0706 by the Committee on Human Services.  |
| July 6, 2022   | Consideration and vote on Bill 24-0706 by the Committee on Human Services.   |

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<sup>3</sup> D.C. Official Code §1-350.02(a)(a-4) (1-3).

<sup>4</sup> See D.C. Official Code §1-1162.10a(b)(1).

### **III. POSITION OF THE EXECUTIVE**

*Ashley Cooks, Director, Office of Government Ethics* testified in support of Bill 24-0706. Ms. Cooks testified that in 2020, BEGA entered into a Memorandum of Understanding with the Office of the Chief Financial Officer to allow the CCU to collect the outstanding debt from ethics violations on its behalf. The funds would then be deposited into an Ethics Fund. However, Ms. Cooks further testified that CCU informed OGE that pursuant to the Delinquent Debt Recovery Act of 2012, District agencies are required to transfer delinquent debts within 60 days owed to the District and those funds would then be transferred to the General Fund.

Ms. Cooks testified that OGE believes that the civil penalties from ethics violations should be deposited into the Ethics Fund – and not the General Fund – in order to supplement the Agency’s limited operating budget.

*Niquelle Allen, Director of the Office of Open Government* also testified in support of the bill but offered a minor amendment. Ms. Allen testified that OOG may, as a last resort, bring a lawsuit to DC Superior Court to enforce the OMA. Ms. Allen suggested that the legislation should allow for fees and costs, in addition to delinquent debts, to be deposited in the OOG Fund.

### **IV. SUMMARY OF TESTIMONY**

The Committee did not receive any public testimony or comments about Bill 24-0706.

### **V. IMPACT ON EXISTING LAW**

The attached legal sufficiency determination issued by the District’s General Counsel Office states that the bill is legally and technically sufficient for Council consideration.

The bill would amend the Delinquent Debt Recovery Act of 2012 to provide that the Board of Ethics and Government Accountability (“BEGA”) may, in its discretion, transfer and refer delinquent debts associated with settlements and judgments to the Central Collection Unit (“CCU”) for collection. Beginning in Fiscal Year 2023 and for each fiscal year thereafter:

- Funds collected by the CCU arising out of delinquent debts associated with a fine or civil penalty pursuant to D.C. Official Code §§ 1-1152.21 and 1-1162.27 et seq. transferred and referred to the CCU by BEGA for collection, net of costs and fees, shall be deposited into the Ethics Fund established by D.C. Official Code § 1-1162.10 within 60 days; and
- Funds collected by the CCU arising out of delinquent debts associated with a fine or civil penalty pursuant to D.C. Official Code § 2-579 transferred and referred to the CCU for collection, net of costs and fees, shall be deposited into the Open Government Fund established by D.C. Official Code § 1- 1162.10a within 60 days.

The bill would also amend the Board of Ethics and Government Accountability Establishment and Comprehensive Ethics Reform Amendment Act of 2011 to make technical and conforming changes.

## **VI. FISCAL IMPACT**

The Committee adopts the fiscal impact statement of the District’s Chief Financial Officer.

## **VII. SECTION-BY-SECTION ANALYSIS**

Short title	States the short title for Bill 24-0706.
Section 2	Amends the “Delinquent Debt Recovery Act of 2012” to create an exception for BEGA to transfer and refer, at its discretion, – delinquent debts associated with settlements and judgments to the CCU.
Section 3	Amends the “Board of Ethics and Government Accountability Establishment and Comprehensive Ethics Reform Amendment Act of 2011” and allows BEGA to retain the funds resulting from ethics and open meetings violations under its jurisdiction and for those funds to be deposited into an already established Ethics Fund or Open Government Fund, instead of the District’s General Fund.
Section 4	Contains fiscal impact statement.
Section 5	Contains the effective date.

## **VIII. COMMITTEE ACTION**

On July 6, 2022 the Committee on Human Services met to consider Bill 24-0706 the “Board of Ethics and Government Accountability Delinquent Debt Recovery Amendment Act of 2022”. The meeting was called to order at 10:11 a.m. Chairperson Brianne K. Nadeau recognized a quorum consisting of herself and Councilmembers Silverman, Robert White and Lewis George. She then opened the floor for discussion.

In the meeting, Chairperson Nadeau provided a brief background of the legislation, and explained the changes made to the committee print from the introduced version. Councilmember Robert White asked if the Committee was concerned that BEGA would be incentivized to issue more fines if the Agency was allowed to retain the funds. Councilmember Nadeau responded by stating that BEGA is working at full capacity to respond to the complaints that the Agency receives and that the funds are meant for BEGA to adequately fulfill its existing duties. Additionally, Councilmember Nadeau stated that she is not concerned with BEGA overreaching because of the Agency’s leadership structure. Councilmember Robert White agreed, noting that the Committee should watch for any overreach in the future. Councilmember Nadeau further stated that if it becomes an issue, the agency’s authority will need to be clarified.

Chairperson Nadeau, without objection, moved the Committee Report and Print for Bill 24-0706, with leave for staff to make technical, conforming, and editorial changes. After an

opportunity for discussion, the Committee voted unanimously for the Committee Report and Print, with the members present voting as follows:

YES: Chairperson Nadeau, Lewis George, Silverman, R. White

NO: None

PRESENT: None

ABSENT: T. White

## **IX. ATTACHMENTS**

- A. Secretary's Notice/Memorandum of Referral
- B. Bill 24-0706 as Introduced
- C. Hearing Record
- D. Legal Sufficiency Memorandum
- E. Fiscal Impact Statement
- F. Racial Equity Impact Assessment
- G. Comparative Print of Bill 24-0706
- H. Committee Print of Bill 24-0706

Government of the District of Columbia  
Office of the Chief Financial Officer




**Fitzroy Lee**  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Phil Mendelson  
Chairman, Council of the District of Columbia

**FROM:** Fitzroy Lee  
Chief Financial Officer

**DATE:** July 5, 2022 

**SUBJECT:** Fiscal Impact Statement – Board of Ethics and Government  
Accountability Delinquent Debt Recovery Amendment Act of 2022

**REFERENCE:** Bill 24-706, Committee Print as provided to the Office of Revenue  
Analysis on June 30, 2022

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**Conclusion**

Funds are sufficient in the fiscal year 2022 budget and fiscal year 2023 through fiscal year 2026 budget and financial plan to implement the bill.

**Background**

The Board of Ethics and Government Accountability (BEGA) administers civil penalties and fines for violations of the Government Ethics Act of 2011<sup>1</sup> or the Open Meetings Act<sup>2</sup>. BEGA has entered into a Memorandum of Understanding with the Office of the Chief Financial Officer (“OCFO”) to allow the Central Collections Unit (CCU) to collect delinquent debt stemming from ethics violations on behalf of BEGA. The bill amends the Delinquent Debt Recovery Act of 2012<sup>3</sup> to allow such debts collected by CCU, net of CCU’s costs and fees, to be deposited into one of BEGA’s special purpose revenue funds instead of the District’s Local funds, beginning in fiscal year 2023. The bill also makes the requirement for BEGA to transfer delinquent debts to CCU with 60 days discretionary.

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<sup>1</sup> D.C. Official Code § 1-1162.01 *et seq.*

<sup>2</sup> D.C. Official Code § 2-571 *et seq.*

<sup>3</sup> D.C. Official Code § 1-350.01 *et seq.*

The Honorable Phil Mendelson

FIS: Bill 24-706, "Board of Ethics and Government Accountability Delinquent Debt Recovery Amendment Act of 2022," Committee Print as provided to the Office of Revenue Analysis on June 30, 2022

### **Financial Plan Impact**

Funds are sufficient in the fiscal year 2022 budget and fiscal year 2023 through fiscal year 2026 budget and financial plan to implement the bill. Fine and penalty revenue paid in connection with violations of statutes under BEGA's jurisdiction will be deposited into BEGA's Ethics Fund or BEGA's Open Government Fund even if referred to, and collected by, the CCU as delinquent debt. Such fine and penalty revenue recorded as Local fund revenue due to its referral to CCU has been minimal, and therefore the Local fund revenue estimates are not negatively impacted by the bill. The bill also allows CCU to continue to pay its costs and fees from recovered debt before making deposits into BEGA's special purpose funds.





## **BILL 24-0706**

# **RACIAL EQUITY IMPACT ASSESSMENT BOARD OF ETHICS AND GOVERNMENT ACCOUNTABILITY DELINQUENT DEBT RECOVERY AMENDMENT ACT OF 2022**

**TO:** The Honorable Phil Mendelson, Chairman, Council of the District of Columbia  
**FROM:** Namita Mody, Director, Council Office of Racial Equity  
**DATE:** July 6, 2022

A handwritten signature in black ink that reads "Namita H. Mody".

### **COMMITTEE**

Committee on Human Services

### **BILL SUMMARY**

Bill 24-0706 allows the District's Board of Ethics and Government and Accountability (BEGA) to transfer the debt it's owed to the District's Central Collection Unit, at its discretion. The money collected by the Central Collection Unit on BEGA's behalf must be deposited in the Ethics Fund and Open Government Fund, to support BEGA's mission.

### **CONCLUSION**

Bill 24-0706's racial equity impact is inconclusive, partly because BEGA does not collect race data and therefore the race of employees whose debt would be referred to CCU is unknown.

However, as is the case with other legislation with a fines and fees component, CORE encourages a reexamination of fines through a racial equity lens, as well as one of the District's debt collection practices, in light of recent debt collection reforms.

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**Content Warning:** The document you are about to read is a Racial Equity Impact Assessment, a careful and organized examination of how Bill 24-0706 will affect different racial and ethnic groups. We hope that this assessment sparks a conversation that is brave, empathetic, thoughtful, and open-minded.

The following content touches on racism, poverty, debt, and racially disparate application of the law. Some or all of these issues may trigger a strong emotional response. We encourage you to use this knowledge in the way that is most helpful to you.

### **BACKGROUND**

DC Law defines delinquent debt as "any financial obligation owed by a person to a District agency that remains unpaid more than 90 days after it was due" but not including tax and child-support debts.<sup>1</sup> After that, the agency has 60 days to move it to the Central Collection Unit for collection.<sup>2</sup>

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<sup>1</sup> [Subchapter XVII. Delinquent Debt Recovery.](#), Pub. L. No. 19-168, § 1-350.01 Code of the District of Columbia (2012).

<sup>2</sup> [Subchapter XVII. Delinquent Debt Recovery.](#), Pub. L. No. 19-168, § 1-350.02 Code of the District of Columbia (2012).

The Central Collection Unit is part of the Office of the Chief Financial Officer and “collects virtually all District-related debts with the exception of debts collected by the Office of Tax and Revenue, DC Water, and the Child and Family Services Agency.”<sup>3</sup>

For example, consider a District resident who owes the Alcoholic Beverage Regulation Administration (ABRA) money for failing to post signs about the legal drinking age and valid ID.<sup>4</sup> If the fine was due on October 1, 2022 and the money was not paid by December 30, 2022, then ABRA must send the debt to the Central Collection Unit, which will attempt to collect the debt from the resident.

However, there are few exceptions to this rule, like for debt owed to the University of the District of Columbia. Rather than follow the rule above, unpaid student tuition, student fees, and student loans owed to the University of the District of Columbia will be transferred to the Central Collection Unit within one year after the semester related to the debts ends. There are also exceptions for debt owed to the District’s Not-for-Profit Hospital Corporation, the Office of the State Superintendent of Education, and the Office of the Attorney General.<sup>5</sup>

## The Board of Ethics and Government Accountability

The Board of Ethics and Government Accountability (the Board) is divided into two offices: the Office of Government Ethics and the Office of Open Government. Their roles are defined in the table below:

OFFICE	ROLE
Office of Government Ethics	<p>“The <b>Office of Government Ethics (OGE)</b> investigates allegations of ethical misconduct concerning District government employees and officials...Through its Director, the Office serves as the District’s ethics prosecutor and is empowered to bring enforcement proceedings before the five member Board of Ethics and Government Accountability (the "Board") which, in turn, can levy civil penalties including substantial monetary fines—up to \$5,000 per violation, or three times the amount of any unlawful gift or contribution.</p> <p>OGE is made up of the Director of Government Ethics, staff of attorneys, investigators, and administrative assistants. In addition to its ethics enforcement role, OGE is also responsible for providing binding ethics advice and training to District employees; oversight of Lobbyist registration and activity; and, compliance with Financial Disclosure Statement filing requirements by high-level employees and elected officials.” <a href="#">(source)</a></p>
Office of Open Government	<p>“The <b>Office of Open Government (OOG)</b> is...charged with advancing open governance in the District of Columbia. The OOG’s mission is to ensure that government operations at every level are transparent, open to the public, and promote civic engagement. The OOG ensures compliance with the District of Columbia Open Meetings Act, which requires that all public bodies gathered to consider, conduct or advise on public business take all official action during public meetings and provide proper notice and detailed records of their meetings.”</p> <p>The OOG also provides advice on complying with the DC Open Meetings Act, conducts related training, and conducts outreach about the Act. “The OOG has the authority to bring suit in the Superior Court of the District of Columbia against any public body, absent the</p>

<sup>3</sup> Office of the Chief Financial Officer. “[CCU Frequently Asked Questions.](#)”

<sup>4</sup> Office of the Budget Director. “[FY 2021 Fine Schedule.](#)” DC Council: Office of the Budget Director.

<sup>5</sup> [Subchapter XVII. Delinquent Debt Recovery.](#), Pub. L. No. 19-168, § 1-350.02 Code of the District of Columbia (2012).

Council of the District of Columbia, which fails to comply with the DC Open Meetings Act. Enforcement ranges from injunctive relief to fines of up to \$250 per violation.”

Finally, “the OOG advocates for fair and efficient DC Freedom of Information Act (FOIA) processing.” ([source](#))

## The BEGA Delinquent Debt Recovery Amendment Act Of 2022

B24-0706 allows the District’s Board of Ethics and Government Accountability (BEGA) to transfer its delinquent debts to the CCU *at its discretion* (instead of the transfer being required, which is currently the law). BEGA has already contracted with CCU to collect some of its delinquent debt, as the Director of the Office of Government Ethics, Ashley Cooks, testified.<sup>6</sup>

Typically, money collected by the Central Collections Unit flows into the Delinquent Debt Fund, a fund within the General Fund of the District of Columbia.<sup>7</sup> However, this bill states that debts to BEGA collected by the CCU will not go to the Delinquent Debt Fund. Instead, starting on October 1, 2023:

- If the CCU collects fines for Government Ethics Act violations, then this money must be deposited into the Ethics Fund within 60 days of collection.<sup>8</sup>
  - Government Ethics Act violations include Code of Conduct violations (like engaging in political activity using a DC Government owned or leased vehicle<sup>9</sup> or directly or indirectly making a hiring decision about a relative<sup>10</sup>). Fines are civil penalties up to \$5,000 per violation or triple the amount of “unlawful contribution, expenditure, gift, honorarium, or receipt of outside income for each violation.”<sup>11</sup>
  - The Ethics Fund is administered by BEGA and funds the Office of Government Ethics’ operations and staff.<sup>12</sup> The fund is currently made up of fines from Government Ethics Act violations and lobbyist registration fines and fees.<sup>13</sup>
- If the CCU collects fines for Open Meetings Act violations, then this money must be deposited into the Open Government Fund within 60 days of collection.<sup>14</sup>
  - Examples of Open Meetings Act violations include a commission taking an official action<sup>15</sup> but without the public present, without the press present, or without the meeting televised.<sup>16</sup>
  - The Open Government Fund is administered by BEGA and funds the Office of Open Government’s operations and staff.<sup>17</sup> The fund is made up of fines for Open Meeting Act violations.

<sup>6</sup> Cooks, Ashley D. B24-0706, The “Board of Ethics and Government Accountability Delinquent Debt Recovery Amendment Act of 2022,” § Committee on Human Services (2022).

<sup>7</sup> [Subchapter XVII. Delinquent Debt Recovery.](#), Pub. L. No. 19-168, § 1-350.04 Code of the District of Columbia (2012).

<sup>8</sup> Before being deposited in the Ethics Fund, CCU’s costs and fees are subtracted.

<sup>9</sup> [Political activities on duty: prohibition.](#) Pub. L. No. 24-126, § 1-1171.03 Code of the District of Columbia (2011).

<sup>10</sup> Office of the Budget Director. “[FY 2021 Fine Schedule.](#)” DC Council: Office of the Budget Director.

<sup>11</sup> [Subchapter II. Ethics Act.](#), Pub. L. No. 19-124, § 1-1162.21 Code of the District of Columbia (2012)

<sup>12</sup> [Subchapter II. Ethics Act.](#), Pub. L. No. 90-614, § 1-1162.10 Code of the District of Columbia (2018)

<sup>13</sup> Cooks, Ashley D. B24-0706, The “Board of Ethics and Government Accountability Delinquent Debt Recovery Amendment Act of 2022,” § Committee on Human Services (2022).

<sup>14</sup> Before being deposited in the Open Government Fund, CCU’s costs and fees are subtracted.

<sup>15</sup> [Subchapter IV. Open Meetings.](#), Pub. L. No. 90-614, § 2-579 Code of the District of Columbia (2011).

<sup>16</sup> [Subchapter IV. Open Meetings.](#), Pub. L. No. 90-614, § 2-575 Code of the District of Columbia (2011).

<sup>17</sup> [Subchapter II. Ethics Act.](#), Pub. L. No. 90-614, § 1-1162.10a Code of the District of Columbia (2018).

In summary: if this bill passes, DC law will explicitly state that BEGA can transfer its delinquent unpaid fines to the Central Collection Unit for collection as its discretion—or can continue to attempt collection itself. If the Central Collection Unit collects any of the delinquent fines, the money collected will be recycled back into the missions of the Office of Government Ethics and Office of Open Government.

## **RACIAL EQUITY IMPACTS**

**The racial equity impact of increasing deposits into the Ethics Fund and Open Government Fund is unknown.** At the hearing, BEGA cited that they were owed \$64,582 in unpaid fines.<sup>18</sup> CCU would likely be able to recover part of that. Whatever CCU recovers—minus collection expenses—would be deposited in BEGA’s dedicated funds.

Given the unknown costs of debt collection, the question of how much delinquent debt would actually be recovered, and the lack of knowledge about the precise use of the funds, it is difficult to determine the racial equity impact of this effort.<sup>19</sup> To the degree that the funds prevent ethics violations and keep the District’s resources focused on residents, that is a positive outcome. In addition, if money flows from Open Meetings Act fines to the Office of Open Government, this could improve open governance in the District—and government transparency is critical to racial equity.

To CORE’s knowledge, however, public bodies have never been fined for Open Meetings Act violations, though the possibility exists. (As a note, Open Meetings Act violations would mainly target public bodies, though a court could decide to fine an individual.<sup>20</sup>)

**The racial makeup of employees who have committed ethics violations and the racial makeup of those who owe delinquent debt are unknown, as BEGA does not collect or publish race data.** Without this information, we cannot determine who will be impacted by the changes to debt collection practices.

## **FURTHER CONSIDERATIONS**

**BEGA does not collect race data, meaning any racial disparities in BEGA’s pursuit of violations, decision of guilt, determination of fine amount, and pursuit of debt are unknown.** Without race data, it is impossible to know if BEGA’s rules and enforcement are being applied equally to District employees and lobbyists of all races, or if differences exist (even if those differences are unintentional).

For example, BEGA’s discretion could—unintentionally—lead to the Central Collections Unit being used more often to pursue the debts of people of color. In addition, BEGA applies fines based on a range, with the final fine amount being determined by the BEGA Director or Board itself.<sup>21</sup> Fines for the same violations could differ across race.

Collecting race data at all stages is important because research shows that while actions are consistent across racial groups, Black people are more likely to be impacted by the justice system. For example, "Black people are 3.64 times more likely than white people to be arrested for marijuana possession,<sup>22</sup> even though

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<sup>18</sup> Cooks, Ashley D. B24-0706, The “Board of Ethics and Government Accountability Delinquent Debt Recovery Amendment Act of 2022,” § Committee on Human Services (2022).

<sup>19</sup> The [2021 Annual Report on the Central Collections Unit](#) gives some insight into the entity’s collection expenses and debt collection rate, but it is difficult to know how to accurately apply these rates to future estimates.

<sup>20</sup> [Subchapter IV. Open Meetings.](#), Pub. L. No. 90–614, § 2–579 Code of the District of Columbia (2011).

<sup>21</sup> Cooks, Ashley D. B24-0706, The “Board of Ethics and Government Accountability Delinquent Debt Recovery Amendment Act of 2022,” § Committee on Human Services (2022).

<sup>22</sup> American Civil Liberties Union. “[A Tale of Two Countries: Racially Targeted Arrests in the Era of Marijuana Reform](#),” 2020.

data shows that cannabis use among Black and white people 12 years and up is similar.”<sup>23</sup> While BEGA violations are civil (vs. criminal), the same trend seen on the criminal side may exist on the civil side.

If BEGA collected race data, the agency—and others—could determine if the laws and penalties are being equally applied.

**Understanding race in relation to fines is important because the same size fine can be a more of a burden and penalty for people of color, who disproportionately earn less and have a limited financial safety net.**<sup>24</sup> In DC, the median household income for Black families in the District is about one third of the median income for a white household.<sup>25</sup>

Paying the same size fine comes at a higher cost for residents living on fixed incomes, those earning low incomes, and those with less wealth. Ultimately, fines and the enforcement of them within the District’s current economic landscape serve as a regressive tax that criminalizes people, especially Black residents, for being poor.<sup>26</sup>

It is important to consider that delinquent debt may occur because of someone’s inability to pay, not intentional evasion. While fines may aim to serve both as a deterrent and penalty for ethics violations, perhaps there are other ways to achieve the same goal that account for racial inequities in income and wealth.

**It does not appear that the CCU’s practices fall under the recent debt collection reforms, potentially exposing more residents of color to unjust debt collection practices.** The debts sent to CCU are pursued by a combination of an outside collection agency, Harris & Harris, and “internal CCU staff.”<sup>27</sup>

Council recently reformed consumer debt collection practices in the District through Bill 24-0357,<sup>28</sup> but it does not appear that these reforms apply to District-owed debt—the type of debt that would be pursued under this bill.

CORE’s racial equity impact assessment on Bill 24-0357 detailed the recent reforms to debt collection practices, such as prohibiting misleading and predatory behavior, prohibiting threats, limiting the amount of communication a debt collector can send, and limiting what information a debt collector can share with an employer or family—among other protections.<sup>29</sup> These protections are especially important as in the District, communities of color are four times more likely to have debt in collections than white communities.<sup>30</sup>

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<sup>23</sup> SAMSHA, U.S. Department of Health and Human Services, via American Civil Liberties Union. “[A Tale of Two Countries: Racially Targeted Arrests in the Era of Marijuana Reform](#),” 2020.

<sup>24</sup> The racial equity impact of fines and fees is a recurring theme in our Racial Equity Impact Assessments (REIAs). For additional reference, please see our discussion of the topic in REIAs for: [Bill 24-0096](#) (on fairness in renting), [Bill 24-0111](#) (on motor vehicle accident prevention), [Bill 24-0236](#) (on the Child Trust Fund program), and [Bill 24-0020](#) (on banning the sale of flavored tobacco).

<sup>25</sup> The D.C. Policy Center. “[DC Racial Equity Profile](#).” Council Office of Racial Equity.

<sup>26</sup> “[B24-0237 - Clean Hands Certification Equity Amendment Act of 2021](#).” DC Legislation Information Management System. See the testimony submitted by the American Civil Liberties Union, as included in the Committee Report.

<sup>27</sup> Pigler, Carmen. “[Central Collections Unit 2021 Annual Report](#),” March 28, 2022.

<sup>28</sup> [Protecting Consumers from Unjust Debt Collection Practices Amendment Act of 2021](#), Pub. L. No. B24- 0357.

<sup>29</sup> See [our REIA](#) on Bill 24-0357, the Protecting Consumers from Unjust Debt Collection Practices Amendment Act of 2022.

<sup>30</sup> Urban Institute, “[Debt in America: An Interactive Map](#).” The project defines “community of color” to include persons who identify as African American, Hispanic, Asian or Pacific Islander, American Indian or Alaska Native, another race other than white, or multiracial. Relatedly, Urban states: “white communities and communities of color are based on zip codes where most residents are white (at least 60 percent of the population is white) or most residents are people of color (at least 60 percent of the population is of color).”

It is not clear that debt recovery through CCU will abide by these reforms, potentially causing stress and other impacts in a Black, Indigenous, or other resident of color’s life beyond the debt’s initial impact.

## **ASSESSMENT LIMITATIONS**

Alongside the analysis provided above, the Council Office of Racial Equity encourages readers to keep the following limitations in mind:

**We generally do not provide policy solutions or alternatives to address our racial equity concerns.**

While Council Period 24 Rules allow our office to make policy recommendations, we focus on our role as policy analysts—we are not elected policymakers or committee staff. In addition, and more importantly, racially equitable policymaking takes time. Because we only have ten days for our review, we would need more time to ensure comprehensive research and thorough community engagement inform our recommendations.

**Assessing legislation’s potential racial equity impacts is a rigorous, analytical, and organized undertaking—but it is also an exercise with constraints.** It is impossible for anyone to predict the future, implementation does not always match the intent of the law, critical data may be unavailable, and today’s circumstances may change tomorrow. Our assessment is our most educated and critical hypothesis of the bill’s racial equity impacts.

**Regardless of the Council Office of Racial Equity’s final assessment, the legislation can still pass.** This assessment intends to inform the public, Councilmembers, and Council staff about the legislation through a racial equity lens. However, a REIA is not binding.

**This assessment aims to be accurate and useful, but omissions may exist.** Given the density of racial equity issues, it is unlikely that we will raise *all* relevant racial equity issues present in a bill. In addition, an omission from our assessment should not: 1) be interpreted as a provision having no racial equity impact or 2) invalidate another party’s racial equity concern.

**DRAFT COMPARATIVE PRINT**  
**BILL 24-706**  
**September 20, 2022**

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**D.C. Official Code § 1-350.02. Responsibility of District agencies to transfer and refer delinquent debt to the Central Collection Unit for collection.**

(a) Except as provided in ~~subsections (a-1) and (a-4)~~ subsections (a-1), (a-4), and (a-5) of this section, notwithstanding any other provision of law, regulation, or Mayor's order, each District agency shall transfer and refer delinquent debts to the Central Collection Unit within 60 days after a financial obligation owed by a person to the District becomes a delinquent debt.

(a-1) The University of the District of Columbia shall transfer and refer unpaid student tuition, student fees, and student loans to the Central Collection Unit within one year after the end of the semester in which the student tuition, student fees, and student loans were incurred.

(a-2) Beginning in fiscal year 2014 and for each fiscal year thereafter, funds collected and recovered by the Central Collection Unit arising out of delinquent debts transferred and referred to the Central Collection Unit by the Not-For-Profit Hospital Corporation for collection, net of costs and fees, shall be deposited into the Not-For-Profit Hospital Corporation Fund by the Central Collection Unit within 60 days following the then current fiscal year.

(a-3) Beginning in Fiscal Year 2020 and for each fiscal year thereafter, funds collected and recovered by the Central Collection Unit arising out of non-resident student tuition delinquent debts transferred and referred to the Central Collection Unit by the Office of the State Superintendent of Education for collection, net of costs and fees, shall be deposited into the Student Residency Verification Fund established by § 38-312.02 within 60 days.

(a-4) The Office of the Attorney General may, in its discretion, transfer and refer delinquent debts associated with settlements and judgments to the Central Collection Unit for collection. Beginning in Fiscal Year 2022 and for each fiscal year thereafter:

(1) Funds collected by the Central Collection Unit arising out of delinquent debts associated with settlements and judgments transferred and referred to the Central Collection Unit by the Office of the Attorney General for collection, net of costs and fees, shall be deposited into the Litigation Support Fund established by § 1-301.86b, within 60 days;

(2) Funds collected by the Central Collection Unit arising out of delinquent debts payable as restitution pursuant to a court order, judgment, or settlement under §§ 28-3909 and 32-1306(a)(2)(A)(iii), transferred and referred to the Central Collection Unit by the Office of the Attorney General for collection shall be deposited into the Attorney General Restitution Fund established by § 1-301.86c, within 60 days; and

(3) Funds collected by the Central Collection Unit arising out of delinquent debts payable as restitution pursuant to a court order, judgment, or settlement in any action or investigation brought to enforce § 22-933.01, transferred and referred to the Central Collection Unit by the Office of the Attorney General for collection shall be deposited into the Vulnerable Adult and Elderly Person Exploitation Restitution Fund established by § 1-301.86d, within 60 days.

**(a-5) The Board of Ethics and Government Accountability may, in its discretion, transfer and refer delinquent debts associated with settlements and judgments to the Central Collection Unit for collection. Beginning in Fiscal Year 2023 and for each fiscal year thereafter:**

**(1) Funds collected by the Central Collection Unit arising out of delinquent debts associated with a fine or civil penalty pursuant to section 221 and subtitle E of the Government Ethics Act of 2011, effective April 27, 2012 (D.C. Law 19-124; D.C. Official Code § 1-1162.21 and § 1-1162.27 et seq.) ("Ethics Act"), transferred and referred to the Central Collection Unit by the Board of Ethics and Government Accountability for collection, net of costs and fees, shall be deposited into the Ethics Fund established by section 210 of the Ethics Act, within 60 days; and**

**(2) Funds collected by the Central Collection Unit arising out of delinquent debts associated with a fine or civil penalty pursuant to section 409 of the Open Meetings Act, effective March 31, 2011 (D.C. Law 18-350; D.C. Official Code § 2-579), transferred and referred to the Central Collection Unit by the Board of Ethics and Government Accountability for collection, net of costs and fees, shall be deposited into the Open Government Fund established by section 210a of the Ethics Act, within 60 days.**

\* \* \*

#### **D.C. OFFICIAL CODE § 1-350.04. DELINQUENT DEBT FUND.**

(a) There is established within the General Fund of the District of Columbia a special fund known as the Delinquent Debt Fund ("Fund"), which shall be administered by the Central Collection Unit in accordance with subsections (c) and (d) of this section.

(b) Revenue from the following sources shall be deposited in the Fund:

(1) Funds allocated to the Central Collection Unit through the District's annual Budget and Financial Plan;



(2) All delinquent debts collected by the Central Collection Unit, except those amounts described in ~~§ 1-350.02(a-1), (a-2), (a-3), and (a-4)~~ § 1-350.02(a-1), (a-2), (a-3), (a-4), and (a-5); and

(3) All fees authorized by § 1-350.03.

\* \* \*

**D.C. OFFICIAL CODE § 1-1162.10. ETHICS FUND.**

(a) There is established as a special fund the Ethics Fund ("Fund"), which shall be administered by the Board in accordance with this section.

~~(b) Revenue from all fines collected under § 1-1162.21 and part E of this subchapter shall be deposited into the Fund.~~

**(b) Revenue from the following sources shall be deposited into the Fund:**

**(1) All fines collected under section 221 and subtitle E of this title; and**

**(2) Funds collected pursuant to section 1043(a-5)(1) of the Delinquent Debt Recovery Act of 2012, effective September 20, 2012 (D.C. Law 19-168; D.C. Official Code § 1-350.02(a-5)(1)).**

\* \* \*

**D.C. OFFICIAL CODE § 1-1162.10A. OPEN GOVERNMENT FUND.**

(a) There is established as a special fund the Open Government Fund ("Fund"), which shall be administered by the Board in accordance with this section.

~~(b) Revenue from all fines collected pursuant to § 2-579 shall be deposited in the Fund.~~

**(b) Revenue from the following sources shall be deposited into the Fund:**

**(1) All fines, costs, and fees collected pursuant to section 409 of the Open Meetings Act; and**

**(2) Funds collected pursuant to section 1043(a-5)(2) of the Delinquent Debt Recovery Act of 2012, effective September 20, 2012 (D.C. Law 19-168; D.C. Official Code § 1-350.02(a-5)(2)).**

1 **DRAFT COMMITTEE PRINT**  
2 **Committee of the Whole**  
3 **September 20, 2022**  
4  
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6  
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8  
9 A BILL

10  
11 24-706  
12

13 IN THE COUNCIL OF THE DISTRICT OF COLUMBIA  
14  
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16  
17

18 To amend the Delinquent Debt Recovery Act of 2012 and the Board of Ethics and Government  
19 Accountability Establishment and Comprehensive Ethics Reform Amendment Act of  
20 2011 to allow the Board of Ethics and Government Accountability to retain the funds  
21 resulting from ethics and open meetings violations under its jurisdiction by transferring  
22 and referring delinquent debts associated with settlements and judgements for ethics  
23 violations to the Central Collection Unit for collection and for the funds collected to be  
24 deposited into the Ethics Fund and Open Government Fund instead of the General Fund.  
25

26 BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this  
27 act may be cited as the “Board of Ethics and Government Accountability Delinquent Debt  
28 Recovery Amendment Act of 2022”.

29 Sec. 2. The Delinquent Debt Recovery Act of 2012, effective September 20, 2012 (D.C.  
30 Law 19-168; D.C. Official Code § 1-350.01 et seq.), is amended as follows:

31 (a) Section 1043 (D.C. Official Code § 1-350.02) is amended as follows:

32 (1) Subsection (a) is amended by striking the phrase “subsections (a-1) and (a-4)”  
33 and inserting the phrase “subsections (a-1), (a-4), and (a-5)” in its place.

34 (2) A new subsection (a-5) is added to read as follows:

35           “(a-5) The Board of Ethics and Government Accountability may, in its discretion,  
36 transfer and refer delinquent debts associated with settlements and judgments to the Central  
37 Collection Unit for collection. Beginning in Fiscal Year 2023 and for each fiscal year thereafter:

38                   “(1) Funds collected by the Central Collection Unit arising out of delinquent debts  
39 associated with a fine or civil penalty pursuant to section 221 and subtitle E of the Government  
40 Ethics Act of 2011, effective April 27, 2012 (D.C. Law 19-124; D.C. Official Code § 1-1162.21  
41 and § 1-1162.27 et seq.) (“Ethics Act”), transferred and referred to the Central Collection Unit by  
42 the Board of Ethics and Government Accountability for collection, net of costs and fees, shall be  
43 deposited into the Ethics Fund established by section 210 of the Ethics Act, within 60 days; and

44                   “(2) Funds collected by the Central Collection Unit arising out of delinquent debts  
45 associated with a fine or civil penalty pursuant to section 409 of the Open Meetings Act,  
46 effective March 31, 2011 (D.C. Law 18-350; D.C. Official Code § 2-579), transferred and  
47 referred to the Central Collection Unit by the Board of Ethics and Government Accountability  
48 for collection, net of costs and fees, shall be deposited into the Open Government Fund  
49 established by section 210a of the Ethics Act, within 60 days.”.

50           (b) Section 1045(b)(2) (D.C. Official Code § 1-350.04(b)(2)) is amended by striking the  
51 phrase “§ 1-350.02(a-1), (a-2), (a-3), and (a-4)” and inserting the phrase “§ 1-350.02(a-1), (a-2),  
52 (a-3), (a-4), and (a-5)” in its place.

53           Sec. 3. The Board of Ethics and Government Accountability Establishment and  
54 Comprehensive Ethics Reform Amendment Act of 2011, effective April 27, 2012 (D.C. Law 19-  
55 124; D.C. Official Code § 1-1161.01 *et seq.*), is amended as follows:

56           (a) Section 210(b) (D.C. Official Code § 1-1162.10(b)) is amended to read as follows:

57                   “(b) Revenue from the following sources shall be deposited into the Fund:

58                   “(1) All fines collected under section 221 and subtitle E of this title; and  
59                   “(2) Funds collected pursuant to section 1043(a-5)(1) of the Delinquent Debt  
60 Recovery Act of 2012, effective September 20, 2012 (D.C. Law 19-168; D.C. Official Code § 1-  
61 350.02(a-5)(1)).”.

62                   (b) Section 210a(b) (D.C. Official Code § 1-1162.10a(b)) is amended to read as follows:

63                   “(b) Revenue from the following sources shall be deposited into the Fund:

64                   “(1) All fines, costs, and fees collected pursuant to section 409 of the Open  
65 Meetings Act; and

66                   “(2) Funds collected pursuant to section 1043(a-5)(2) of the Delinquent Debt  
67 Recovery Act of 2012, effective September 20, 2012 (D.C. Law 19-168; D.C. Official Code § 1-  
68 350.02(a-5)(2)).”.

69                   Sec. 4. Fiscal impact statement.

70                   The Council adopts the fiscal impact statement in the committee report as the fiscal  
71 impact statement required by section 4a of the General Legislative Procedures Act of 1975,  
72 approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

73                   Sec. 5. Effective date.

74                   This act shall take effect after approval by the Mayor (or in the event of veto by the  
75 Mayor, action by the Council to override the veto), a 30-day period of congressional review as  
76 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December  
77 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of  
78 Columbia Register.