

## **FULL BILL**

### **SECTION 1: TITLE**

This Act shall be known as the "Colorado Independent Ethics & Anti-Corruption Act."

### **SECTION 2: PURPOSE**

The purpose of this Act is to:

1. Establish a comprehensive anti-corruption framework that addresses bribery, self-dealing, conflicts of interest, and abuses of power within Colorado's government;
2. Create an independent, nonpartisan Ethics & Anti-Corruption Commission (EACC) to investigate and enforce ethical violations by public officials;
3. Strengthen lobbying regulations to prevent undue influence on lawmakers and restrict the revolving door between government and industry;
4. Enhance whistleblower protections to encourage reporting of corruption without fear of retaliation;
5. Mandate financial transparency and disclosure for all elected officials and high-ranking government employees;
6. Impose criminal penalties for misuse of public funds, bribery, and ethical violations that harm public trust; and
7. Ensure financial sustainability through fines, penalties, and voter-approved funding mechanisms compliant with the Taxpayer Bill of Rights (TABOR).

### **SECTION 3: DEFINITIONS**

For the purposes of this Act, the following terms shall have the meanings ascribed:

1. **"Public Official"** means any elected official, appointed officer, agency head, or government employee possessing policymaking or procurement authority.
2. **"Bribery"** means the offering, giving, receiving, or soliciting of anything of value to influence an official government act.
3. **"Self-Dealing"** means any action in which a public official uses their position to benefit themselves, their family, or associated business entities without disclosure.
4. **"Conflict of Interest"** means a financial or personal interest that compromises, or appears to compromise, a public official's impartiality.
5. **"Lobbyist"** means any individual paid to influence legislation, regulation, policy, or state contracting decisions.

6. **"Whistleblower"** means any individual reports suspected violations of unethical conduct, corruption, or misuse of public funds to state authorities and provides supporting information or evidence.
7. **"Willful Violation"** means an act done with knowledge that it is unlawful.
8. **"Conflict of Interest Concealment"** means knowingly failing to disclose a financial interest that creates a material risk of bias in official conduct.
9. **"Retaliation"** means any adverse employment or economic action taken against a whistleblower as a result of protected reporting under this Act.

#### **SECTION 4: ESTABLISHMENT OF THE COLORADO ETHICS & ANTI-CORRUPTION COMMISSION (EACC)**

1. Establishment:
  - a. There is hereby established a permanent, independent state agency known as the Colorado Ethics and Anti-Corruption Commission (EACC), vested with the powers and responsibilities set forth in this Act.
  - b. The EACC shall be separate from the Colorado Campaign Finance Oversight Commission and shall possess original jurisdiction over allegations of ethical misconduct.
  - c. All elected officials, agency heads, and senior appointees shall be required to complete EACC-approved ethics training within sixty (60) days of assuming office, and at least once every two (2) years thereafter, as a condition of continued service in public office.
2. Composition:
  - a. The EACC shall consist of seven (7) members appointed as follows:
    - i. Two (2) by the Governor, including one (1) representative of a nonpartisan ethics watchdog organization and one (1) expert in ethics law;
    - ii. Two (2) by the Speaker of the House, including one (1) retired judge and one (1) academic expert in public policy;
    - iii. Two (2) by the President of the Senate, including one (1) former law enforcement official and one (1) financial fraud specialist;
    - iv. One (1) Chairperson appointed by unanimous agreement of the six (6) appointees.
  - b. No individual shall be eligible for appointment if they have served as an elected official, registered lobbyist, or corporate executive within the past ten (10) years.
  - c. Members shall serve staggered four-year terms, with initial appointments designated by lot to expire after either two (2) or four (4) years in order to establish staggered terms. Members may be reappointed for no more than one (1) additional term and may be removed prior to the expiration of their term only for cause, as defined by the Commission's bylaws or enabling statute.
  - d. In the event of a vacancy, the original appointing authority shall appoint a qualified replacement within thirty (30) days. If the appointing authority fails to

act within the required time period, the remaining members of the Commission shall appoint a replacement by majority vote.

3. Quorum and Voting
  - a. A majority of the members of the Commission shall constitute a quorum for the purpose of conducting official business. All official actions of the Commission shall require the affirmative vote of at least four (4) members.
4. Rulemaking Authority
  - a. The Commission shall adopt bylaws, rules, and procedures consistent with this Act for the purpose of administering its duties. Such rules shall be subject to public notice and comment in accordance with the Colorado Administrative Procedure Act.
5. Right to Judicial Review
  - a. Any person or entity subject to an adverse finding or penalty under this Act shall have the right to seek judicial review in a court of competent jurisdiction in accordance with applicable state law.

## **SECTION 5: POWERS & DUTIES OF THE EACC**

The Colorado Ethics and Anti-Corruption Commission (EACC) shall exercise the following powers and duties, categorized by functional authority, and subject to the limitations of this Act and applicable state and federal law:

1. Investigative & Enforcement Authority
  - a. Investigation of Violations.
    - i. Investigate credible allegations of bribery, self-dealing, conflicts of interest, retaliation, failure to disclose material conflicts, and other violations of this Act.
  - b. Audit Authority. Conduct independent audits of:
    - i. Financial disclosures submitted by public officials;
    - ii. State and local government transactions, contracts, grants, and procurement activities; and
    - iii. Public disclosures related to conflicts of interest, ethics compliance, or campaign finance where applicable.
  - c. Subpoena Power. Issue subpoenas for the production of documents, testimony, communications, and financial records, provided that such subpoenas are authorized by a majority vote of the Commission and subject to judicial review under the Colorado Administrative Procedure Act.
  - d. Referral of Criminal Conduct. Upon a finding of reasonable grounds to believe a criminal violation has occurred under this Act or any other applicable law, refer such matters to the Colorado Attorney General or the appropriate District Attorney for further prosecution.

- e. Administrative Sanctions. Impose administrative fines, sanctions, and civil penalties for violations of this Act, in accordance with due process procedures established by rule.
  - f. Lobbying and Revolving Door Enforcement. Investigate and enforce the lobbying restrictions, post-employment limitations, and contractor oversight provisions set forth in Section 6 of this Act.
- 2. Oversight & Regulatory Functions
  - a. Complaint Resolution. Receive, review, and adjudicate ethics complaints submitted by individuals, whistleblowers, or third parties, and issue formal findings of fact and conclusions of law.
  - b. Compliance Monitoring. Monitor compliance with all mandatory disclosure, ethics training, registration, and reporting obligations imposed under this Act.
  - c. Reporting Requirements. Prepare and publish an annual public report no later than March 1st of each year, summarizing:
    - i. Investigations initiated and resolved;
    - ii. Penalties assessed;
    - iii. Advisory opinions issued; and
    - iv. Policy recommendations for strengthening state ethics law.
- 3. Advisory & Public Engagement Roles
  - a. Advisory Opinions. Upon request of any covered official, issue advisory opinions interpreting the provisions of this Act. Advisory opinions shall be binding with respect to the requestor, provided the facts stated are materially accurate.
  - b. Public Ethics Education. Design and implement ethics training programs, public awareness campaigns, and educational materials to promote integrity, transparency, and ethical governance throughout the State of Colorado.

## **SECTION 6: LOBBYIST & CONTRACTOR RESTRICTIONS**

- 1. Ban on Lobbying After Public Office
  - a. No former elected official may engage in paid lobbying or accept payment for influencing legislation for five (5) years after leaving office.
  - b. This restriction only applies to direct lobbying efforts and does not restrict general political advocacy or unpaid issue-based speech.
  - c. Violators shall be subject to a five hundred thousand dollar (\$500,000) fine and a lifetime lobbying ban.
  - d. Violations of this subsection shall be subject to the criminal penalties provided in Section 7 of this Act.
- 2. Lobbyist Donation & Gift Restrictions
  - a. Lobbyists may not contribute more than two hundred dollars (\$200) per election cycle to any candidate or elected official.

- b. Public officials may not accept gifts, travel, or payments from lobbyists exceeding two hundred fifty dollars (\$250) in value per year.
  - c. Violators shall be subject to a fifty thousand dollar (\$50,000) fine and public disclosure of all unethical contributions.
  - d. These restrictions apply only to financial transactions and material gifts and do not restrict general speech or policy discussions.
  - e. Violations of this subsection shall be subject to the criminal penalties provided in Section 7 of this Act.
- 3. Contractor Oversight:
  - a. Contractors receiving more than five million dollars (\$5,000,000) in cumulative annual payments from the State of Colorado shall:
    - i. File annual ethics compliance disclosures with the EACC; and
    - ii. Pay a 0.1% compliance fee, which shall fund EACC operations.
  - b. Violations of this subsection shall be subject to the criminal penalties provided in Section 7 of this Act.

## **SECTION 7: WHISTLEBLOWER PROTECTIONS & REWARDS**

- 1. No employer or entity shall take retaliatory action against an employee or affiliated individual who reports suspected violations of this Act to state authorities.
- 2. Whistleblowers shall be entitled to a monetary reward equal to ten percent (10%) of any fines or penalties collected as a result of the reported violation, not to exceed two hundred fifty thousand dollars (\$250,000).
- 3. In the event of job loss due to retaliation, the state shall compensate the whistleblower for lost wages and legal expenses.
- 4. Retaliation shall constitute a Class 4 felony punishable by up to seven (7) years of imprisonment.

## **SECTION 8: CRIMINAL PENALTIES FOR CORRUPTION**

- 1. Enforcement Authority:
  - a. Investigative Jurisdiction
    - i. The Colorado Ethics and Anti-Corruption Commission (EACC) shall have original investigative jurisdiction over any allegations of criminal conduct falling under this Act, and may issue subpoenas for the production of documents, testimony, and financial records.
  - b. Referral to Law Enforcement
    - i. Upon finding reasonable grounds to believe a criminal violation has occurred, the EACC shall refer the matter to the Colorado Attorney General or the appropriate District Attorney for prosecution under state law.
  - c. Concurrent Jurisdiction Clause

- i. Nothing in this Act shall limit the authority of any law enforcement agency, prosecutor, or grand jury to investigate or prosecute criminal conduct independently of the EACC.
- 2. Graduated Penalties for Corruption Offences
  - a. Bribery of a Public Official
    - i. Offense: Knowingly offering, soliciting, or accepting a bribe to influence official action.
    - ii. Penalty:
      - 1. Class 3 Felony
      - 2. Sentence: 4 to 12 years imprisonment
      - 3. Fine: Up to \$1,000,000
      - 4. Mandatory: Permanent disqualification from public office and forfeiture of any illicit gains.
  - b. Abuse of Public Office for Personal Gain (Self-Dealing)
    - i. Offense: Knowingly using official position to award contracts, issue rulings, or direct public funds to oneself, family, or associated business interests.
    - ii. Penalty:
      - 1. Class 4 Felony
      - 2. Sentence: 2 to 6 years imprisonment
      - 3. Fine: Up to \$500,000
      - 4. Mandatory: Forfeiture of financial benefit obtained through the offense; 10-year ban from holding public office.
  - c. Failure to Disclose Material Conflicts of Interest
    - i. Offense: Knowingly failing to file required financial or conflict disclosures involving significant financial interest.
    - ii. Penalty:
      - 1. Class 5 Felony
      - 2. Sentence: 1 to 3 years imprisonment
      - 3. Fine: Up to \$250,000
      - 4. Mandatory: 5-year disqualification from public office
  - d. Misuse or Diversion of Public Funds
    - i. Offense: Knowingly misallocating, diverting, or embezzling taxpayer dollars, grants, or procurement funds for unauthorized purposes.
    - ii. Penalty:
      - 1. Class 4 Felony
      - 2. Sentence: 2 to 6 years imprisonment
      - 3. Fine: A monetary fine of three (3) times the amount misused.
      - 4. Mandatory: Full restitution and forfeiture of benefits obtained
  - e. Retaliation Against a Whistleblower

- i. Offense: Knowingly terminating, demoting, harassing, or otherwise punishing an individual who reports suspected violations of this Act in good faith.
  - ii. Penalty:
    - 1. Class 4 Felony
    - 2. Sentence: 2 to 6 years imprisonment
    - 3. Fine: Up to \$250,000
  - iii. Mandatory:
    - 1. Reinstatement or wage compensation; and
    - 2. Civil liability for damages; and
    - 3. Public listing of retaliatory conduct on the EACC's public portal
- f. **Aggregation Clause for Corruption Proceeds**
  - i. For the purposes of assessing fines and felony levels, multiple acts of bribery, fund misuse, or self-dealing that occur within a 12-month period shall be aggregated to determine the total value of benefit received or public funds misused.

### 3. **General Provisions on Criminal Liability**

- a. **Mens Rea Requirement**
  - i. Criminal penalties under this Act shall apply only to knowing and willful violations. Negligent or inadvertent conduct may be subject to civil sanctions but shall not constitute a criminal offense under this section.
- b. **Restitution**
  - i. Courts shall order full restitution for any misused public resources or illicit financial benefits obtained in connection with a violation of this Act.
- c. **Forfeiture**
  - i. Any personal, financial, or contractual gain obtained through a willful violation of this Act shall be subject to mandatory forfeiture.
- d. **Disqualification**
  - i. Any person convicted of a felony under this Act shall be permanently disqualified from holding public office, public employment, or state contract authority unless restored by a court after ten (10) years and completion of all penalties.
- e. **Concurrent Charges**
  - i. The penalties in this Act shall not preclude prosecution under any other applicable state or federal law. Offenders may be charged concurrently under other applicable state or federal laws, including conspiracy, embezzlement, bribery, fraud, racketeering, or related statutes.

## **SECTION 9: TRANSPARENCY & PUBLIC DISCLOSURE REQUIREMENTS**

1. All public officials shall file annual disclosures of income, holdings, and business interests.
2. Failure to disclose shall result in a \$250,000 fine and possible removal from office.
3. Governmental meetings involving public contracts or policy decisions shall be recorded and published within ten (10) business days.
4. No policymaker may hold undisclosed private meetings with corporate representatives regarding legislation.
5. All final rulings, opinions, and enforcement outcomes of the EACC shall be made publicly available within thirty (30) days of issuance.

## **SECTION 10: FUNDING & FINANCIAL SUSTAINABILITY**

1. The EACC shall be funded through a self-sustaining model:
  - a. Fifteen percent (15%) of all fines, forfeitures, and penalties shall be allocated to EACC operations;
  - b. The remaining eighty-five percent (85%) shall be distributed to election integrity programs, whistleblower protections, and public education, pursuant to a statutory formula.
  - c. A one-time, voter-approved allocation of three million five hundred thousand dollars (\$3,500,000) from the General Fund shall be appropriated for startup expenses, to be repaid within five (5) fiscal years.
  - d. Should annual enforcement revenues exceed ten million dollars (\$10,000,000), a reserve fund of at least one million dollars (\$1,000,000) shall be established.
  - e. In the event that revenue falls below seventy-five percent (75%) of certified operational needs for two (2) consecutive fiscal years, the EACC may petition the General Assembly for a one-time supplemental appropriation, contingent upon voter approval and submission of a detailed financial analysis.

## **SECTION 11: SEVERABILITY CLAUSE**

If any provision of this Act is found unconstitutional or invalid, the remaining provisions shall remain in full effect.

## **SECTION 12: EFFECTIVE DATE**

This Act shall take effect immediately upon approval by a majority vote of the electorate in the State of Colorado.