



STATE OF NEW YORK
OFFICE OF THE STATE INSPECTOR GENERAL
Final Report
August 10, 2011

SUMMARY OF FINDINGS/RECOMMENDATIONS

The Inspector General determined that Edward Hawks, a Supervising Gaming Inspector for the New York State Racing and Wagering Board, on several occasions inappropriately accepted gifts from employees and patrons of the Akwesasne Mohawk Casino, a facility he was responsible for inspecting. Although the gifts had modest or minimal value, his receipt of such gifts was proscribed by the Public Officers Law.

The Inspector General recommends that the Racing and Wagering Board review Hawks's conduct for appropriate action. In addition, a copy of this report is being sent to the New York State Commission on Public Integrity for its review.

ALLEGATION

The Inspector General received an anonymous complaint alleging that Hawks had received a clock from a slot machine vendor, two high-back slot machine stools, and a windbreaker. It was further alleged that Hawks received miniature cigars from casino patrons, made disparaging remarks about Native Americans operating the casino, and inappropriately sold Girl Scout cookies on behalf of his daughter to casino employees.

SUMMARY OF INVESTIGATION

The New York State Racing and Wagering Board is responsible for overseeing and regulating the state's legalized pari-mutuel operations, charitable gaming activities and Class III Indian Gaming facilities to ensure that they operate with integrity and in compliance with New York's statutes, the Board's rules, and the tribal-State Class III Gaming Compacts. The Board consists of three members appointed by the Governor to six-year terms, one of whom is designated by the Governor as Chairman.

Hawks has been employed by the Racing and Wagering Board since 1999 and in his current title since October 2009. Hawks is assigned full-time to the Akwesasne Mohawk Casino in northern New York where he supervises nine Racing and Wagering Board inspectors responsible for ensuring that the casino operates in compliance with applicable regulations.

The Inspector General interviewed Hawks, who admitted that during the past several years he has accepted a number of gifts from casino employees. Two or three years ago, Hawks stated, a “slot tech manager” at the casino gave him a small desk clock which Hawks estimated to be worth \$20 at the time. Around 2006, Hawks stated, he asked an employee of International Gaming Technologies, which manufactures and sells gaming machines and related items, for two used high-back bar stools which were being discarded at the casino. Hawks said he did not know the value of the two chairs he was given. Hawks also stated he accepted a windbreaker from a casino “slot tech” employee who, along with all other employees, had been given the jacket from the casino as part of its 10th anniversary celebration. Hawks also acknowledged that he had accepted a small number of cigars worth “maybe two cents” from several casino patrons two or three years ago. For the past two years, Hawks also admitted, he has sold Girl Scout cookies for his daughter to casino employees. He estimated the total value of the cookies sold at \$200.

Hawks denied that his acceptance of these gifts was in exchange for any official action on his part, and the investigation revealed no evidence to the contrary. In addition, Hawks expressed his misunderstanding that state ethics rules only prohibited state employees from receiving gifts with a value of \$75 or more. Indeed, New York State Public Officers Law included a \$75 threshold for gifts in the past. However, when the 2007 amendments to the statute were adopted, dollar limits were not specified. Instead, the new Public Officers Law § 73(5)(a) stated that no state employee shall:

solicit, accept or receive any gift having *more than a nominal value*, whether in the form of money, service, loan, travel, lodging, meals, refreshments, entertainment, discount, forbearance or promise, or in any other form, under circumstances in which it could reasonably be inferred that the gift was intended to influence him, or could reasonably be expected to influence him, in the performance of his official duties or was intended as a reward for any official action on his part. No person shall, directly or indirectly, offer or make any such gift to a statewide elected official, or any state officer or employee, member of the legislature or legislative employee under such circumstances. (Emphasis added).

Additionally, the state’s Code of Ethics contained in the Public Officers Law addresses a broader range of conduct than the acceptance of gifts. Public Officers Law § 74(3)(h) states:

An officer or employee of a state agency, member of the legislature or legislative employee should endeavor to pursue a course of conduct which will not raise suspicion among the public that he is likely to be engaged in acts that are in violation of his trust.

Hawks’s claimed misunderstanding of the gift prohibitions is suspect given the substantial ethics training and information he has received as a Racing and Wagering Board employee. Notably, a May 15, 2007 memorandum from the Racing and Wagering Board personnel director regarding a “Plain Language Version of New York State Ethics Law” and distributed to all agency employees included a description of the revised gift

prohibition. Racing and Wagering Board records also indicate that Hawks completed ethics training programs conducted by the Governor's Office of Employee Relations in April 2007 and the Commission on Public Integrity in February 2010.

As a senior employee responsible for supervising oversight and regulatory activities at a licensed casino, Hawks should conduct himself in a manner that does not create even the merest appearance of impropriety. His admitted conduct in accepting gifts, even of modest value, from the very individuals subject to his oversight falls short of this ethical standard, in possible violation of the Public Officers Law provisions cited above.

Finally, when asked by the Inspector General if he had spoken disparagingly of Native Americans in the casino business, Hawks said he could not recall making the alleged remark, but conceded that he might have done so.

FINDINGS AND RECOMMENDATIONS

The Inspector General determined that Racing and Wagering Board Supervising Gaming Inspector Edward Hawks acted improperly when he accepted gifts, even of modest value, from Akwesasne Mohawk Casino employees whose activities he oversees and regulates. This conduct, as well as Hawks's sale of items to casino employees, arguably violates the Public Officers Law. A copy of this report is being sent to the New York State Commission on Public Integrity for its review.

The Inspector General recommends that the Racing and Wagering Board review Hawks's conduct for appropriate action. The Inspector General also recommends that the Board take steps to ensure that the ethics training provided to its employees is current and effective, particularly as it pertains to the receipt of gifts.

Response of the Racing and Wagering Board

In response to the Inspector General's findings and recommendations, the Racing and Wagering Board advised that it will counsel and/or discipline Hawks about his improper conduct, and that a letter of reprimand will be issued to him. It also has requested that Hawks complete on-line ethics training.

Additionally, the Board advised that it will review and verify that ethics training for employees is current and effective; review the frequency of ethics training for supervisors and implement more frequent training for non-supervisory staff; and provide employees a reference on the Board's internal web site to the Commission on Public Integrity's advisory opinion regarding gifts.