

\$7,000 in Improper Meals and Golf Outings Leads to Nearly \$1.7 Million Penalty for Energy Company

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New York has a particularly strict law concerning gifts to members and employees of the New York Public Service Commission (the PSC), which regulates utilities in New York. Essentially, a company or person subject to the supervision of the PSC may not provide any gift to PSC members or employees. (PSC members and employees are similarly prohibited from soliciting any gift from such companies or persons.)

The State of New York Office of the Inspector General issued a report in July 2012 detailing violations of this gift law. The Inspector General's report and the settlement agreement noted that National Grid, an energy company subject to the PSC's supervision, repeatedly provided gifts, including meals and golf outings, to PSC employees over the past several years in violation of the gift ban. The value of these prohibited gifts ranged from \$8.04 to \$72.00. In total, the Inspector General report states that more than \$7,000 in improper gifts were provided to PSC employees. In August 2012, the PSC issued an order approving a settlement agreement between the PSC and National Grid.

In the settlement agreement, National Grid agreed to a penalty of \$1,667,000. In addition, National Grid will provide regular reports to the PSC about its ethics training program.

Authors

Carol A. Laham
Partner
202.719.7301
claham@wiley.law
D. Mark Renaud
Partner
202.719.7405
mrenaud@wiley.law