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## *Press Release*

### *May 7, 2007*

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FOR IMMEDIATE RELEASE:

### **OHIO'S ETHICS LAW BANS ILLEGAL STUDENT LOAN MARKETING**

The Ohio Ethics Commission is reminding student loan lenders and public college and university employees that state Ethics Laws ban gratuities offered to public college or university employees. Recent national reports of possible ethical misconduct led the Commission to release this reminder at its meeting on Friday, May 4, 2007.

More than three years ago, the Commission issued an advisory opinion explaining that the Ethics Law prohibits student loan marketers from offering to public college or university employees, and prohibits those employees from accepting, entertainment, travel, and other substantial gifts. In light of recent publicized reports regarding student loan lenders attempting to influence college and university employees with gratuities, the Commission once again referenced its December 2003 advisory opinion, Advisory Opinion No. 2003-03, which fully explains the prohibitions in the Ethics Law. The opinion is available on the Commission's Web site.

"Students deserve to expect that employees of higher education institutions will recommend student loans based on what is right for the student, not on which lenders offer the best perks," stated Ethics Commission Chairman Sarah Brown.

The 2003 Advisory Opinion was prompted by a national report published in October 2003 that college and university officials across the country routinely were offered gifts from student loan vendors as incentives to recommend the vendors to students seeking financial assistance. The concern that prompted the 2003 opinion apparently still exists.

The 2003 opinion explains that Ethics Law prohibitions apply to both private sector lenders and public college or university employees. Lenders are prohibited from offering or giving travel, entertainment, and other substantial gifts to college or university employees. Public college or university employees are prohibited from soliciting, accepting, or using their public positions to secure entertainment or items of substantial value from private student loan lenders who have or are seeking a contract with the public college or university.

"Our 2003 advisory opinion gave clear guidance on how the Ethics Law applies in these circumstances," Ethics Commission Executive Director Freel added. "The Commission advised all public colleges and university presidents and chief counsels in early 2004 of these Ethics Law protections to the public with a copy of the opinion. The Ethics Commission wanted to pro-actively prevent violations that challenged public confidence in these institutions. The Ethics Law warrants compliance."

The Ohio Ethics Commission is an independent state agency that oversees the application of the Ethics Law for state and local public officials and employees outside of the General Assembly and judiciary. The Commission was created upon the enactment of the Ohio Ethics Law in 1973.