



STATE OF ARKANSAS
OFFICE OF THE ATTORNEY GENERAL
JUSTICE BUILDING, LITTLE ROCK 72201

STEVE CLARK
ATTORNEY GENERAL

OPINION NO. 86-2

(501) 371-2007

January 8, 1985

Mr. Kim Smith
Prosecuting Attorney
Washington County Courthouse
Fayetteville, AR 72701

Dear Mr. Smith:

You have requested an opinion from our office regarding a possible conflict of interest. You have indicated that one quorum court member is the President and Chairman of the Board of the Bank of Lincoln. Another quorum court member is the Vice-President in charge of loans for the First National Bank of Springdale. You have also indicated that the County Treasurer takes bids and places the county's money on deposit with the local bank which will give the highest rate of interest. The county also has checking accounts which are placed at various local banks on a rotating basis.

Specifically, you have requested an opinion on the following questions:

1. Does a conflict of interest exist if the treasurer places county funds on deposit at either the Bank of Lincoln or the First National Bank of Springdale?
2. Would a conflict of interest exist if either of these banks purchases any of the bonds issued to construct a new county jail?

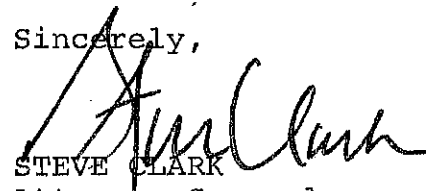
The ethical code of conduct for county officials is contained in Ark. Stat. Ann. §17-4208 (1980). Section 17-4208 (3)(a) prohibits a county official from being "interested, either directly or indirectly, in any contract or transaction made, authorized or entered into on behalf of the county" This provision was the subject of Arkansas Attorney General's Opinion No. 85-101 (1985), which should be read with reference to this opinion and is enclosed. We are committed to the view that this statute is directed not only at dishonor, but also at conduct which tempts dishonor, making it illegal to enter into relationships which are fraught with temptation. Cf. United States v. Mississippi Valley Generating Co., 364 U.S. 520 (1961). Accordingly, we again conclude that

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§17-4208 is broad enough to encompass the situation in which a Quorum Court member is an officer of a private business enterprise. By the terms of this statute, we feel a conflict of interest would exist in both situations you have described.

The foregoing opinion which I hereby approve was prepared by Chief Deputy Attorney General Rodney Parham.

Sincerely,


STEVE CLARK
Attorney General

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jsc:RP:dc