

los angeles
CITY ETHICS COMMISSION

...preserving the public trust.



ethics handbook



LACERS Board Members

“committed to supporting and equipping an informed citizenry...”

Table of Contents

Introduction	1
Conflicts of Interest	2
<i>General Rule</i>	2
<i>What is a Conflict of Interest?</i>	2
<i>The City's "Appearance" Standard</i>	2
<i>Decisions related to contracts</i>	2
<i>How do I know if I have a conflict?</i>	2
<i>Remedies for conflicts</i>	2
<i>How do I disqualify myself from a matter?</i>	3
<i>Example</i>	3
Financial Disclosure	4
<i>Who files statements of economic interests?</i>	4
<i>What is a "disclosure category"?</i>	4
<i>How do I file a statement of economic interests?</i>	4
<i>When do I file my statement of economic interests?</i>	5
<i>Example</i>	5
<i>Help available</i>	5
Gifts and Travel	6
<i>What is a gift?</i>	6
<i>Gift restrictions</i>	6
<i>Exceptions to the gift limits</i>	7
<i>Restrictions on gifts of travel</i>	8
<i>Disclosure of Gifts</i>	8
<i>Example</i>	8
Ethics Rules	9
<i>Misuse of City authority and resources</i>	9
<i>Confidential information</i>	9
<i>Protection from retaliation</i>	9
<i>Negotiating future employment</i>	9
<i>Example</i>	10
<i>Honoraria</i>	10
<i>Example</i>	10
<i>Attempts to influence</i>	10
<i>Participating in City contracting</i>	10
Political Activity	11
<i>Prohibited political activity</i>	11
<i>Permissible political activity</i>	11
<i>Political fundraising</i>	12
Lobbying	13
Loans	13

Table of Contents

Restrictions on Former Officials	14
<i>Matters in which you were involved</i>	14
<i>The “cooling-off” period</i>	14
<i>Exceptions</i>	14
87200 Filers	15
Reporting Wrongdoing	15
Penalties for Violations	15
Conclusion	16
<i>Advice from the City Ethics Commission</i>	16
<i>Advice from the Office of the City Attorney</i>	16
Appendix A	17

Introduction

In 1990, the citizens of Los Angeles voted to approve a ballot measure enacting a sweeping set of ethics reforms. The City's [Governmental Ethics Ordinance](#), in combination with state law, is intended to protect the integrity of the City's decision-making process. Often, even the perception that a City official has acted with bias can erode public confidence as much as if real bias existed. Your official position as a LACERS board member enables you to play an integral role in our local government by facilitating services to City officials and serving as a visible representative of the City. Therefore, it is crucial that you are ever conscious of the conflict of interests laws and other ethics rules established by state and City law.

This handbook, drafted specifically for LACERS board members, summarizes significant provisions of the City's Governmental Ethics Ordinance and relevant state ethics laws. It is provided as a means of educating officials about the general provisions of these laws. However, any board or commission member who is contemplating an action covered by the ethics rules is encouraged to contact the City Ethics Commission or the Office of the City Attorney with questions about applying the law (see pg. 16).

Thank you for your service to the City and your commitment to providing open, honest, and accountable government to the people of the City of Los Angeles.

Mission Statement

As an independent voice for more open and responsive City government, the Los Angeles City Ethics Commission acts through its voter-established mandate to preserve the public trust. Through meaningful public disclosure and effective education, the Commission is committed to supporting and equipping an informed citizenry. Dedicated to upholding the public interest, the Commission shapes, administers and enforces City ethics, campaign finance and lobbying laws that ensure Los Angeles elections and government decision-making are fair, transparent and accountable.

Contact Information

City Ethics Commission
200 North Spring Street
City Hall, 24th Floor
Los Angeles, CA 90012
Tel: (213) 978-1960
TTY: (213) 978-2609
Fax: (213) 978-1988

Whistleblower Hotline:
(800) 824-4825 or (213) 978-1999

For additional information about the ethics rules contained in this handbook, the text of the City's laws, and financial disclosure forms, you may also visit the City Ethics Commission's website at <http://ethics.lacity.org>.

Conflicts of Interest

General rule

As a general rule, you should avoid situations where your official actions may affect or appear to affect your private interests, financial or non-financial.

What is a conflict of interest?

You have a conflict of interest if your public actions as a LACERS board member affect your personal financial interests or the interests of your immediate family members. It does not matter whether the action has a negative or positive effect on the interest. State law prohibits you from making, participating in, or attempting to influence any government decision if it is reasonably foreseeable that the decision will have a material financial effect on any of your economic interests or those of an immediate family member.

The City's "appearance" standard

In addition to state law, the City has its own conflict provision. It is "not in the public interest" for you to act on a matter if you do not believe that you could act impartially or if the public might reasonably reach that conclusion. The City Attorney can decide, pursuant to [City Charter Section 222](#), that the public interest prevents you from acting even when you would not be disqualified by state conflict of interest laws.

Decisions related to contracts

State law prohibits you from being financially interested in City contracts if your duties call on you to participate in any way in or at any stage of the approval of the contract. Any participation in the process by which such a contract is developed, negotiated, or executed is a violation of the law. If you have a financial interest in a contract, not only may you not participate in the deliberations or decision, but the entire matter relating to the contract must be transferred for action to the Board of Referred Powers (unless your interests in the contract is "remote" within the meaning of state law).

City law also prohibits you from participating in any matter related to a City contract when you know, or have reason to know, that a party to the contract is a person by whom you were employed in the 12 months immediately prior to the time you are called to act on the matter.

How do I know if I have a conflict?

It can be difficult to determine whether you have a legal conflict of interest. Therefore, you should always contact the City Attorney for advice anytime your work with the City involves:

- a business in which you or your family members have an investment; or
- real property in which you or your family members have an interest; or
- a source of income, gifts, or loans to you or your family members; or
- a person or entity with which you have a relationship other than in your capacity as a City official (examples: a personal friend; a person with whom you are in business; a person with whom you own real property; a close relative's employer);
- a person with whom you are negotiating future employment or business; or
- a source of campaign contributions to you in the prior 12 months.

Remedies for conflicts

The mere presence of one of the interests listed above does not necessarily mean that you have a conflict, as other factors may be involved. You may contact the Office of the City Attorney to determine if you have a conflict and whether you must disqualify yourself from participating in a particular matter.

LA Municipal Code §§ 49.5.5, 49.5.13; CA Government Code §§ 1090, 84308, 87100; CA Code of Regulations, Title 2 §§ 18438.1-18438.7, 18700

Conflicts of Interest

How do I disqualify myself from a matter?

If a conflict of interest exists, you must be disqualified, meaning that you must recuse yourself from making, participating in, or attempting to use your official position in any way to influence the government decision that might affect your personal interest.

If you are required to recuse yourself due to a potential conflict of interest, pursuant to City law, you must leave the meeting room while the item is being considered. You must also publicly disclose the interest which is the subject of the potential conflict as well as the fact that you are disqualifying yourself from any participation in the decision. You must submit a "Recusal Notification Form" ([CEC Form 51](#)) to the City Ethics Commission and provide copies to the Office of the Mayor, the Office of the City Attorney, and the LACERS Executive Secretary of your board or commission, as it must be made part of the agency's official records (e.g., the minutes of the meeting). You may also be required to make an oral statement at the meeting.

If the agenda item involves a matter related to a contract, you must seek advice from the City Attorney as there are circumstances when your entire board may be disqualified from taking action. In those circumstances, the board will not be able to consider the matter and, if legally permissible, the Board of Referred Powers will decide the matter. Please be aware that if the board acts on a matter under these circumstances severe penalties can result even if you recuse yourself.

Three recusals by a City Commissioner within a 365 day period due to the same interest triggers a [Charter Section 707](#) mandated review by the City Ethics Commission to determine whether the Commissioner has a "significant and continuing conflict of interest." Severe penalties may result for you and the City if you do not recuse yourself when appropriate.

Example

Your spouse has a public relations firm that has provided services to a private equity fund for 10 years prior to your appointment to the LACERS board. The staff and LACERS' fiduciary have recommended the private equity fund be accepted as a LACERS investment. Your spouse's firm is not providing any services to the client with regard to the LACERS investment and will receive no compensation in relation to the LACERS investment. Because you have a financial interest in your spouse's business and income, you therefore have an indirect financial interest in the investment contract under consideration. However, state law provides a limited exception under these circumstances that permits the board to consider the contract provided that you are completely recused from the matter and make the required disclosures noted above. In this situation, you need to ask the City Attorney for advice to determine whether an exception applies that permits the board to act and whether you are required to recuse yourself.

Please note that following requirement for pension board members and employees was recently added to state law:

"A member or employee of the board shall not, directly or indirectly, by himself or herself, or as an agent, partner, or employee of a person or entity other than the board, sell or provide any investment product that would be considered an asset of the fund to any public retirement system in California."

Financial Disclosure

The purpose of financial disclosure is to alert you to the personal interests that might be affected while you perform your official duties and make governmental decisions.

Who files statements of economic interests?

Every City agency, including LACERS, has adopted a [Conflict of Interest Code](#) pursuant to the state's Political Reform Act. One attachment to your code, called Schedule A, lists all of the LACERS positions that make or participates in making governmental decisions in an agency, including board members. Since your position is listed on a Conflict of Interest Code, state and City law require you to file periodic financial disclosure forms called statements of economic interests.

What is a "disclosure category"?

As a LACERS board member, you are an official who manages public investments and referred to as an "87200 filer" (see page 15). This classification makes you subject to broad disclosure requirements and other additional restrictions under state law. As such, you are required to report any of the following when within or doing business within the jurisdiction of the City:

- investments in business entities (e.g., stocks, businesses, partnerships);
- real estate interests;
- sources of income, including loans;
- business positions; and/or
- gifts (see pages 6 and 7) without regard to geographic location of the source.

How do I file a statement of economic interests?

Your statement of economic interests is filed by completing a [CA Form 700](#) and a [CEC Form 11](#). LACERS has designated an ethics liaison, who, along with performing other responsibilities, processes statements of economic interests and forwards them to the City Ethics Commission. Your liaison can provide you with your disclosure category and give you the forms and instructions you will need to complete the filing. Your ethics liaison may remind you of pending filing deadlines, but it is your responsibility to ensure that you have filed properly and on time.

Your statements of economic interests are public documents that must be made available by your agency and the City Ethics Commission to anyone who requests them. For this reason, you are not required to disclose your home address, as long as it is used exclusively as your personal residence. We recommend that you use your agency's mailing address or a business address when completing your forms.

Financial Disclosure

When do I file my statement of economic interests?

The schedule for filing your statements of economic interests depends on which type of statement you are filing. Each statement is filed with your agency's ethics liaison as follows:

Pre-Confirmation Statement (CA Form 700):

Due prior to City Council's consideration of your nomination to as a LACERS board member. (Only this statement is filed directly with the City Ethics Commission.)

Assuming Office Statement (CA Form 700):

Due within 30 days after beginning your official duties.

Annual Statement (CA Form 700 and CEC Form 11):

Due every year by April 1. A new annual statement must be completed and filed each April, even if your interests have not changed since your last filing.

Semi-Annual Update to Annual Statement (CA Form 700 and CEC Form 11):

Due every year no later than October 1.

Leaving Office Statement (CA Form 700):

Due within 30 days after leaving your position.

Instructions and the period covered by each type of statement are included with the forms used for filing.

Note: Pursuant to state and City law, no extensions of the deadlines may be granted. Monetary penalties apply to any City official who does not file a statement on time or fails to file. You must complete and return your forms, even if you have no reportable interests to disclose.

Example

As a LACERS board member, you are required to publicly disclose, among other interests, all interests in real property you hold in the jurisdiction. This is because the decisions you make could potentially affect these interests. For example, you own three properties. You own your home, a vacation lodge on the California side of Lake Tahoe, and a 50-percent interest in the warehouse near Union Station. Under this scenario, you are not required to disclose your home if it is used exclusively as your personal residence, and you are not required to disclose the Lake Tahoe Lodge because it is not located within your agency's jurisdiction. However, you are required to report your 50-percent interest in the warehouse located near Union Station on your CA Form 700. You are also required to disclose the name of the co-owner(s) of the warehouse on your CEC Form 11.

Help Available

The staff members of the City Ethics Commission can assist you in answering any questions you may have about completing your statement of economic interests. For assistance, please call the Commission at (213) 978-1960.

Gifts and Travel

What is a gift?

The state's [Political Reform Act](#) and the City's [Governmental Ethics Ordinance](#) regulate your receipt of certain gifts. These laws apply to all City board and commission members who file statements of economic interests (see page 4, "Who files financial disclosure statements?"). Accepting a prohibited gift may subject you to penalties and may require the City to void contracts if a conflict of interest was involved.

A gift is anything of value that you receive for which you do not provide monetary or other consideration of equal or greater value. A gift may include meals, tickets to sporting events, and rebates or discounts in the price of anything of value (unless the rebate or discount is made in the regular course of business to any member of the public without regard to official status). A LACERS board member who claims to have provided consideration (and, therefore, not received a gift), has the burden of proving that the consideration is worth as much as or more than the value of what was received. In some cases, a personal loan may be considered a gift.

Gift restrictions

You may not accept any gift intended to influence you in the performance of your official duties. In addition, you may not accept a gift or combination of gifts during the calendar year from a single source with a total value that exceeds:

- \$420* from any source, unless an exception applies;
- \$100 from a restricted source (see below); and
- \$0 from a restricted source who is a registered lobbyist or lobbying firm that lobbies LACERS.

A "restricted source" is a person or entity that:

- is a lobbyist, lobbying firm, or lobbyist employer who lobbies LACERS;
- does or seeks to do business with LACERS;
- has attempted to influence you during the past year in a legislative or administrative action that would have a direct financial effect on the person or the person's employer; or
- has a matter involving a license, permit, or other entitlement for use currently before LACERS or had one pending during the past nine months.

You may never solicit a gift from any of the restricted sources described above.

To assist you in determining whether or not you may accept a gift, please refer to the "Gift Acceptance Guide for LACERS Board Members" located on the last page of this handbook.

Gifts and Travel

Exceptions to the gift limits

Items listed below are not subject to City or state gift limitations and, except where noted, need not be disclosed on your statement of economic interests.

- Gifts not used and returned or donated to charity or the City within 30 days of acceptance without being claimed as a tax deduction.
- Gifts from family members (spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother- or sister-in-law, nephew, niece, aunt, uncle, first cousin, or the spouse of any of these persons) or a partner in a bona fide dating relationship, as long as they are not acting as intermediaries for restricted sources.
- Gifts to you or an immediate family member made by an individual in connection with a non-recurring ceremonial event (e.g., wedding, bar mitzvah) valued at no more than \$100. Gifts valued at \$50 or more may be reportable.
- Informational material such as books, reports, pamphlets, calendars, seminars, or informational conferences used exclusively for performance of official duties. Travel is never informational material. Informational material received from a restricted source must be valued at less than \$250.
- Items received from your union and food and beverage received from any union other than your own. These are exempt from City law, but subject to state law requirements for disclosure and limitations.
- Personalized plaques and trophies valued at less than \$250.
- Meals and lodging offered in an individual's home when the individual is present.
- Meals provided at an event at which you speak, participate in a seminar, or provide a similar service.
- Meals paid for by a local, state, federal, or foreign governmental agency. These are exempt from City law, but subject to state law requirements for disclosure and limitations.
- Inheritances and bequests. An inherited investment or interest in real property, however, may be required by state law to be disclosed.
- Gifts to non-elected City officials for legal expenses related to an enforcement action brought under City or state ethics laws. These are exempt from City law, but subject to state law requirements for disclosure and limitations.
- Some tickets to a political fundraising event or to a fundraising event for a non-profit organization that is tax exempt under IRC Section 501(c)(3). *Previously, these tickets were exempt from gift limitations. However, through recent changes in state law, these tickets now have a value and are considered to be gifts in many circumstances.*

Gifts and Travel

Restrictions on gifts of travel

Generally, you may not accept reimbursement for travel and travel-related expenses from sources other than the City of Los Angeles if traveling on official duty. Some exceptions apply, and you should seek advice about how to proceed if a person or entity offers to reimburse your travel in connection with City business. It is important to get advice, because if an outside entity pays for your travel, the travel must meet state guidelines and LACERS will be required to satisfy certain public disclosure requirements.

Travel that is offered to you as a gift is subject to the gift limits—even if offered to you in your personal life, outside the scope of your official duties. In some cases, you may be prohibited from accepting a gift of travel. For example, travel paid by a restricted source (see definition pages 6 and 7) is prohibited. *Also, the California Constitution prohibits free passes and discounts from transportation companies.*

Exceptions to the gift restrictions may apply for certain types of travel offered to you, depending on the destination and whether you are providing a service, such as making a speech, in exchange for the travel. *Note: Travel paid by your employer as part of your job and travel paid by another local, state, or foreign government agency is not restricted by City law, but may be reportable on your statement of economic interests.*

Disclosure of gifts

You must publicly disclose a gift you receive and its value if the total value of all gifts you received from that source during the calendar year is at least \$50, unless an exception applies.

If the exact dollar amount of a gift is unknown, you must report a good-faith estimate of the item's fair market value on your statement of economic interests. Reporting the value as "over \$50" or "value unknown" is not adequate disclosure.

To assist you in determining whether or not you may accept a gift, please refer to the "Gift Acceptance Guide for LACERS Board Members" located on the last page of this handbook.

Example

In March, Jack Smith, a consultant for a firm that has applied for a contract with LACERS offers you a couple of tickets to a Dodger game, each valued at \$75. Since Mr. Smith is seeking to do business with your agency, he is considered a restricted source to you. This means that your gift acceptance limit from Mr. Smith is \$100 for the calendar year. Since the total value of the ticket is \$150, you have three options: 1) decline the gift; 2) accept one ticket and return the other; or 3) accept both tickets and pay down the \$50 difference back to the source of the gift. If you accept one or both tickets, you will be required to disclose the gift since its value is over \$50. If you pay down the difference, you must also keep a record of the transaction.

Ethics Rules

Misuse of City authority and resources

As a LACERS board member, you serve as a representative of the City. As such, you are held to appropriately high standards of conduct and demeanor. This important concept is stated in the [City of Los Angeles Code of Ethics](#):

Persons in the public service shall not only be ever conscious that public service is a public trust but also shall be impartial and devoted to the best interests of the City, and shall so act and conduct themselves, both inside and outside the City's service, as not to give occasion for distrust of their impartiality or of their devotion to the City's best interests.

The City's [Governmental Ethics Ordinance](#) explicitly states that you may not:

- use your position, or the power or authority of your office or position, to cause another person to provide anything of value to accrue to your personal benefit or to the personal benefit of any other person; or
- use or authorize the use of City offices, stationery, telephones, vehicles, equipment, Internet access, e-mail, or any other City property for any non-City business purpose, including but not limited to campaign activity; or

Confidential Information

You may not use or disclose to any other person for pecuniary gain or personal advantage or privilege, any confidential information that you acquired in the course of your official duties as a LACERS board member. This provision applies even after you leave City service.

Protection from retaliation

A City official may not use or threaten to use official authority or influence, to interfere with, or to cause retaliation against, a person reporting to the City Ethics Commission or other appropriate agency conduct that, if true, would constitute:

- a work-related violation of any law or regulation by a City officer or employee;
- gross waste of City funds or abuse of City authority;
- a danger to public health or safety due to an act or omission of a City official or employee;
- use of a City office or position or of City resources for personal gain; or
- a conflict of interest of a City officer or employee.

Negotiating future employment

LACERS board members may not, directly or indirectly, knowingly or willfully negotiate the possibility of future employment with any person (other than a government agency) who has a matter currently pending before the LACERS agency and/or board. Furthermore, you may not participate in making, or use your official position to influence, a decision involving the interests of a person with whom you are negotiating or have an agreement concerning future employment.

Ethics Rules

Example

As a member of LACERS, you are hearing testimony to determine whether to authorize expenditures for LACERS staff members to attend a pension roundtable with X Pension Management Firm. The owner of the firm has been appearing before your commission. In your private life, you are an investor who is very impressed with this firm and have an interest in working there. You cannot discuss the possibility of your future employment at that firm with the owner or anyone representing the firm so long as attendance to the pension roundtable is pending before your commission.

Honoraria

An honorarium is a payment for giving a speech, writing an article for publication, or participating in a panel or seminar or engaging in a similar activity. As a LACERS board member, you are prohibited from accepting any honorarium. Limited exceptions might apply. For example, free admission to an event at which you speak, or food and beverages provided during the event are not considered honoraria. Also, a reimbursement for travel expenses or earned income for personal services customarily provided in connection with the practice of a bona fide business, trade or profession such as teaching or practicing law, is not honoraria; however, depending upon the source of the payment and its relation to LACERS business may be otherwise prohibited. Before accepting any honoraria, you should ask the City Attorney for advice.

Attempts to influence

LACERS board members may not attempt to influence any City decisions for compensation. This includes direct communication with City officials or those acting on your behalf and applies to matters pending before other boards and commissions, departments, and the City Council.

Participating in City contracting

LACERS board members, as individuals, may not participate in the contracting process, such as making recommendations on bids or participating in negotiations outside of a board meeting. However, the LACERS board, as a body, may act on those matters at its public meetings. Moreover, a subcommittee made up of at least two members may participate in certain contractual matters at public meetings.

Political Activity

Laws governing the political activity of City board and commission members have been established for three reasons:

- 1) to safeguard public resources;
- 2) to ensure the government remains nonpartisan and neutral in election matters; and
- 3) to protect City officials from pressure to support or oppose candidates or ballot measures.

Prohibited political activity

You may not:

- solicit, direct or accept campaign contributions from any person who has a legislative or administrative matter pending before you currently, or during the preceding 12 months, or the 3 months after the conclusion of the matter.
Note: State law contains a similar provision.
- use or authorize the use of City offices, stationery, telephones, vehicles, equipment, or any other City property for campaign activity;
- engage in fundraising or other campaign activities during “City time” (e.g., commission meetings);
- knowingly solicit contributions for or against a political candidate or ballot measure from any City official or employee. Soliciting a contribution from the spouse of a City officer or employee is permissible so long as it is not a subterfuge for soliciting the City employee;
- be solicited for a campaign contribution by another City official or employee; or
- receive, deliver, or attempt to deliver a political contribution in City Hall, any City office building, or in any office for which the City pays the majority of the rent.

Permissible political activity

You may:

- perform volunteer work, endorse* candidates, and take a position on a ballot measure, as long as these activities do not involve the use of City time, property, facilities, or equipment;
- use your own funds to make political contributions, subject to applicable limits;
- solicit political contributions from persons other than City officials and employees on behalf of candidates not running for elective office in the City of Los Angeles or for ballot measures outside the City of Los Angeles; and/or
- use City resources to provide factual information and analysis about the purposes, provisions, and estimated impact of bond issues and ballot measures in some circumstances. Remember, however, that City funds may not be spent to urge the passage or defeat of any ballot measure. Please consult the City Attorney's office for advice about specific communications.

* LACERS board members should make clear that they are acting as individuals and take all steps to avoid giving the impression that the City supports the candidate.

Political Activity

Political fundraising

During your service to the City of Los Angeles, as a LACERS board member, you are not permitted to fundraise for any elective City officer, candidate for elective City Office, or any of his or her City controlled committees (that is, committees controlled by the elective City officer or candidate, including any City campaign, officeholder, legal defense fund, or ballot measure committee).

Fundraising activities specifically prohibited by the ordinance are:

- requesting, either orally or in writing, that another person make a contribution;
- inviting a person to a fundraising event or supplying names to be used for invitations to a fundraising event;
- allowing your name, signature or title to appear on a solicitation for contributions or invitation to a fundraising event;
- providing the use of your home or business to hold a fundraising event;
- paying for at least a majority of the costs of a fundraising event or hiring another person to conduct a fundraising event;
- delivering a contribution, other than your own, either in person or by mail in a manner in which you communicate your identity to the elective City officer, candidate for elective City office, or any of these persons' agents; or
- acting as an agent or intermediary in connection with the making of a contribution.

Lobbying

The citizens of the City of Los Angeles have a right to know the identities of interests that attempt to influence City decisions, as well as the means employed by those interests. The [Municipal Lobbying Ordinance](#), therefore, requires complete public disclosure of the full range of activities and financing of lobbyists and by those who employ their services. The ordinance states that this disclosure is essential to fostering public confidence in the integrity of City government decision-making.

A person who contacts a City official in an attempt to influence municipal legislation on behalf of another person and is compensated for at least 30 hours spent in any consecutive three-month period engaged in lobbying activities is required to register as a lobbyist and disclose the lobbying activities to the public. Attempting to influence includes, but is not limited to, promoting, supporting, opposing, or seeking to modify or delay action on a broad range of legislative and administrative decisions by providing or using persuasion, information, statistics, analyses, or studies.

If someone has attempted to influence you on behalf of a third party, you should check to see if the person is registered as a lobbyist with the City Ethics Commission. A list of all registered lobbyists is updated instantaneously as new lobbyists register and is available from the Commission and on the Commission's [website](#). If the person's name does not appear on this list and you believe that he or she may be required to register, please contact the Commission. Our office can provide the individual with information about registration and disclosure requirements.

Finally, gifts from registered lobbyists and lobbying firms that lobby the LACERS agency and/or board are most likely prohibited (see pages 6 and 7).

Loans

Under state law, in some cases, a personal loan is considered a gift and subject to limitation and disclosure requirements. Additionally, because LACERS board members are considered "87200 filers" (see page 15), you are prohibited from receiving a personal loan of more than \$250 from an officer, employee, member, or consultant of your agency or an agency over which your agency exercises control.

Restrictions on Former Officials

To prevent former City board and commission members from exercising or appearing to exercise improper influence over City decision-making, City law establishes certain "revolving door" limits on their attempts to influence City decisions after they leave City service. These restrictions apply to you only if you are compensated for these activities.

There are two types of post-City service restrictions:

Matters in which you were involved

- 1) An indefinite ban prohibits former City board and commission members from participating in matters in which they were involved and are still pending before a City agency for which the City is a party to or has a direct and substantial interest in the matter.

City law prohibits you from attempting to influence, for compensation, any action on a matter in which you were *personally* and *substantially* involved during your City service, as long as the matter is still pending before a City agency or the City is a party to or has a direct and substantial interest in the matter. You are also prohibited from advising or assisting anyone else who attempts to influence action on those pending matters. Determining whether you personally and substantially participated in a matter occurs on a case-by-case basis. Generally speaking, it will depend on your decision-making authority and the scope of your involvement in the matter.

The "cooling-off" period

- 2) A two-year "cooling-off" period applies to former City board and commission members .

After leaving your LACERS board member position, you are required to observe a two-year ban on directly communicating, for compensation, with the LACERS agency and board for the purpose of attempting to influence action on a matter pending before that agency. While you may not personally communicate, you may assist and advise others to make such communications so long as you did not "personally and substantially" participate in the matter before leaving City service (as described above).

Exceptions

Exceptions to the restrictions occur under limited circumstances, including when your communication is:

- 1) made on behalf of a City of Los Angeles agency; or
- 2) made while you are acting in your official capacity as an officer or employee of another government agency.

In addition, no City law prevents you from attending social or other events at which City officials may be present, regardless of the location. If you attend those functions as a representative of your employer, however, any attempts to influence City officials in those settings are subject to the City's post-service lobbying restrictions, as are communications in any other setting.

“87200 Filers”

Who is an “87200 filer”?

Section 87200 of the state’s Political Reform Act imposes additional restrictions on certain public officials, as noted throughout this handbook. These officials are:

- City employees and consultants who manage public investments, including LACERS board members
- Elected officials
- City Treasurer
- City Administrative Officer
- Citywide planning commissioners
- Pension Board members

Reporting Wrongdoing

The City Ethics Commission is authorized to investigate violations of the City’s campaign, lobbying, conflict of interests, and ethics laws. If you have information about a possible violation of these laws, you may file a complaint. The complaint may be submitted in writing or by calling the toll-free, 24-hour whistleblower hotline at 1-800-824-4825. If you prefer, you may call the Commission office to discuss the matter with an investigator. Please be sure to provide as much specific detail as possible.

For additional information about the City’s whistleblower hotline, visit the Commission’s [website](#).

Penalties for Violations

A person who violates any provision of the City’s [Governmental Ethics Ordinance](#) or the City’s [Campaign Finance Ordinance](#) may be subject to an administrative enforcement action and monetary penalties up to \$5,000 per violation or three times the amount not properly reported or unlawfully contributed, expended, given, or received, whichever is greater. Furthermore, a person who knowingly, willfully, or negligently violates the ordinance may also be subject to civil and criminal penalties. Appointed officers or employees who violate the ordinance may also be subject to administrative discipline from their appointing authorities. State law provisions carry similar or additional penalties.

Conclusion

Please bear in mind that this handbook is designed to be a general overview to help LACERS board members comply with City and state ethics laws. Because the laws can be complex, applying them to your circumstances can often require analysis by the City Ethics Commission or the Office of the City Attorney.

Advice from the City Ethics Commission

The City Ethics Commission will gladly answer any general questions that you may have regarding the laws contained in this handbook.

Situation-specific advice can also be provided, either informally or formally:

- Informal advice can be provided in person or by phone during regular business hours. Informal advice does not provide immunity in enforcement actions.
- Formal advice is provided in writing. Your request must be submitted in writing *before* taking any action and must provide specific facts about your circumstances. No person who receives formal, written advice and acts in good faith based on that advice will be subject to administrative penalties.

To view advice letters that have been issued to others, visit the Commission's advice web page at <http://ethics.lacity.org/Advice/advice.cfm>.

City Ethics Commission

200 North Spring Street
City Hall 24th Floor
Los Angeles, CA 90012
Tel: (213) 978-1960
TTY: (213) 978-2609
Fax: (213) 978-1988
<http://ethics.lacity.org>

Advice from the Office of the City Attorney

The City Ethics Commission does not have jurisdiction over matters of state law and, therefore, cannot advise you about some matters. Questions you have regarding the following should be directed to the Office of the City Attorney:

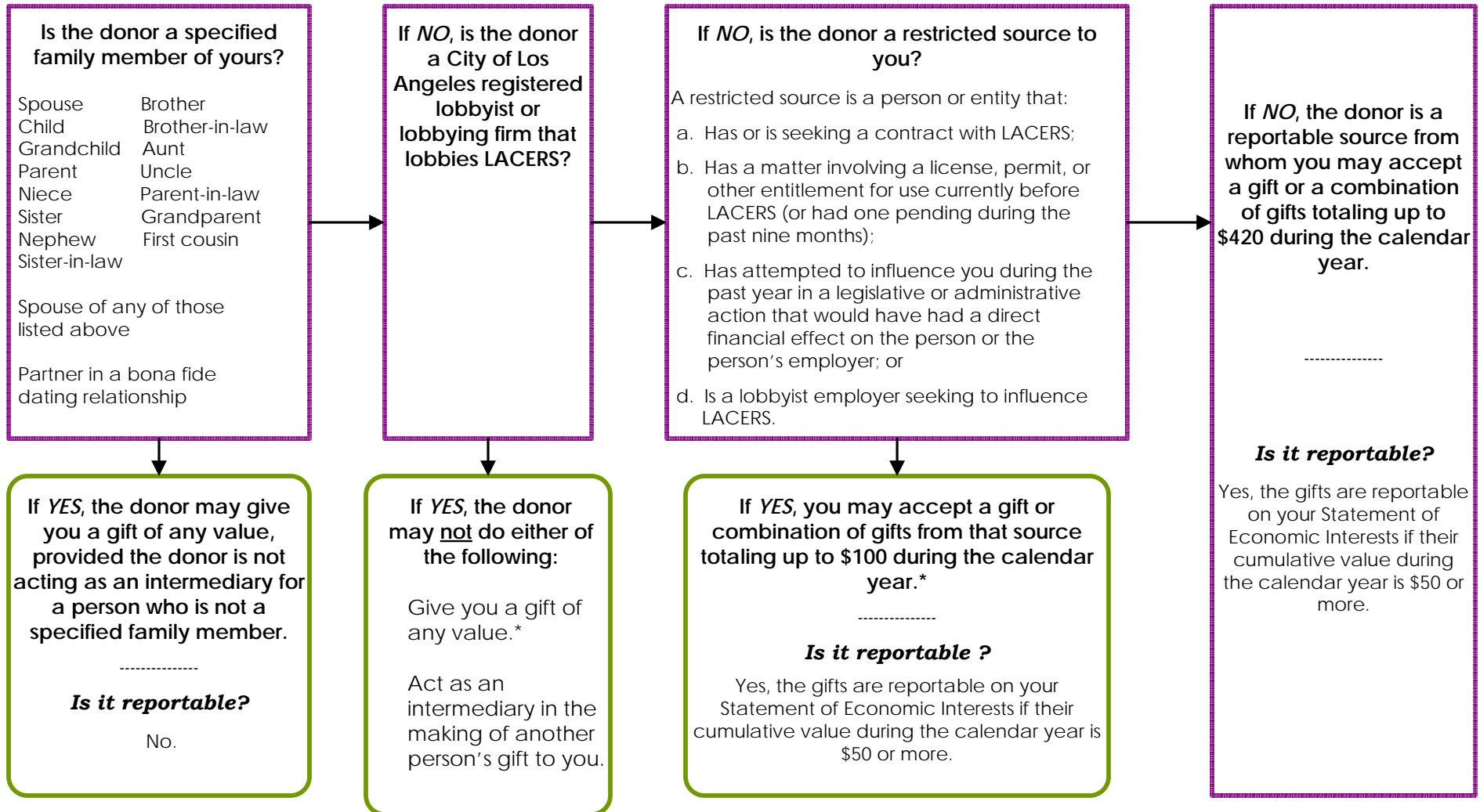
- Conflicts of Interest
- Ralph M. Brown Act (California's "open meeting" law)
- Honoraria
- Gifts of travel
- Mass mailings at public expense
- Misuse of public funds

Office of the City Attorney

City Hall East
200 North Main Street, 8th Floor
Los Angeles, CA 90012
Tel: (213) 978-7100
Fax: (213) 978-8250
<http://www.lacity.org/atty>

Gift Acceptance Guide for LACERS Board Members

This guide is designed to be a general overview of City and state laws that govern whether LACERS Board Members may accept gifts from certain sources. There may be other restrictions or exceptions that apply to your situation such as, gifts related to travel or 501(c)(3) fundraisers. Please contact the City Ethics Commission at (213) 978-1960 or the Office of the City Attorney at (213) 978-7100 for additional guidance and advice.



* A gift from an individual for a non-recurring ceremonial occasion (e.g., a wedding) that is \$100 or less does not count toward the prohibition on gifts from registered lobbyists and lobbying firms, nor toward the \$100 limit on gifts from restricted sources. A birthday is not a non-recurring ceremonial occasion. Unless a state exception applies, these gifts must be reported on your Statement of Economic Interests and count toward the state's \$420 calendar-year limit .