

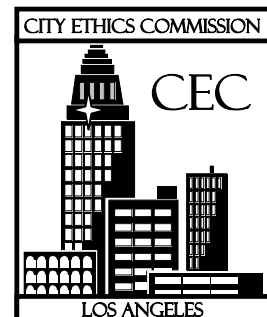
Governmental Ethics Ordinance



◆◆◆ Los Angeles Municipal Code Sections 49.5.1 *et seq.*

As of April 2008

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**Los Angeles Governmental Ethics Ordinance
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Governmental Ethics Ordinance
Los Angeles Municipal Code Chapter IV, Article 9.5
Added by Ordinance No. 165618, effective 4/21/90.

SEC. 49.5.1 Title, Findings and Purposes

A. **Title.** This Article shall be known as the City of Los Angeles Governmental Ethics Ordinance.

B. **Findings.** The following findings are adopted in conjunction with the enactment of this Article:

1. As one of the great international cities of the world, Los Angeles will continue to confront great and complex opportunities and problems of both local and global significance.
2. One of the best ways to attract talented people to public service is to assure that the government is respected for its honesty and integrity; that its decisions are made on the merits, untainted by any consideration of private gain; and that the rules governing their conduct during and after leaving government service are as clear and complete as possible.
3. A governmental ethics ordinance that is as clear, tough, fair, comprehensive and effective as any in the nation is therefore needed.

C. **Purposes.** This Article is adopted to accomplish the following purposes.

1. To assure that individuals and interest groups in our society have a fair and equal opportunity to participate in the governmental process.
2. To assure that the governmental process itself promotes fairness and equity for all residents of the City regardless of race, color, creed, religion, national origin, age, sex, marital status, sexual orientation or disability.
3. To require elected City officers and key City officials to disclose all investments, interests in real property and income in order to prevent conflicts of interest.
4. To prevent elected City officers and key City officials from receiving outside earned income that creates a potential conflict of interest.
5. To prevent certain City officials from lobbying the City for at least one year after they leave City service.

6. To increase understanding of the City Charter, ordinances and the roles of elected City officers and other public officials, City agencies and the City election process.
7. To help restore public trust in governmental and electoral institutions.
8. To assure that this Article is vigorously enforced.

SEC. 49.5.2 Definitions

*Amended by Ordinance No. 167949, effective 7/5/92.
Amended by Ordinance No. 168056, effective 8/8/92.
Amended by Ordinance No. 172891, effective 12/10/99.
Amended by Ordinance No. 173363, effective 7/29/00.
Amended by Ordinance No. 176824, effective 8/27/05.*

The following terms used in this article shall have the meanings set forth below. Except as otherwise provided herein, the terms and provisions of this Article shall have the meanings and shall be interpreted in accordance with the applicable definitions and provisions of the Political Reform Act of 1974, as amended (Government Code Section 81000, *et seq.*) and the regulations of the California Fair Political Practices Commission, as amended.

“Administrative action” means the proposal, drafting, development, consideration, amendment, enactment or defeat by any City agency of any matter, including any rule, regulation or other action in any regulatory proceeding or any proceeding involving a contract, license, permit, franchise, or entitlement for use, whether quasi-legislative or quasi-judicial. Administrative action does not include any action which is solely ministerial.

"Agency" means the City of Los Angeles or any department, bureau, office, board, commission, other agency of the City, or any other government agency, required to adopt a conflict of interest code subject to City Council approval. With respect to employees of a Councilmember's staff and employees of the Chief Legislative Analyst's office, **"agency"** means the City Council.

"Attempting to influence” means promoting, supporting, opposing or seeking to modify or delay any action on municipal legislation (as defined in Section 48.02 of this Code) by any means, including but not limited to providing or using persuasion, information, statistics, analyses or studies.

"City Official" means any elective City officer, member, officer, employee, commissioner or consultant of any agency required to adopt a conflict of interest code subject to City Council approval, and who is required to file statements of economic interests pursuant to the conflict of interest code of his or her agency.

“Compensation” means the receipt of any monetary or non-monetary payment and includes, but is not limited to, salary, wages, fees, partnership or other similar financial interest, or any other payment or reimbursement for the services or time of the person.

"Confidential information" means information to which all of the following apply:

- (1) At the time of the use or disclosure of the information, the information is not a public record subject to disclosure under the California Public Records Act.
- (2) At the time of the use or disclosure of the information, the disclosure is prohibited by
 - (i) a statute, regulation, or rule which applies to the agency in which the officer or employee serves; or
 - (ii) any limitation placed on outside employment pursuant to Section 49.5.11 of this Code.
- (3) The use or disclosure of the information will have, or could reasonably be expected to have, a material financial effect on any investment or interest in real property which the officer or employee, or any person who provides pecuniary gain to the officer or employee in return for the information, has at the time of the use or disclosure of the information or acquires within 90 days following the use or disclosure of the information.

“Contract” means without limitation any agreement, lease, right of entry, franchise, or concession, including but not limited to agreements for the performance of any work or the rendition of any service or the provisions of any materials, equipment or supplies to the City of Los Angeles or to the public, which is let, awarded or entered into with, or on behalf of, the City of Los Angeles by the City Council, any board or commission, office or department and shall include departments which have control of their own funds.

"Co-owner" means a person who resides in, does business in, plans to do business in or owns an interest in real property located within the City of Los Angeles, and either

- (1) possesses a 10 percent or greater ownership, security, or leasehold interest in real property in which a filer also possesses an interest, or
- (2) possesses a 10 percent or greater investment in a business entity in which a filer also owns an investment.

A **“co-owner”** does not include

- (1) any member of the official's immediate family or

- (2) any commercial lending institution which made a loan in the lender's regular course of business on terms available to members of the public without regard to official status.

"Dependent child" means a child who is either

- (1) unmarried, under the age of 21 and living in the same household as the filer or
- (2) otherwise listed as a dependent of the filer for federal income tax purposes.

"Direct Communication" means appearing as a witness before, talking to (either by telephone or in person), corresponding with (including sending electronic mail to), or answering questions or inquiries from, any City official or employee, either personally or through an agent.

"Disclosable" means an investment, interest in real property, source of income, gift, loan, honorarium or travel expenses, or business position, which the filer is required to disclose pursuant to Article 2 of Chapter 7 of the Political Reform Act of 1974, as amended, or pursuant to the conflict of interest code of the filer's agency.

"Doing Business with the City" means entering into or performing pursuant to a contract with the City of Los Angeles, an agency of the City or another local government agency required to adopt a conflict of interest code subject to City Council approval. Doing business with the City includes entering into or performing contracts for goods, equipment, services or financial assistance but does not include the receipt of or payment for services normally rendered by the City to residents and businesses such as sewer service, water and power, street maintenance and the like.

"Elective City officer" means any person who is a City Council Member, City Attorney, Controller or Mayor, whether appointed or elected.

"Foreign gift" means a gift from an individual domiciled in a foreign country, a foreign government, or a business entity or other entity having its principal place of business located in a foreign country, which gift is accepted by a City official either while that official is traveling abroad or from the donor while that donor is visiting the United States. A foreign gift includes

- (1) an otherwise qualifying gift of food, beverages or customary business entertainment cumulatively valued at no more than \$250 during any calendar year accepted by an official during the course and scope of official business and
- (2) an otherwise qualifying gift which is accepted by the official on behalf of the City of Los Angeles and which gift is transmitted to and becomes the property of the City. A foreign gift does not include a gift from any

corporation organized under the laws of the United States, or under the laws of any state or territory of the United States.

"Gift" means, except as otherwise provided in this definition, any payment to the extent that consideration of equal or greater value is not received and includes a rebate or discount in the price of anything of value unless the rebate or discount is made in the regular course of business to members of the public without regard to official status. Any person, other than a defendant in a criminal action, who claims that a payment is not a gift by reason of receipt of consideration has the burden of proving that the consideration received is of equal or greater value. The term **"gift"** does not include:

- (1) Informational material such as books, reports, pamphlets, calendars, periodicals, seminars, or informational conferences, exclusively for official or office use and valued at less than \$250 (except that such dollar limit does not apply to informational material received from a government agency). No payment for travel or reimbursement of any expenses shall be deemed **"informational material."**
- (2) Gifts which are not used and which, within 30 days after receipt, are returned to the donor or delivered to a charitable organization without being claimed as a charitable contribution for tax purposes.
- (3) Gifts from an individual's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, partner in a bona fide dating relationship, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person; provided that a gift from any such person shall be considered a gift if the donor is acting as an agent or intermediary for any person not covered by this paragraph.
- (4) Campaign contributions required to be reported under Chapter 4 of the Political Reform Act of 1974, as amended.
- (5) Any devise or inheritance.
- (6) Personalized plaques and trophies with an individual value of less than two hundred fifty dollars (\$250).
- (7) Gifts of food, beverages or occasional lodging provided in an individual's home.
- (8) Gifts valued at no more than \$100 from an individual to a City official or to a member of the official's immediate family in connection with a non-recurring ceremonial occasion.

"High Level Filer" means the Mayor, City Attorney, Controller, member of the City Council, member of the City Ethics Commission and Executive Officer of the City Ethics Commission.

"High Level Official" means the Mayor, the City Attorney, the Controller, the members of the City Council, the Chief of Staff to the Mayor, the Assistant Chief of Staff to the Mayor, each Deputy Mayor, the Special Assistant to the Mayor for Legal Affairs, the Executive Assistant City Attorney, each Chief Assistant City Attorney, each Senior Counsel, the Chief Deputy Controller, the Administrative Coordinator to the Controller, two members of the staff of each City Council Office possessing the most decision-making responsibilities relative to governmental policy as designated by each member of the Council, the members of the City Ethics Commission, the Executive Officer of the City Ethics Commission, the members of the City Planning Commission, the Director of Planning, the members of the Board of Public Works, the Director of the Office of Administrative and Research Services, each Assistant Director of the Office of Administrative and Research Services, the Chief Legislative Analyst, each Assistant Chief Legislative Analyst, the Treasurer, and the City Clerk. In addition, "high level official" means any other member of the staff of an elected City officer possessing significant decision-making responsibilities relative to governmental policy as may be designated in writing to the City Ethics Commission by the elected City officer.

"Honorarium" means a payment for speaking at any event, participating in a panel or seminar or engaging in any similar activity. An **"honorarium"** does not include free admission, food, beverages and similar nominal benefits provided to an officer or employee of the City at an event at which he or she speaks, participates in a panel or seminar or performed a similar service, nor does it include reimbursement or advances for actual intrastate travel or for necessary accommodations provided directly in connection with the event.

"Legislative action" means the drafting, introduction, consideration, modification, enactment, or defeat of any ordinance, charter amendment, resolution, amendment, report, nomination or other matter by the City Council or by any committee, subcommittee thereof, or by a member or employee of the City Council acting in his or her official capacity. **"Legislative action"** also means the action of the Mayor in approving or vetoing any ordinance or resolution.

"License, permit or other entitlement for use" means any business, professional, trade or land use license or permit, any other entitlement for use, (including all entitlement for land use), any contract (other than labor, personal employment, or competitively bid contracts), and any franchise.

"Lobbying Firm" means any business entity, including an individual contract lobbyist, which meets either of the following criteria:

- (a) the business entity received or becomes entitled to receive any compensation, other than reimbursement for reasonable travel expenses, for the purpose of influencing legislative or administrative action on behalf of any other person; and any partner, owner, officer, or employee of the business entity is a lobbyist; or
- (b) the business entity receives or becomes entitled to receive any compensation, other than reimbursement for reasonable travel expenses, to communicate directly with any elective city officer, agency official, or legislative official for the purpose of influencing legislative or administrative action on behalf of any other person.

"Lobbyist" means any individual who is required to register as a lobbyist or municipal legislative advocate pursuant to any City ordinance requiring such registration.

"Lobbyist Employer" means any person, other than a lobbying firm, who:

- (a) Employs one or more lobbyists for economic consideration, other than reimbursement for reasonable travel expenses, for the purpose of influencing legislative or administrative action, or
- (b) Contracts for the services of a lobbying firm for economic consideration, other than reimbursement for reasonable travel expense, for the purpose of influencing legislative or administrative action.

"Participant" means any person who is not a party but who actively supports or opposes a particular decision in a proceeding involving a license, permit, or other entitlement for use and who has a financial interest in the decision, as described in Article 1 (commencing with Section 87100) of Chapter 7 of the Political Reform Act of 1974, as amended. A person actively supports or opposes a particular decision in a proceeding if he or she lobbies in person the officers or employees of the agency, testifies in person before the agency, or otherwise acts to influence officers of the agency.

"Party" means any person who files an application for, or is the subject of, a proceeding involving a license, permit, or other entitlement for use.

"Pecuniary Gain" means any monetary benefit to a person or to a member of the person's immediate family.

"Person" means an individual, proprietorship, firm, partnership, joint venture, syndicate, business trust, company, corporation, association, committee, or any other organization or group of persons acting in concert.

"Proceeding involving a license, permit or other entitlement for use" includes any proceeding to grant, deny, revoke, restrict, or modify a license, permit or other entitlement for use.

"Restricted source" means the following with regard to each of the following classes of City officials.

- (1) With regard to **"high level filers"** and **"high level officials," "restricted source"** means:
 - (a) a lobbyist, lobbying firm, or lobbyist employer;
 - (b) a person doing or seeking to do business with the City;
 - (c) a person who, during the reporting period, knowingly attempted to influence the official in any legislative or administrative action which would have a direct material financial effect on such person; or
 - (d) a person who is a party to a proceeding involving a license, permit or other entitlement for use while a proceeding involving such matter is, or within the prior nine months was, pending before the official or before the City Council or a board, commission, committee, or other similar body of which the official is a voting member, and for nine months following the date a final decision is rendered in the proceeding.

- (2) With regard to filers other than **"high level filers"** and with regard to officials other than **"high level officials," "restricted source"** means:
 - (a) a lobbyist, lobbying firm, or lobbyist employer, seeking to influence decisions of the filer's agency;
 - (b) a person doing or seeking to do business with the filer's agency;
 - (c) a person who, during the reporting period, knowingly attempted to influence the official in any legislative or administrative action which would have a direct material financial effect on such person;
 - (d) or a person who is a party to a proceeding involving a license, permit or other entitlement for use while a proceeding involving such matter is, or within the prior nine months was, pending before the official or before a board, commission, committee or other similar body of which the official is a voting member, and for nine months following the date a final decision is rendered in the proceeding.

- (3) With regard to all filers and all City officials, a **"restricted source"** does not include an individual (other than a lobbyist) who is employed by a restricted source, provided that the gift or income is neither paid for by the employer nor provided at the direction of the employer.

SEC. 49.5.3 Confidential Information

No current or former officer or employee of the City shall use or disclose to any other person for pecuniary gain or personal advantage or privilege, confidential information acquired by him or her in the course of his or her official duties.

SEC. 49.5.4 Protection of Employees Against Retaliation for Reporting Fraud, Waste or Misuse of Office

Amended by Ordinance No. 168708, effective 5/13/93.

- A. No officer or employee of the City shall use or threaten to use any official authority or influence to discourage, restrain or interfere with any other person for the purpose of preventing such person from acting in good faith to report or otherwise bring to the attention of the City Ethics Commission or other appropriate agency, office or department any information which, if true, would constitute: a work-related violation by a City officer or employee of any law or regulation, gross waste of City funds, gross abuse of authority, a specified and substantial 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.
- B. No officer or employee of the City shall use or threaten to use any official authority or influence to effect any action as a reprisal against a City officer or employee who reports or otherwise brings to the attention of the Commission or other appropriate agency, office or department any information regarding the subjects described in Subsection A.
- C. Any person who believes that he or she has been subjected to any action prohibited by this section may file a confidential complaint with the City Ethics Commission. The City Ethics Commission shall thereupon investigate the complaint. Upon the conclusion of its investigation, the Commission shall take appropriate action as otherwise provided by law.
- D. In the event the Executive Officer of the City Ethics Commission determines the Commission has a conflict of interest in an investigation of a retaliation complaint, City Ethics Commission staff shall refer the investigation of the retaliation complaint to the Equal Employment Opportunities Section of the Human Resources and Benefits Division of the City Personnel Department. That agency shall report its findings to the City Attorney who shall take appropriate action as otherwise provided by law.

SEC. 49.5.5 Misuse of City Position or Resources

Amended by Ordinance No. 172891, effective 12/10/99.

- A. No City official, employee of any agency, appointee awaiting confirmation by the Council, or candidate for elective City office shall use his or her position or prospective position, or the power or authority of his or her office or position, in any manner intended to induce or coerce any person to provide, directly or indirectly, anything of value which shall accrue to the private advantage, benefit, or economic gain, of the City official or employee, or of any other person. As used in this section, the term “**private advantage, benefit, or economic gain**” means any advantage, benefit or economic gain, distinct from that enjoyed by members of the public without regard to official status or not resulting naturally from lawful and proper performance of duties. A City official or employee engages in a prohibited use of his or her official position or prospective position when he or she engages in activities other than in the lawful and proper performance of the person's City duties.

- B. No City official or employee of an agency shall engage in campaign-related activities, such as fundraising, the development of electronic or written materials, or research, for a campaign for any elective office or ballot measure:
 - 1. during the hours for which he or she is receiving pay to engage in City business; or
 - 2. using City facilities, equipment, supplies or other City resources.

- C. No City official or employee of an agency shall engage in outside employment during any hours he or she is receiving pay to engage in City business.

- D. No person shall induce or coerce, or attempt to induce or coerce any other person to engage in any activity prohibited by Subsections B or C.

- E. Nothing in this section shall prohibit the use of City resources to provide information the public about the possible effects of any bond issue or other ballot measure relating to City activities, operations or policies, provided that (i) the use of public resources is otherwise legally authorized, and (ii) the information provided constitutes a fair and impartial presentation of relevant facts to aid the electorate in reaching an informed judgment regarding the bond issue or ballot measure.

SEC. 49.5.6 Disclosure Regarding Economic Interests

Amended by Ordinance No. 167949, effective 7/5/92
Amended by Ordinance No. 173101, effective 3/27/00.
Amended by Ordinance No. 173138, effective 4/24/00.
Amended by Ordinance No. 173870, effective 5/14/01.
Amended by Ordinance No. 177190, effective 1/23/06.
Amended by Ordinance No. 177853, effective 10/7/06.

- A. **Persons Required to File.** The Mayor, City Attorney, Controller, members of the City Council, each chief administrative officer of a City department or office, and each member of a board or commission who is a designated employee pursuant to the conflict of interest Code of his or her agency shall file a statement of economic interests pursuant to the Political Reform Act of 1974, as amended, and shall additionally file a financial disclosure statement pursuant to the provisions of this section. There shall be two classes of filers,
- (1) "high level filers" and
 - (2) "other filers," who shall include all filers other than "high-level filers."
- B. **Disclosure Periods and Filing Deadlines.** On or before April 1 of each calendar year, all filers referred to in Subsection A shall file a statement of economic interests and a financial disclosure statement pursuant to this section, covering a disclosure period of January 1 through December 31 of the previous calendar year. On or before October 1 of each calendar year, all filers referred to in Subsection A shall either certify that there have been no changes in their reportable financial interests during the period of January 1 through June 30 or shall file a semi-annual financial disclosure statement disclosing any changes in their reportable financial interests which occurred during that period.
- C. **Disclosure Requirements for High-Level Filers.**
1. In addition to statements of economic interests filed pursuant to the Political Reform Act of 1974, as amended, high-level filers shall file financial disclosure statements disclosing the following financial interests:
 - (a) Any investment, regardless of whether the business entity is located in; owns an interest in real property within; or does, within the prior two years did, or plans to do business in the City of Los Angeles, and the name and address of any co-owner of the business entity.
 - (b) Any interest in real property (other than a personal residence), regardless of whether the real property is located within the jurisdiction, and the name and address of any co-owner of such real property.

- (c) Any income (including loans, honoraria, travel expenses, gifts, and the filer's community property interest in income of a spouse) regardless of whether the source of income resides in; owns an interest in real property located within; or does, within the prior two years did, or plans to do business in the City of Los Angeles.
- (d) Separate property income (including loans, honoraria, travel expenses and gifts) of a filer's spouse from a restricted source and income of a dependent child from a restricted source.
- (e) The name and address of each general partner of a partnership in which the filer has an investment valued at \$2,000 or more, together with the name of the partnership.
- (f) For any investment required to be disclosed by this subsection or any interest in real property (including both an interest required to be disclosed by this subsection and the filer's personal residence) that was purchased during the reporting period:
 - (i) the name of the business entity, or the location of the real property by street address, city and state, provided, however, that the address of the filer's personal residence need not be disclosed;
 - (ii) the purchase price of the investment or interest in real property (rounded to the nearest \$1,000);
 - (iii) the name and address of the seller.

The filer's initial financial disclosure statement shall disclose any such transaction which occurred within one year prior to the filing of such statement.

This Paragraph (f) shall not require any disclosure relating to a transaction which occurred on a regulated trading market or stock exchange in connection with which the identities of the purchaser and seller are unknown to one another.

- (g) For any investment required to be disclosed by this section or any interest in real property (including both an interest required to be disclosed by this subsection and the filer's personal residence) that was sold during the reporting period:

- (i) the name and address of the business entity, or the location of the real property by street address, city and state, provided, however, that the address of the filer's personal residence need not be disclosed;
- (ii) the selling price of the investment or interest in real property (rounded to the nearest \$1,000);
- (iii) the name and address of the purchaser.

This Paragraph (g) shall not require any disclosure relating to a transaction which occurred on a regulated trading market or stock exchange in connection with which the identities of the purchaser and seller are unknown to one another.

- 2. Except as otherwise provided in this subsection, the information required to be disclosed with respect to each financial interest, and the manner of disclosing that information, shall be the same as required by Article 2 of Chapter 7 of the Political Reform Act of 1974, as amended, or by the conflict of interest code of the filer's agency.
- 3. The value of investments, interests in real property and income (including loans, honoraria, travel expenses, spousal income and income of a dependent child) shall be disclosed in the following amounts:
 - (a) Investment and interests in real property:
 - (i) between \$2,000 and \$9,999, the value rounded to the nearest thousand;
 - (ii) Between \$10,000 and \$99,999, the value rounded to the nearest \$10,000;
 - (iv) Between \$100,00 and \$250,000, the value rounded to the nearest \$25,000; and
 - (v) Over \$250,000, the value rounded to the nearest \$50,000.
 - (b) Income (including loans, honoraria, travel expenses, spousal income and income of a dependent child):
 - (i) between \$500 and \$1,000;
 - (ii) Between \$1,001 and \$99,999, the value rounded to the nearest \$1,000;

- (iii) At and above \$100,000, the value rounded to the nearest \$10,000.
- 4. The value of real property shall be disclosed pursuant to Subdivision 3 based on the County Assessor's assessed valuation of the property.
- 5. If an investment is listed on a securities exchange within the United States, the filer may, instead of disclosing the dollar value, disclose the largest number of shares of stock owned, or the highest par value of bonds or debentures owned, during the reporting period.
- 6. If the actual value of an asset is not known by the filer, a good faith estimate based on a reasonable inquiry shall satisfy the requirement of this subsection. In no event shall a filer be required to retain the services of an appraiser in order to comply with this subsection.

D. Disclosure Requirements For Other Filers.

- 1. In addition to statements of economic interests filed pursuant to the Political Reform Act of 1974, as amended, other filers shall file financial disclosure statements disclosing the following financial interests:
 - (a) Any disclosable investment.
 - (b) Any other investment, whether or not located within or doing business in the City of Los Angeles, and whether or not owning an interest in real property located within the jurisdiction, if any co-owner of the business entity engages in any activity within the City of Los Angeles described in or covered by the filer's disclosure category of his or her agency's conflict of interest code. The name and address of any disclosable co-owner of any such business entity shall also be disclosed.
 - (c) Any disclosable interest in real property.
 - (d) Any other interest in real property, not located within the jurisdiction, if any co-owner of the real property engages in any activity within the City of Los Angeles described in or covered by the filer's disclosure category of his or her agency's conflict of interest code. The name and address of any disclosable co-owner of any such real property shall also be disclosed.
 - (e) Any disclosable income (including loans, honoraria, travel expenses, gifts and the filer's community property interest in income to a spouse).

- (f) Separate property income (including loans, honoraria, travel expenses, and gifts) of the filer's spouse from a restricted source and income of a dependent child from a restricted source, if the source of income would be a disclosable source if received directly by the filer. Income to a spouse or dependent child does not include travel or reasonable subsistence expenses, paid by a spouse's or dependent child's employer for employment-related travel.
- (g) The name and address of each general partner of a partnership in which the filer has an investment (required to be disclosed by this subsection) valued at \$2,000 or more, together with the name of the partnership. The identity of a partner is required to be disclosed by this subsection only if the partner engages in any activity within the City of Los Angeles described in or covered by the filer's disclosure category of his or her agency's conflict of interest code.
- (h) For any investment required to be disclosed by this subsection or any interest in real property (including both an interest required to be disclosed by this subsection and the filer's personal residence) that was purchased during the reporting period from a person engaged in the City of Los Angeles in an activity described in or covered by the disclosure category of the filer's conflict of interest code:
 - (i) the name of the business entity, or the location of the real property by street address, city and state, provided, however, that the address of the filer's personal residence need not be disclosed;
 - (ii) the purchase price of the investment or interest in real property (rounded to the nearest \$1,000);
 - (iii) the name and address of the seller.

The filer's initial financial disclosure statement shall disclose any such transaction which occurred within one year prior to the filing of such statement.

This paragraph (h) shall not require any disclosure relating to a transaction which occurred on a regulated trading market or stock exchange in connection with which the identities of the purchaser and seller are unknown to one another.

- (i) For any investment required to be disclosed by this subsection or any interest in real property (including both an interest required to be disclosed by this subsection and the filer's personal residence) that was sold during the reporting period to a person engaged in the City of Los Angeles in an activity described in or covered by the disclosure category of the filer's conflict of interest code:
 - (i) the name of the business entity, or the location of the real property by street address, city and state, provided, however, that the address of the filer's personal residence need not be disclosed;
 - (ii) the selling price of the investment or interest in real property (rounded to the nearest \$1,000);
 - (iii) the name and address of the purchaser.

This Paragraph (i) shall not require any disclosure relating to a transaction which occurred on a regulated trading market or stock exchange in connection with which the identities of the purchaser and seller are unknown to one another.

- 2. Except as otherwise provided in this subsection, the information and amounts required to be disclosed with respect to each financial interest, and the manner of disclosing that information, shall be the same as required by Article 2 of Chapter 7 of the Political Reform Act of 1974, as amended, or by the conflict of interest code of the filer's agency.
- 3. The value of real property shall be disclosed pursuant to Subdivision 3 based on the County Assessor's assessed valuation of the property.
- 4. If an investment is listed on a securities exchange within the United States, the filer may, instead of disclosing the value, disclose the largest number of shares of stock owned, or the highest par value of bonds or debentures owned, during the reporting period.
- 5. If the actual value of an asset is not known by the filer, a good faith estimate based on a reasonable inquiry, shall satisfy the requirement of this subsection. In no event shall a filer be required to retain the services of an appraiser in order to comply with this subsection.

- E. **Additional Disclosure Requirement Pursuant To Regulations of the City Ethics Commission.** The City Ethics Commission may, by regulation, require disclosure by filers of specific types of financial interests, in addition to those interests required to be disclosed pursuant to Subsection D of this section, if the interest could with reasonable foreseeability be affected materially by the filer's exercise of his or her official duties.
- F. **Exception If Disclosure Would Violate Legally Recognized Privilege.** A filer need not disclose the name of a person who paid fees or made payments to the filer or to a business entity in which the filer or the filer's spouse owns an investment if disclosure of the person's name would violate a legally recognized privilege under California law, such as but not limited to the attorney-client and the physician-patient privileges. Such person's name may be withheld in accordance with the rules relating to privilege applicable to disclosure under the California Political Reform Act of 1974, as amended, and pursuant to the procedure established by 2 California Code of Regulations Section 18740, as amended, or by a successor regulation.
- G. **Disclosure by Consultants.**
1. The City Ethics Commission shall adopt by regulation a definition of "**consultants**" who are required to file statements of economic interests. In addition to the disclosure requirements of the Political Reform Act, such consultants shall identify their other clients who paid them more than \$10,000 during the previous year and shall disclose such other information that the Commission determines, by regulation, is necessary to identify potential conflicts of interest.
 2. Each consultant who is required to file a statement of economic interest shall be required to attend a training program conducted or sponsored by the Commission.
- H. **Semi-annual City Contract List.** On a semi-annual basis, the City Ethics Commission shall publish a list identifying for each agency any person who, during the prior six months, was a party to a contract with the City, was a bidder on any City contract, or responded to a request for proposals for a contract with the City.
- I. **Statements of City Related Business.**
1. Each person holding an elective City office, each general manager of a department of City government, each member of a board of commissioners or any other board of City government, whether created by ordinance or by Charter, and each appointive officer named in the Charter, shall file Statements of City-Related Business with the City Ethics Commission in accordance with the provisions of this subsection. Such person shall file a

Statement of City-Related Business within ten (10) calendar days after each occurrence of one or more of the transactions or proceedings described in this subsection.

2. For the purposes of this subsection a Statement of City-Related Business shall disclose a transaction, or a proceeding, whether or not specifically provided for by law, wherein action was required or requested to be taken or withheld by the City or any of its officers or employees in their official capacity, if:
 - (a) It took place during the tenure of office of the person required to file the statement; and
 - (b) It was participated in by that person, the spouse of that person, or a business entity in which either that person, or a business entity in which either that person or that person's spouse or both in any manner held a five percent (5%) or more ownership interest; and
 - (c) It involved:
 - (i) the sale of real or personal property by or to the City, or
 - (ii) the performance of services to the City pursuant to any contract, or
 - (iii) a grant, loan, or forgiveness or payment of indebtedness by or to the City, or
 - (iv) an application made to, or a grant made by, the City of any license, certificate, permit, franchise, change of zone, variance, credential, or any other form of benefit or relief.
3. A Statement of City-Related Business need not to include a listing of any application where applicable law requires the granting of the application without the exercise of judgment or discretion by an official or employee of the City.
4. The Statement of City-Related Business shall be in sufficient detail as to dates, amounts, identifying numbers or symbols, if any, locations, and subject matter to make the transactions or proceedings listed identifiable by reference to records of the City. It shall be filed on a form provided by the City Ethics Commission.
5. Each Statement shall be supported by a written certification or declaration signed under penalty of perjury by the person required to file, and shall become a public record when filed.

6. Nothing in this subsection shall be construed to require a member of the Board of Education to file Statements of City-Related Business.
7. A Statement of City-Related Business filed pursuant to this subsection shall satisfy the requirements of Section 323.1 of the City Election Code.

J. Recusal Notification

1. Each member of a City board or commission required to file statements of economic interests pursuant to the Political Reform Act of 1974, as amended, shall complete a "Recusal Notification Form" each time the member recuses himself or herself in relation to an actual conflict of interests or the appearance of a conflict of interests under any applicable law.
 - (a) The commission or board member shall submit a copy of the completed Recusal Notification Form to the Executive Secretary for the commission or board (or the person acting in that capacity) as soon as possible after the posting of the agenda containing the item, including continued items, involving the member's conflict of interests.
 - (b) In addition, the commission or board member shall submit the original, completed Recusal Notification Form, along with a copy of the meeting agenda containing the item involving the commission or board member's conflict of interests to the Ethics Commission no later than 15 calendar days after the date of the meeting at which the commission or board member recused himself or herself.
 - (c) The commission or board member shall also submit the Recusal Notification Form as described in (a) and (b) above to the Executive Secretary and the Ethics Commission even if the commission or board member will not be or was not present at the meeting, but would have been required to recuse himself or herself on a matter appearing on the commission or board agenda if the member had been present.
2. The Recusal Notification Form shall be prescribed by the City Ethics Commission, but shall include at a minimum the following:
 - (a) Name of the commission/board member recusing himself or herself;
 - (b) Name of the board or commission of which he or she is a member;
 - (c) The date of the meeting at which the recusal occurred or would have occurred;
 - (d) The agenda item number and brief description of the matter;

- (e) The specific economic or other outside interest causing recusal (for example, personal residence, client of firm, source of income, board member of organization); and
- (f) Whether the matter concerns the making of a contract.

SEC. 49.5.7 Disclosure By Nominees

Amended by Ordinance No. 174613, effective 7/7/02.

- A. Each person nominated to a position in any government agency subject to a conflict of interest code, where appointment is subject to confirmation by the Council, shall file a financial disclosure statement with the City Ethics Commission in the form required by Section 49.5.6. The financial disclosure statement shall be filed within 21 days of the Mayor's transmission of the nominee's appointment to the Council.
- B. Prior to consideration of the confirmation of the nominee by the Council, the Commission shall review the statements filed pursuant to this section and shall report to the Council, or to its committee confirming the appointment, those investments, interests in real property or sources of income which the Commission determines would constitute a potential conflict of interest.

SEC. 49.5.8 Divestiture of Assets

Every City agency shall make every effort to avoid hiring or appointing City officials who hold, and are unwilling or unable to sell, assets that would present significant and continuing conflicts of interest.

SEC. 49.5.9 Restrictions on Honoraria and Outside Earned Income

Amended by Ordinance No. 168056, effective 8/8/92.

- A. **Prohibition of Outside Earned Income — Elected City Officers.** Pursuant to City Charter Section 218, the Mayor, City Attorney, Controller, and members of the City Council shall not receive any compensation, including honoraria, for their services other than that provided for by City Charter Section 218, except that which may be provided for their serving on governmental entities where payment is authorized for other governmental officers or employees serving in such capacity.
- B. **Restrictions on Honoraria and Other Outside Earned Income — Other Full Time City Officials and Employees.**
 - 1. Except as provided in Subsection A of this section, no full time City official shall accept any honoraria or other outside earned income without the prior written approval of the general manager or other chief administrative officer

of his or her department, and, in the case of a source of income which the general manager or other chief administrative officer determines is a restricted source for that official, without the prior written approval of the City Ethics Commission.

2. The approval required by Subdivision 1 of this subsection shall be denied if the general manager, other Chief administrative officer or City Ethics Commission determines that the receipt of the income would be inconsistent, incompatible, in conflict with or inimical to the City official's official duties, functions or responsibilities. In so determining, the general manager, other Chief administrative officer and City Ethics Commission shall consider whether one or more of the following factors is applicable:
 - (a) Whether the payment or the services for which the payment would be received creates the appearance of or involves actual use of public office or employment or the time, facilities, equipment or supplies of the official's agency, for private gain;
 - (b) Whether the payment or services for which the payment would be received involves the acceptance by the official of any money or other consideration from anyone other than his or her agency for the performance of an act which the official, if not performing such act for the outside source of income, would be required or expected to render in the regular course or hours of his or her duties as a City official;
 - (c) Whether the City official is in a position to make, to participate in making, or to influence a potential governmental decision that could foreseeably have a material financial effect on the source of income;
 - (d) Whether the payment or services for which the payment would be received involves the performance of any act in other than an official capacity which may later be subject, directly or indirectly, to the control, inspection, review, audit or enforcement of any other official of his or her agency;
 - (e) Whether the services involve such time demands that would render the official's performance of his or her official duties less efficient.
3. A request to the City Ethics Commission for approval pursuant to this subsection shall be treated as a request for written advice.

4. In the case of a request for approval by a member of the Board of Public Works or by any general manager or other chief administrative officer of any agency, the request shall be made to his or her appointing authority and, if required by Subdivision 1, to the City Ethics Commission. In the case of a request for approval by an employee of the office of a member of the City Council, the request shall be made to that member of the City Council and, if required by Subdivision 1, to the City Ethics Commission.

SEC. 49.5.10 Restrictions on Gifts and Travel Expenses

Amended by Ordinance No. 168056, effective 8/8/92.

Amended by Ordinance No. 178064, effective 1/15/07.

A. Restrictions on Gifts.

1. No person shall offer or make, and no City official shall solicit or accept, any gift with the intent that the City official will be influenced thereby in the performance of any official act.
2. No City official shall knowingly solicit any gift from a restricted source.
3. Except in the case of a lobbyist or lobbying firm, no person who is a restricted source shall offer or make, and no City official shall accept, any gift from a restricted source which would cause the cumulative amount of gifts from such source to the City official to exceed \$100 during any calendar year.
4. No lobbyist or lobbying firm shall make, and no City official shall accept, any gift from a lobbyist or lobbying firm which is a restricted source as to that official.
5. No lobbyist or lobbying firm shall act as an agent or intermediary in the making of any gifts or arrange for the making of any gift by another person to any City official.
6. The provisions of Subdivision 3 of this subsection do not apply to foreign gifts made to an officer or employee of the City when representing the Department of Airports or the Harbor Department, which gift is disclosed by that official to the City Ethics Commission within 30 days after receipt on a form prescribed by the Commission.
7. For the purpose of this subsection, the term "**gift**" does not include:
 - (a) Items received by a City official which are not kept but which are turned over to the City within 30 days after their receipt.

- (b) Meals provided to a City official at an event at which the official speaks, participates in a seminar or similar activity or provides a similar service.
 - (c) Travel expenses and meals paid for by a local, state, federal or foreign government agency.
 - (d) Items received by a bargaining unit member from a union representing that City official.
 - (e) Food and beverages received from any union by a City official who is a member of a union representing a bargaining unit of City officials.
 - (f) Payment for travel expenses from a campaign committee; a nonprofit organization of which the City official is a member; or an organization of which the City, an agency, or the official is a member acting in an official City capacity.
 - (g) Gifts to non-elected City official for legal expenses related to an enforcement action brought under City or state ethics laws.
8. A City official may request the City Ethics Commission to provide that official with written advice concerning the legality of accepting any specific gift. Such request shall contain sufficient information to allow the Commission or its staff to properly consider the matter. The Commission or its staff shall provide written advice in response to such a request within 10 working days after the Commission's receipt of the request.

B. Restrictions on Travel Advances and Reimbursements.

- 1. No person shall offer or make, and no City official shall solicit or accept, any advance or reimbursement for travel expenses (including related lodging and reasonable subsistence expenses) with the intent that the City official will be influenced thereby in the performance of any official act.
- 2. No person who is a restricted source shall offer or make, and no City official shall accept from a restricted source as to that official, any advance or reimbursement for travel expenses (including related lodging and reasonable subsistence expenses).
- 3. No lobbyist or lobbying firm shall act as an agent or intermediary in the making of, or arrange for the making of, any advance or reimbursement for travel expenses (including related lodging and reasonable subsistence expenses) by another person, to any City official.

4. The payment for travel expenses of a City official traveling on government business shall not be prohibited by this section in any case where the payment is a gift or other payment to the City of Los Angeles or to any government agency for which the City Council is the code reviewing body with respect to that agency's conflict of interest code, rather than a gift or income to the official, within the meaning of the Political Reform Act of 1974, as amended, and the regulations of the Fair Political Practices Commission.
5. Travel expenses subject to the prohibitions of this subsection include expenses for intrastate travel and lodging related to a City official's speaking at an event, participating in a seminar or providing similar services, notwithstanding the provisions of Title 2, California Code of Regulations, Section 18728, or any successor section.
6. Travel expenses subject to the prohibitions of this subsection do not include any payment for travel expenses from a campaign committee; a nonprofit organization of which the City official is a member; or an organization of which the City, an agency, or the official is a member acting in an official City capacity.
7. This subsection does not limit travel expenses and meals paid for by a local, state, federal or foreign government agency.

SEC. 49.5.11 Lobbying Activities of Current and Former City Officials

Amended by Ordinance No. 176823, effective 8/27/05.

Amended by Ordinance No. 178064, effective 1/15/07.

- A. No former City official or employee of any agency (as defined in Section 49.5.2) who personally and substantially participated in a decision, proceeding, claim, contract, legislation or other specific matter during his or her City service, shall, for compensation, attempt to influence any action on that specific matter on behalf of any person other than an agency. This prohibition applies only if the specific matter is still pending before an agency or if an agency is a party to or has a direct or substantial interest in the specific matter. For purposes of this provision, "**personal and substantial**" participation includes, but is not limited to, making or voting on a decision or making a recommendation, rendering advice, investigation or conducting research.
- B. No former City official or agency employee shall, for compensation, knowingly counsel, or assist any other person other than an agency (as defined in Section 49.5.2) in connection with an appearance or communication in which the former official or employee is prohibited from engaging pursuant to Subsection A.
- C. The prohibitions contained in Subsections A and B shall not apply:

1. To prevent a former City official or agency employee from making or providing a statement, based on the former official's or employee's own special knowledge in the particular area that is the subject of the statement, provided that no compensation is thereby received other than that regularly provided for by law or regulation for witnesses.
 2. To communications made solely for the purpose of furnishing information by a former City official or agency employee if the court or agency to which the communication is directed makes written findings that:
 - (a) The former official or employee has outstanding and otherwise unavailable qualifications;
 - (b) The former official or employee is acting with respect to a particular matter which requires such qualifications; and
 - (c) The public interest would be served by the participation of the former official or employee.
 3. With respect to appearances or communications in a proceeding in which a court or agency has issued a final order, decree, decision or judgment but has retained jurisdiction, if the agency of former employment gives its consent by determining that:
 - (a) At least five years has elapsed since the termination of the former official's or employee's employment or term of office; and
 - (b) the public interest would not be harmed.
- D. For two years after leaving City service, no former elected City officer who left City service on or after January 1, 2007 shall, for compensation, engage in direct communication with any agency for the purpose of attempting to influence any action or decision on any matter pending before an agency on behalf of any person other than an agency. For one year after leaving City service, no other former elected City officer, member of the City Ethics Commission or other former high level official shall, for compensation, engage in direct communication with any agency for the purpose of attempting to influence any action or decision on any matter pending before an agency on behalf of any person other than an agency.
- E. For one year after leaving City service, no former City official shall for a compensation, engage in direct communication with any agency in which he or she served during the twelve month period preceding his or her departure from City service, for the purpose of attempting to influence any action or decision on any matter pending before that agency on behalf of any person other than an agency. For purposes of this subsection, the agency of a City Council office employee means his or her former Council office and the Councilmember of that district.

- F. For purposes of this section, a decision does not include any ministerial action. A ministerial action is one that does not require a City official or employee to exercise discretion concerning any outcome or course of action.
- G. Upon the petition of any interested person or party, a court or the presiding or other officer, including but not limited to any hearing officer, in any judicial, quasi-judicial or other proceeding, may, after notice and an opportunity for a hearing, exclude any person found to be in violation of this section from further participation, or from assisting or counseling any other participant, in the proceeding then pending before such court or presiding or other officer.
- H. No provision contained in this section shall prevent any former City official from representing himself or herself, or any member of his or her immediate family, in their individual capacities, in connection with any matter pending before an agency.
- I. This section shall not apply to the activities of any former City official or employee who is an elected or appointed officer or employee of any city, county, district, multi-jurisdictional, state or federal government agency, when that former City official or employee is solely representing that agency in his or her official capacity as an officer or employee of the agency.
- J. No member of a board or commission of the City shall, for compensation, communicate directly, either personally or through his or her agent(s) at the member's behest, with any City official for the purpose of attempting to influence action on municipal legislation on behalf of any other person. For the purposes of the subsection, "municipal legislation" shall have the meaning set forth in Section 48.02 of this Code. This subsection is applicable only to members of those boards and commission[s] of the City who are required to file statements of economic interests pursuant to the Political Reform Act of 1974, as amended. Nothing in this subsection shall prohibit a member of a City board or commission from appearing before any City agency in the same manner as any other member of the general public solely to represent himself or herself on a matter related to his or her personal interests.

SEC. 49.5.12 Future Employment of City Officials

Amended by Ordinance No. 168057, effective 8/8/92.

- A. No member of the City Council or member of any board, commission, committee or other such voting body of any agency who is required to file statements of economic interests pursuant to the California Political Reform Act, shall directly or indirectly, knowingly or willfully negotiate the possibility of future employment with any person (other than a government agency) who has a matter within the regulatory, proprietary, or contractual jurisdiction of his or her agency currently pending before that officer or employee or before any body of which he or she is a voting member.

- B. No other City official shall, directly or indirectly, knowingly or willfully negotiate the possibility of future employment with any person (other than a government agency) who has a matter within the regulatory, proprietary, or contractual jurisdiction of his or her agency currently pending before that officer or employee.
- C. No person who has a matter pending before a City official, or before any body of which the official is a voting member shall, directly or indirectly, knowingly or willfully negotiate the possibility of future employment of that City official.
- D. No City official shall make, participate in making or use his or her official position to influence a decision involving the interests of a person with whom he or she has an agreement concerning future employment.

SEC. 49.5.13 Participation of Elective City Officers and Employees in Governmental Decisions

Amended by Ordinance No. 175344, effective 8/16/03.

- A. In addition to the requirements of Government Code Sections 87100, *et seq.*, no officer or employee of the City shall knowingly make, participate in making, or attempt to use his or her official position to influence any governmental decision directly relating to any contract where the City official knows or has reason to know that any party to the contract is a person by whom the City official was employed immediately prior to entering government service within 12 months prior to the time the official acts on the matter.
- B. Any person that meets either of the criteria set forth in Subdivisions 1 and 2 below and that makes one or more payments in the aggregate amounts set forth in Subsection C for independent expenditures or non-behested member communications to support the candidacy of an individual who is thereafter elected or reelected to an elective City office shall file a report with the City Ethics Commission, disclosing the information set forth after each of the criteria:
 - 1. The person is directly involved in a decision before an elected City officer, and within 12 months prior to the decision, the person made one or more independent expenditures or one or more payments for member communications in support of that officer at the time the officer was campaigning for election or reelection to any office.
 - (a) The person shall disclose the filer's name, address and telephone number; the elected City official in support of whom the payment was made; the date(s) and amount(s) of the payment(s); the identity of the matter on which the decision is made; and the date on which the person became directly involved in the decision.

- (b) The provisions of 2 Cal. Code Regs. § 18704.1 (a)(1) and (2) shall govern when a person is “directly involved” in a decision before an elected City official within the meaning of this section.
 - (c) Disclosure shall be made within 48 hours after the person making the expenditure (i) becomes directly involved in a decision that will or may come before the elected City officer in whose support the payment was made and (ii) makes the expenditure.
 - 2. The person, or any other person acting on behalf of the person, attempts to influence an elected City officer with respect to any matter of municipal legislation as defined by Section 48.02 of this Code, and within 12 months prior to the decision, the person made one or more independent expenditures or one or more payments for member communications in support of that officer at the time the officer was campaigning for election or reelection to any office.
 - (a) The person shall disclose the filer’s name, address and telephone number; the elected City official in support of whom the payment(s) was (were) made; the date(s) and amount(s) of the payment(s); the identity of the municipal legislation; whether the person attempted to influence the officer directly or through another person, and, if the latter, the name and address of the other person; and the date(s) of the attempt(s) to influence.
 - (b) Disclosure shall be made within 48 hours after each attempt to influence.
- C. The following are the aggregate amounts triggering the disclosure required by Subsection B:
 - 1. \$100,000 or more in the case of a Mayoral candidate in a primary or general election;
 - 2. \$50,000 or more in the case of a City Attorney or Controller candidate in a primary or general election; and
 - 3. \$25,000 or more in the case of a City Council candidate in a primary or general election.
- D. For purposes of this section, a payment is deemed to be made for an expenditure supporting an elected City officer if the person making the payment is required to disclose that fact pursuant to Section 49.7.26 of this Code.

- E. The disclosures required by this section shall be made on a form provided by the Commission, shall be verified under penalty of perjury and shall be filed by fax, certified mail, or hand delivery to the Commission.

SEC. 49.5.14 Application of Requirements

The requirements imposed by this Article on officers and employees shall not apply to any officer or employee who terminated his or her City service prior to the effective date of this Article; provided, however, that a person who returns to City service on or after the effective date of this article shall be subject to the requirements of this Article.

SEC. 49.5.15 Contract Bidder and Proposer Disclosure — Political Contributions and Fundraising Activity

Added by Ordinance No. 175432, effective 1/1/04.

- A. Any person who submits a written response to a request for proposals, request for bids, statement of qualifications or other document submitted for the purpose of entering into a procurement, services, or construction contract with the City that requires approval by the Council and/or the Mayor or is subject to Council review pursuant to Charter Section 245 shall file a Contract Bidder Contribution and Fundraising Activity Disclosure Form. The form shall be filed with the City Ethics Commission no later than two business days after the due date of the bid or proposal document. On that form, the filer shall disclose:
1. The name, address and telephone number of the filer.
 2. An identification or description of the contract and the deadline date for submitting bids or proposals.
 3. The name and title of the filer's president; chief executive officer; any individual owning more than a 50 percent interest in the filer; any officer, director, owner, employee or other person who is authorized in the bid or proposal document to represent the filer before the City of Los Angeles.
 4. The name, address, and contact phone number for any subcontractor to the bid or proposal.
 5. The following information concerning contributions aggregating \$100 or more made during the 12 month period prior to submission of the filer's bid or proposal document by the filer or by any person referred to in Subdivision 3 to any elective City officer or candidate for elective City office, and/or to any or all of his or her City controlled committees, or to any other candidate and/or his or her controlled committees at the behest of an elective City officer or candidate for elective City office:

- (a) The name, and, if other than the filer, the address of the contributor.
 - (b) The name of the officer, candidate or committee to which each contribution was made.
 - (c) The name of the candidate or elective City officer who controls the committee.
 - (d) The amount and date of each contribution made to the committee within 12 months prior to submission of the filer's bid or proposal document.
 - (e) A statement whether the contribution was made at the behest of an elective City officer, candidate for elective City office or controlled committee of the officer or candidate. For purposes of this section, a contribution is "made at the behest" of a candidate or officeholder when it is made under the control of or at the direction of, or in cooperation, consultation, coordination, or concert with, or at the request or suggestion of, or with the express, prior consent of that candidate or officeholder.
6. The name of any elective City officer, candidate for elective City office, and/or any and all of his or her City controlled committees for which the contract bidder or proposer engaged in any fundraising activity or delivered or acted as intermediary for one or more contributions to the officer, candidate and/or any [of] his or her City controlled committees during the reporting period, the date(s) of the activity and the amount of funds the contract bidder or proposer knows or has reason to know were raised as a result of the activity.
7. For purposes of this notification, if a fundraising event is sponsored or hosted by more than one person, the amount of contributions received at or as a result of the event shall be attributed to each contract bidder or proposer who hosted or sponsored the event according to the amount of the contributions that resulted from each contract bidder or proposer's fundraising activities. If a contribution results from the fundraising activities of more than one person and/or contract bidder or proposer, that contribution shall be apportioned equally to each person and/or contract bidder or proposer engaged in the fundraising activity.
8. If no reportable contributions were made, and the contractor did not deliver or act as intermediary for any contributions, and no fundraising activity occurred during the relevant period by the filer or by any person referred to in Subdivision 3, the filer shall state that fact on the Contract Bidder Disclosure Form.

9. Any other information required by regulation of the City Ethics Commission consistent with the purposes and provisions of this section.
- B. Any person who is awarded a contract referred to in Subsection A shall, in addition to the requirements of Subsection A, file a Contract Bidder Contribution and Fundraising Activity Disclosure Form with the City Ethics Commission within 14 calendar days after the contract is awarded. On that form, the filer shall disclose the same information required to be filed by Subsection A, except that the form shall disclose this information for the period between the date the bid or proposal document was submitted and the date on which the contract was awarded.
- C. Each department shall include in each request for bids or proposals packet the Contract Bidder Contribution and Fundraising Activity Disclosure Form and Instructions to all bidders and proposers on contracts that require approval by the Council and/or the Mayor or is subject to Council review pursuant to Charter Section 245.
- D. The form shall be considered filed on the date of the postmark or on the date of delivery to the City Ethics Commission, whichever is earlier.
- E. The form shall be verified under penalty of perjury by the individual filing it or by an officer of the entity authorized to file it.
- F. The City Ethics Commission shall post the information in the notice on its website within one business day of its receipt of the notice. The City Clerk shall make the notice available for inspection within one business day of its receipt.
- G. If after the Disclosure Form is filed, but before the award of the contract, the bidder or proposer makes further contributions or engages in further fundraising activities required to be disclosed by this section, the bidder or proposer shall file an amendment to the Disclosure Form containing all of the information required by this section for each contribution or fundraising activity. The amendment shall be filed with the City Ethics Commission within one business day after the filer knows or has reason to know that a fundraising activity occurred or resulted in any reportable contribution.

SEC. 49.5.16 Disclosure By Elective Officers in Connection with Lobbying Interests and City Contractors

Added by Ordinance No. 175432, effective 9/28/03.

- A. **Lobbying Entities.** An elective City officer shall make a written disclosure in the event that the elective officer makes, participates in making, or in any way attempts to use his or her official position to influence any City decision on any matter in connection with which a lobbying entity has attempted to influence that officer (for other than on the lobbyist's own personal behalf) if the elective City officer knows or has reason to know that the lobbying entity did any of the following:

1. Within the prior 12 months made one or more contributions aggregating more than \$7,000 to the elective City officer and/or any and all of his or her controlled committees.
2. Within the prior 12 months
 - (i) delivered or acted as an intermediary for one or more contributions to the elective City officer and/or any or all of his or her controlled committees, or
 - (ii) engaged in fundraising activities on behalf of the elective City officer and/or any or all of his or her controlled committees, if
 - (iii) the lobbying entity knows or has reason to know that any or all of the lobbying entity's activities resulted in the receipt of contributions aggregating more than \$15,000 in the case of a member of the City Council, or more than \$35,000 in the case of the Mayor, City Attorney, or Controller.
3. Currently has or within the prior 12 months had a "business relationship" with the elective City officer. For purposes of this section, a "business relationship" between an elective City officer and a lobbying entity exists when any of the following occur:
 - (a) An elective City officer and/or any or all of his or her controlled committees paid the lobbyist or lobbying firm to act as a campaign manager, campaign consultant, campaign fundraiser, or other campaign professional for the officer, and/or any or all of his or her controlled committees.
 - (b) An elective City officer, and/or any or all of his or her controlled committees, paid the lobbyist or lobbying firm to provide legal or other professional services relating to the officer's status or activities as an elective officer and valued in the aggregate at more than \$1,000 during any calendar quarter.
 - (c) An elective City officer was the beneficiary of one or more "activity expenses" within the meaning of Section 48.02 of this Code by the lobbyist, lobbying firm or lobbyist employer aggregating more than \$1,000, including, but not limited to, free legal or other services.

B. **Contract Bidders and/or Proposers.** An elective City officer shall make a written disclosure in the event that the elective officer makes, participates in making, or in any way attempts to use his or her official position to influence a decision of any City agency concerning a City contract if the elective City officer knows or has reason to know that the contract bidder or proposer on that contract did any of the following:

1. Within the prior 12 months made one or more contributions to the elective City officer and/or any or all of his or her controlled committees aggregating more than \$7,000;
2. Within the prior 12 months
 - (i) delivered or acted as an intermediary for one or more contributions to the elective City officer and/or any or all of his or her controlled committees; or
 - (ii) engaged in fundraising activities on behalf of the elective City officer and/or any of his or her controlled committees if
 - (iii) the bidder or proposer knows or has reason to know the activities resulted in the receipt of contributions aggregating more than \$15,000 in the case of a member of the Council, or more than \$35,000 in the case of the Mayor, City Attorney, or Controller.

For purposes of this section, a “contract bidder or proposer” includes a bidder’s or proposer’s president and chief executive officer; any individual owning more than a 50 percent interest in a bidder or proposer; and any officer, director, owner or employee of a bidder or proposer or other person who is authorized in the bid or proposal document to represent the bidder or proposer before the City of Los Angeles.

The provisions of this section shall not apply to any contract governed by Charter Section 609(e).

C. For purposes of this section, a “controlled committee” does not include any committee controlled by an elective City officer that is

- (a) formed to support or oppose a ballot measure or
- (b) formed to support the election of that officer to other than elective City office.

D. The disclosure provisions of this section are triggered only by contributions made, received or transmitted, or fundraising activities engaged in, or business relationships engaged in on or after January 1, 2004.

E. **Form of Disclosure.** When the Mayor, City Attorney, Controller, or a member of the City Council is required by this section to provide written disclosure, the elective City officer shall file a written disclosure within two business days of making, participating in making, or in any way attempting to use his or her official position to influence a City decision.

1. The form shall include:
 - (a) The name, elective City office, and signature of the elective officer;
 - (b) The date the elective officer took action on the matter;
 - (c) The name of any lobbying entity, contract bidder or proposer whose contributions, fundraising activity, or business relationship is the cause of the disclosure;
 - (d) The matter(s) on which the officer is disclosing;
 - (e) If applicable, the amount of contributions the lobbying entity, contract bidder or proposer fundraised, made, delivered, or for which it acted as intermediary; and
 - (f) If applicable, the nature of the business relationship giving rise to the elective officer's disclosure.
2. The original form shall be filed with the City Ethics Commission. A copy of the form shall be filed with the City Clerk.
3. The City Ethics Commission shall post the information in the Notification on its website within one business day of its receipt of the notice. The City Clerk shall make the notice available for inspection within one business day of its receipt.

F. **Compliance Activities.** Elective City officers and members of their City staffs are allowed to use City time, facilities, equipment and supplies to track the information necessary and to perform other necessary activities directly related to assisting the elective City officers in complying with the disclosure requirements of this article. Those activities shall constitute City business.

SEC. 49.5.17 Commissioner Participation in Contracting Process

*Repealed by Ordinance No. 172891, effective 12/11/99.
Amended by Ordinance No. 176824, effective 8/27/05.*

A. Except as provided below, no member of a Board or Commission shall participate in or otherwise be involved in the development, review, evaluation, negotiation and recommendation process of bids, proposals or any other submittals or requests for

the award of a contract, contract amendment, or change order involving that Board, Commission, Office or Department.

- B. This Section does not preclude a Board or Commission, acting as a body, from reviewing staff recommendations when considering award of a contract, contract amendment or change order; providing direction to the general manager on contract requirements and negotiations; or considering proposals or other requests submitted for the award of a contract, contract amendment or change order. Nor does this Section preclude the efforts of individual members in reviewing documents and other information provided by or available from staff when preparing for the meetings of the full Board or Commission or committee at which the matter will be considered.

Additionally, if the Board or Commission so approves, a committee of at least two members of the body may participate in the review of staff recommendations regarding the award of a contract, contract amendment, or change order; consider proposals or other requests submitted for the award of a contract, contract amendment or change order; and/or conduct subsequent negotiations on terms or conditions of a contract within the criteria established by that Commission or Board. All participation by committees shall take place only in publicly-noticed meetings pursuant to the Ralph M. Brown Act.

SEC. 49.5.18 Ethics Training

*Repealed by Ordinance No. 172891, effective 12/11/99.
Amended by Ordinance No. 178064, effective 01/15/07.*

All City officials are required to participate in an ethics training no less than once every two years conducted by the City Ethics Commission, in partnership with the Office of the City Attorney. These training sessions shall be structured to assure that each participant has the knowledge to comply fully with all of the relevant ethics laws governing their service to the City of Los Angeles.

SEC. 49.5.19 Enforcement

*Repealed by Ordinance No. 170538, effective 7/13/95.
Amended by Ordinance No. 175877, effective 5/5/04.*

A. Criminal Enforcement.

1. Any person who knowingly or willfully violates any provision of this article is guilty of a misdemeanor. Any person who knowingly or willfully causes any other person to violate any provision of this article, or who aids and abets any other person in the violation of any provision of this article, shall be liable under the provisions of this section.

2. Prosecution of violation of any provision of the article shall be commenced within four years after the date of the violation.
3. No person convicted of a misdemeanor under this article shall act as a lobbyist or as a City contractor for a period of four years following the date of the conviction unless the court at the time of sentencing specifically determines that this provision shall not be applicable.
4. For the purposes of this section, a plea of nolo contendere shall be deemed a conviction.

B. Civil Actions.

1. Any person who intentionally or negligently violates any provision of this article shall be liable in a civil action brought by the City Attorney, the City Ethics Commission or by any person residing within the City for an amount not more than \$5,000 per violation, or for more than three times the amount the person failed to report properly or unlawfully contributed, expended, gave or received, whichever is greater.
2. If two or more persons are responsible for any violation, they shall be jointly and severally liable.
3. Any person, other than the City Attorney, before filing a civil action pursuant to this subsection, shall first file with the City Ethics Commission a written request for the Commission to commence the action. The request shall contain a statement of the grounds for believing a cause of action exists. The Commission shall respond within 40 days after receipt of the request indicating whether it intends to file a civil action. If the Commission indicates in the affirmative and files an action within forty days thereafter, no other action may be brought unless the action brought by the Commission is dismissed without prejudice.
4. In determining the amount of liability, the court may take into account the seriousness of the violation and the degree of culpability of the defendant. If a judgment is entered against the defendant or defendants in an action, a private plaintiff shall receive fifty percent (50%) of the amount recovered. The remaining fifty percent shall be deposited into the City's General Fund. In an action brought by the City Attorney or the Commission, the entire amount shall be paid to the General Fund.
5. No action alleging a violation of this article may be filed more than four years after the date the violation occurred.

- C. Injunctive Relief.** Any person residing within the City of Los Angeles including the City Attorney, may sue for injunctive relief to enjoin violations or to compel compliance with the provisions of this article.

D. **Costs of Litigation.** The court may award to a party, other than an agency, who prevails in any civil action authorized by this article, his or her costs of litigation, including reasonable attorneys' fees. If the costs or fees are awarded against the City, the payment of such award shall be the responsibility of the City.

E. **Limitation of Actions.** No civil action alleging a violation of this article shall be filed more than four years after the date of the violation.

F. **Discipline.** Any appointed officer or employee who violates any provision of this article shall be subject to administrative discipline by his or her appointing authority. Such discipline shall be administered in accordance with procedures, prescribed by law or established by City policy, applicable to the officer or employee.

G. **Enforcement of Community Redevelopment Agency and Housing Authority Ethics Regulations**

1. In the event that the Community Redevelopment Agency of the City of Los Angeles and/or the Housing Authority of the City of Los Angeles adopt governmental ethics regulations governing the conduct of their officers and employees and former officers and employees, violations of those regulations shall be subject to the civil enforcement proceedings set forth in Subsections B through E of this section and to the administrative enforcement provisions of Charter Section 706.

2. The City Ethics Commission is authorized to conduct administrative enforcement investigations and proceedings and to impose administrative penalties and orders for violations of governmental ethics regulations adopted by the Community Redevelopment Agency of the City of Los Angeles and/or the Housing Authority of the City of Los Angeles. Those proceedings shall be governed by the City Ethics Commission's enforcement regulations contained in Section 24.1.2 of the Los Angeles Administrative Code, as amended.

3. Any officer or employee of the Community Redevelopment Agency or the Housing Authority who violates any provision of the governmental ethics regulations adopted by those agencies shall be subject to administrative discipline by his or her appointing authority. That discipline shall be administered in accordance with procedures, prescribed by law or established by agency policy, applicable to the officers or employees.

SEC. 49.5.20 Late Filing Penalties

Amended by Ordinance No. 170538, effective 7/13/95.

If any person files an original statement or report after any deadline imposed by this article, he or she shall, in addition to any other penalties or remedies established by the article, be liable to the City in the amount of twenty five dollars (\$25) per day after the deadline until the statement or report is filed. Liability need not be enforced by the City if the Commission on an impartial basis determines that the late filing was not willful and that enforcement of the liability will not further the purposes of the article, except that no liability shall be waived if a statement or report is not filed within 30 days.

SEC. 49.5.21 Effect of Campaign Money Laundering Violation on Contracts and Fee Waivers

Added by Ordinance No. 171142, effective 8/3/96.

Amended by Ordinance No. 172942, effective 1/21/00

A. Applicability.

1. This section is applicable if the City Ethics Commission makes a finding that a person has laundered campaign funds in violation of City Charter Section 470(k), and that finding is made after an administrative enforcement hearing pursuant to Charter Section 706 or as a result of a stipulation between the person committing the violation and the City Ethics Commission.
2. This section is applicable to the following contracts awarded or fees waived by the City Council or by any City agency, excluding the following proprietary City departments: Airports, City Employees Retirement System, Harbor, Library, Pensions, Recreation and Parks, and Water and Power:
 - (a) all contracts for personal services, and to all other contracts involving a contract price in an amount of \$1,000 or more;
 - (b) all discretionary fee waivers of \$1,000 or more.
3. This section is applicable only to violations committed after the effective date of the ordinance adding this section.

B. Competitively Bid Contracts.

1. Prior to awarding any contract which is required to be awarded to the lowest responsible bidder, the City Council or other City board, commission or officer charged with the duty to award the contract (the awarding authority) shall determine whether, the lowest monetary bidder has been found to have committed the violation as specified in Subsection A 1 above within the previous four years.

2. The awarding authority shall not award the contract to the lowest monetary bidder, if, following a hearing as described in Subdivision 3 below, it finds that, as a result of the violation, the awarding authority believes that the bidder lacks integrity such that it is unfit to perform the work specified in the contract. The awarding authority shall make that finding unless there are specific facts brought to its attention, in writing, which indicate otherwise. On that basis, the awarding authority shall deem the bidder to be not responsible.
 3. Prior to making a finding that a bidder is not responsible as set forth in Subdivision 2, the awarding authority shall notify the bidder of its intention to consider making such a finding. The awarding authority shall offer the bidder an opportunity to present evidence and argument that, despite the bidder having been found to have violated the City law prohibiting the laundering of campaign funds, the awarding authority should not have reason to question the bidder's integrity and fitness to perform the contract. If the bidder desires to present such evidence and/or argument to the awarding authority, the awarding authority shall hold an informal hearing. At that hearing the bidder shall be allowed to make a presentation. After having considered the bidders presentation, and the presentations of any other interested parties, the awarding authority may make the finding set forth in Subdivision 2 if it is satisfied that such finding is merited.
- C. **Contracts Awarded on a Basis Other Than Competitive Bidding.** The City Council or other City board, commission or officer charged with the duty to award a contract shall not approve any contract on behalf of the City, other than a contract required to be awarded to the lowest responsible bidder, with any party, if the party has been found to have committed the violation as specified in Subsection A 1 above within the previous four years.
- D. **Fee Waivers.** The City Council or other City board, commission or officer shall not grant any discretionary waiver of more than \$1,000 of any City fee for any person if the person has been found to have committed the violation, as specified in Subsection A.1 above within the previous four years.
- E. **Notice of Violations.**
1. The City Ethics Commission shall provide a copy of every Commission enforcement decision relating to a violation as specified in Subsection A 1, together with a copy of any stipulation filed in the case, to the general manager or other head of each City agency to which this section applies.
 2. A person who submits a bid or proposal in connection with any contract or a request for fee waiver with a City agency to which this section applies shall include with the bid, contract proposal or fee waiver documents a copy of the

Commission's decision of violation as specified in Subsection A 1 made within the previous four years, together with a copy of any stipulation filed in connection therewith.

3. With respect to a decision on a contract or fee waiver considered by the City Council, the City Clerk shall submit a report which contains sufficient information to allow the body to comply with the requirements of those provisions.
4. With respect to a decision on a contract or fee waiver considered by a City board or commission, the agency staff shall submit a report which contains sufficient information to allow the body to comply with the requirements of those provisions.

F. **Time Period of Prohibitions and Notification.** If the City Ethics Commission makes a finding that the contracting party has either

- (1) accepted responsibility for the violation in the form of having entered into a stipulation with the City Ethics Commission in which the party admits the violation, or otherwise exhibits evidence of having accepted such responsibility, or
- (2) mitigated the wrongdoing by taking prompt remedial or corrective action, then the City Ethics Commission may reduce the time period during which the above prohibitions and notification requirements would apply to a period of not less than one year. Any person who has been found by the City Ethics Commission to have violated Charter Section 470(k) may request such a finding from the Commission.

G. **Waiver of Provisions.** The City Council by a two-thirds vote of its entire membership may waive any or all of the prohibitions contained in this section if the Council makes a written finding that an overriding public policy consideration justifies entering into the contract or waiving the fee despite the prohibition contained in this section. The finding shall set forth the nature of the overriding public policy consideration and the reason why that consideration justifies the waiver of the prohibition and shall be made only when the waiver is justified by a significant community or financial benefit to the City or if it is necessary to preserve the health, safety or welfare of the public.

SEC. 49.5.22

Authority of Enact

Renumbered by Ordinance No. 171142, effective 8/3/96.

This article is enacted pursuant to and under the authority of the Charter of this City, California Government Code Sections 1125, et seq., California Government Code Section 81013 and California Constitution, Article XI, Section 5.

SEC. 49.5.23 Applicability of Other Laws

Renumbered by Ordinance No. 171142, effective 8/3/96.

Nothing in this article shall exempt any person from complying with applicable provisions of any other laws.

SEC. 49.5.24 Severability

Renumbered by Ordinance No. 171142, effective 8/3/96.

If any provision of this article, or its application to any person or circumstances, is held invalid by any court, the remainder of this article or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby, to the extent such can be given effect, and to this extent the provisions of this article are declared to be severable.

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