



Policy Bulletin
September 20, 2010

Ethics Commission Moves Toward Stronger Gift Laws

At its regular monthly meeting on September 14, 2010, the Los Angeles City Ethics Commission approved recommendations to strengthen the regulations in the City's Governmental Ethics Ordinance (GEO) regarding gifts to City officials. Under the GEO, a City official is an employee or official of the City who makes or participates in making governmental decisions and must file a California statement of economic interests, or Form 700.

The Commission's recommendations have been conceptually approved and will be drafted into proposed ordinance language for the Commission's consideration this fall. All proposals to change City law must be approved by the City Council and Mayor before they can take effect.

The Ethics Commission's recommendations would do the following:

- **Ban City officials from *soliciting* any gift from any source.** Current law bans City officials from knowingly soliciting gifts from restricted sources.
- **Ban City officials from *accepting* any gift from a person they know or have reason to know is a "restricted source".** The City's current gift ban applies only to lobbyists and lobbying firms. Other types of restricted sources may currently give a City official up to \$100 in gifts per calendar year. The Ethics Commission's new approach would extend the gift ban to any person who meets the revised definition of "restricted source", which would include lobbying entities, contractors, bidders, those with pending City matters, and anyone who acts as an intermediary for those persons. For most City officials, the definition would be agency-specific, meaning it would include only those persons whose covered activities occur within the City official's agency. For elected officials, restricted sources would continue to be sources engaged in covered activities within any City agency.
- **Ban restricted sources from *offering* or *making* any gift to a City official.**
- **Allow for routine and nominal office courtesies** that are provided in a restricted source's place of business by exempting those items from the gift ban.

The Commission's recommendations grew out of its comprehensive review of the GEO, which began in January. The Commission is expected to complete the review this fall, when it takes up the last of its recommendations for the ordinance and approves language to transmit to the City Council for its consideration.

The Ethics Commission also specifically addressed admission tickets or passes to entertainment events at which a City official performs a ceremonial function on behalf of the agency. Currently, there is no reporting or recordkeeping requirement for these items. The Commission concluded that elected officials, commissioners, and department heads should disclose when they receive these tickets or passes and maintain records of the related events for four years.

In keeping with the ban on gifts from restricted sources, the Commission also determined that restricted sources should not be permitted to give tickets and passes to elected officials, commissioners, and department heads in exchange for providing ceremonial functions. The recommendation would not preclude City officials from performing ceremonial functions at public events. But a City official who did would not be permitted to join the audience for the entertainment portion of the event unless the admission were provided by a non-restricted source or the official paid for the admission.

The table below compares the City's current gift laws with the recommendations the Commission approved on September 14.

Current City Law	Ethics Commission Recommendations
Gifts intended to influence an official City act are banned.	Maintain current law..
City officials may not knowingly solicit a gift from a restricted source.	Prohibit City officials from soliciting a gift from any source.
Lobbyists and lobbying firms may not offer or make gifts to City officials in agencies the lobbyists and lobbying firms must register to lobby. Other restricted sources may not offer or make gifts exceeding a cumulative value of \$100 per City official per calendar year.	Prohibit City officials from accepting a gift from any source they know or have reason to know is a restricted source. Prohibit restricted sources from offering or making a gift to a City official. Exempt routine and nominal office courtesies provided in a restricted source's place of business.
A "restricted source" includes lobbying entities, contractors, bidders, certain persons who have attempted to influence a City official, and certain parties to proceedings involving a	Define "restricted source" to include lobbying entities, contractors, bidders, persons with pending City matters, and anyone who acts as an intermediary for those persons. Maintain the current citywide application of the definition for elected officials. For all other City officials, adopt an agency-specific definition.

<p>permit, license, or other entitlement for use. The application is citywide for "high level" officials.</p>	
<p>There are no current City regulations regarding ceremonial tickets or passes.</p>	<p>Establish regulations for elected officials, commissioners, and department heads regarding tickets or passes to entertainment events that they receive in exchange for performing a ceremonial function at the event: 1. Require them to annually disclose the tickets and passes they receive and their ceremonial functions at those events. 2. Require them to maintain records substantiating their reporting for four years. 3. Prohibit them from accepting these tickets and passes from restricted sources.</p>

For additional information or advice regarding gifts or any other governmental ethics issue, please contact the Ethics Commission at 213-978-1960 or <http://ethics.lacity.org/>.