

Ethics Handbook for City Officials

los angeles city
ETHICS COMMISSION
...preserving the public trust.

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Introduction

This handbook for City officials is a summary of key provisions in the City's Governmental Ethics Ordinance (GEO) and relevant state laws. You are a City official if you are required under the state's Political Reform Act to file statements of economic interests for your position with the City.

The laws are intended to protect the integrity of the City's decision-making processes. Often, even the perception that a City official has acted with bias can erode public confidence as much as if bias actually existed. Therefore, it is crucial that we, as City officials and City employees, are ever conscious of the governmental ethics laws.

The governmental ethics laws are described here in general terms, but applying them in specific real-world scenarios may be complex. If you are contemplating an action covered by the governmental ethics laws—or just want more information—please contact us with questions about how to apply the laws. We are happy to help!

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

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The Public Trust

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

Code of Ethics
City of Los Angeles

The Public Trust

Introduction

The governmental ethics laws were adopted to help preserve the public trust by promoting elections and government decisions that are fair, transparent, and accountable. To further those goals, City officials are held to appropriately high standards of conduct, to help ensure that they act in the best interests of the public and the City.

In addition to the City's governmental ethics laws, case law requires a public official to "exercise the powers conferred on him with disinterested skill, zeal, and diligence and primarily for the benefit of the public." *Noble v. Palo Alto* (1928) 89 Cal.App.47, 51.

This guide describes the governmental ethics laws that apply to you, as a City official.

Bribery and extortion

Two obvious and egregious betrayals of the public trust are bribery and extortion, both of which are illegal.

A bribe is anything of value that is offered to you in exchange for your official action or inaction. Asking for, agreeing to, or receiving a bribe is illegal. A bribe does not necessarily need to involve the payment of money. It could also be a good or service, including a future advantage or benefit.

Extortion occurs when you obtain property through the wrongful use of your City position. For example, you may not demand, threaten, or force a person to provide you with money or other benefits in exchange for taking a City action.

Misuse of City authority or resources

Those are dramatic examples of misusing public authority. However, even if it does not rise to the level of bribery or extortion, City officials and employees are prohibited from using their City positions or the City's resources to engage in conduct that does not benefit the public.

Specifically, it is illegal to misuse or even attempt to misuse your position or your prospective position to create a private advantage or disadvantage for any person.

In addition, you may not use or authorize the use of City resources for non-City purposes. City resources include City facilities, supplies, telephones, vehicles, equipment, Internet access, e-mail, and mailing lists.

You are also prohibited from misusing or disclosing confidential information acquired as a result of your City service. This provision applies even after you leave City service.

Your agency may have its own policy with further restrictions on the use of City positions and resources, so please check with your supervisor.

The Public Trust

Retaliation

You may not use or threaten to use your City authority or influence to discourage, restrain, interfere with, or cause retaliation against a person reporting possible violations of law to the Ethics Commission or another government entity.

If you think you have been retaliated against for reporting a violation, you may file a complaint with the Ethics Commission.

Future employment

To avoid conflicts with your City responsibilities, there are limits on how you can arrange future employment and how you can interact with future employers.

The Mayor, City Attorney, Controller, and the heads of City agencies may not negotiate future employment or future business opportunities with a person (other than a government agency) who has a matter pending before them or their agencies.

Members of the City Council or a City board or commission may not negotiate future employment or future business opportunities with a person (other than a government agency) who has a matter pending before them or a body of which they are a voting member.

Other City officials may not negotiate future employment or future business opportunities with a person (other than a government) who has a matter pending before them.

In addition, you may not participate in or use your City position to influence a decision involving the interests of a person with whom you are negotiating or have an agreement concerning future employment.

Outside income

City officials and employees may never engage in outside employment while on City time.

If you are a City official other than an elected official or a part-time board or commission member, you may not receive outside (i.e., non-City) income unless you obtain prior written approval from your department head or appointing authority. You must also obtain prior written approval from the Ethics Commission if the source of outside income is a restricted source to you (see page 18). Approval is required even if the activities for which you will receive income are completely unrelated to your City employment. It is also required regardless of the location of the source of income.

The Public Trust

Outside income (cont'd)

You may not receive approval for outside income if receiving the income would be “inconsistent, incompatible, in conflict with or inimical to” your City duties. Some of the reasons that outside income would be in conflict with your City duties include the following: the outside employer is likely to have business before your agency; the outside job involves providing the same service that you provide to the public on behalf of the City; the outside job reduces the quality of your service to the City; and the outside job involves or appears to involve the use of City resources for private gain.

If you are an elected official, the City Charter requires you to devote your entire time to the duties of your office and prohibits you from receiving outside compensation. If you are a Public Works Board member, you are required to devote your entire time to the duties of your office, and you may not engage in outside employment that interferes with those duties.

Example 1

You are a full-time City official on staff with the Department of Water and Power who wishes to receive outside income for a few months of preparing tax returns for a private accounting firm. You must do all of the following: obtain prior written approval from your department head; obtain prior written approval from the Ethics Commission if the accounting firm is a restricted source to you; avoid conflicts of interests by not participating in any matter before you as a City official involving the accounting firm or the firm's clients; use only non-City resources to conduct the outside work; disclose your income if required by your disclosure category; and keep private any confidential information that you acquire in the course of your City duties.

Honoraria

An honorarium is a payment for giving a speech, writing an article, participating in a panel or seminar, or engaging in a similar activity. You may not accept honoraria from a source that is described in your disclosure category (defined on page 9). An 87200 filer (defined on page 9) may not accept honoraria from any source. For honoraria that are not prohibited, the GEO provisions regarding outside earned income apply, including the requirement that you obtain prior written approval.

Example 2

You are not just a City official on staff with the Police Department, you are also a really great cook. Your skill in the kitchen is renowned, and you are asked to give a speech to the Professional Chefs Association of Los Angeles (PCALA). You will be compensated for your efforts. You may accept this honorarium if the PCALA is not described in your disclosure category and you received prior written approval from the police chief and approval from the Ethics Commission if PCALA is a restricted source to you.

The Public Trust

Statement of City-related business

When City action affects the financial interest of an elected official, a board or commission member, the head of a City agency, or an individual holding an appointive office named in the Charter, that official is required to file a Statement of City-related Business (Form 44). Reportable financial interests include those held by the official personally, by the official's spouse or registered domestic partner, or by a business in which either the official or the official's spouse or registered domestic partner holds an ownership interest of five percent or more.

City actions that must be reported include the sale of real or personal property to the City; the City's award or denial of a City contract; the receipt of a grant, loan, or forgiveness of debt; and the approval or denial of an application for a license, certificate, permit, franchise, change of zone, variance, credential, or other benefit.

Form 44 must be filed with the Ethics Commission within 10 days after the City action occurred.

Financial Disclosure

Financial disclosure helps City officials make unbiased governmental decisions by identifying potential conflicts between their personal interests and their City duties.

Financial Disclosure

Required filers

Under the state's Political Reform Act, every City agency must adopt a Conflict of Interests (COI) code. Schedule A of your agency's COI code lists each position in your agency that makes or participates in making governmental decisions. You are required to periodically file a statement of economic interests (SEI) if your position is listed in Schedule A or if you are in a newly created position that makes or participates in making a decision but is not yet listed in the COI code. Officials listed in Government Code Section 87200 (see below) and certain consultants are also required to file SEIs.

87200 filers

City officials identified in California Government Code section 87200 include the following:

- Mayor, City Attorney, City Council Members
- City Treasurer/Director of Finance
- City Administrative Officer
- Citywide Planning Commission Members
- Members of Retirement Boards (e.g., LACERS Board Members, Board of Fire & Police Pension Commissioners, Board of Administration of the Water and Power Employees' Retirement Plan Members, Deferred Compensation Board Members)
- Other City employees and consultants who manage public investments

Disclosure categories

Each position listed on a COI code has a specific disclosure category, which is defined in Schedule B of the code. A disclosure category describes the types of financial interests that are reportable for each position, based on decision-making authority. You are required to report ONLY the interests specified in your disclosure category. These may include one or more of the following:

- Investments in business entities (e.g., stocks, businesses, partnerships);
- Real estate interests;
- Sources of income, including gifts and loans; and
- Business positions.

You are also required to report 50 percent of your spouse's or registered domestic partner's income, as well as investments and interests in real property that are specified in your disclosure category and held by your spouse, registered domestic partner, or dependent child.

Officials listed in Government Code Section 87200 (see above) must report all investments, sources of income, sources of gifts, and real property interests.

Financial Disclosure

Disclosure categories (cont'd)

Example

Y*ou are a systems analyst for the Information Technology Agency. Your disclosure category requires you to disclose any “investment in, business position with, or income from a source that provides the type of services, goods, or equipment” used by your agency. You own \$2,000 worth of IBM stock, and you have an ownership interest in a gym that your spouse runs in North Hollywood. You must disclose your IBM stock investment, because it is covered by your disclosure category. The interest in your spouse’s gym does not need to be disclosed because it is not covered by your disclosure category.*

How to file an SEI

For most City officials, an SEI is the state’s Form 700. You can file your SEI electronically through the City’s electronic filing system, eDisclosure. For elected officials, general managers, board members, and commissioners, an SEI is the state’s Form 700 and the City’s Form 60, which captures interests associated with restricted sources (See page 18).

Your agency has designated an ethics liaison, who communicates with the Ethics Commission regarding filing compliance. You may receive filing reminders from your liaison and eDisclosure, but it is your responsibility to ensure that you have filed properly and on time.

Your SEI is a public record that must be made available by your agency and the Ethics Commission to anyone who requests it. For this reason, you are not required to disclose your home address, as long as it is used exclusively as your personal residence and you do not rent out a room or claim a business deduction for it. We recommend that you use your agency's mailing address or a business address when completing your forms.

Financial Disclosure

When to file an SEI

The schedule for filing your SEIs depends on the type of statement you are filing.

Pre-confirmation Statement:

Filed by nominees to City board, commission, and department head positions prior to the City Council's consideration of their appointments.

Assuming Office Statement:

Filed by all City officials. Due within 30 days after beginning official duties in a new City position, even if a pre-confirmation statement was filed.

Annual Statement:

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

Leaving Office Statement:

Filed by all City officials. Due within 30 days after leaving a City position.

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

You must complete and file your forms, even if you have no reportable interests to disclose.

Important: Monetary penalties and possible administrative enforcement action apply to a City official who does not file a statement on time or who fails to file (see page 31). If the filing deadline falls on a Saturday, a Sunday, or an official state holiday, the filing deadline is extended to the next business day. Otherwise, extensions may only be granted for a City official on a military leave of absence.

Conflicts of Interests

To promote government decisions that are fair and accountable, City officials must avoid participating in actions that affect or appear to affect their private interests, both financial and non-financial.

Conflicts of Interests

Conflicts of interests

You have a conflict of interests under the state's Political Reform Act if your actions as a City official affect your personal interests or the interests of your immediate family members. It does not matter whether the action has a negative or positive effect on the interest. The Act prohibits you from making, participating in, or attempting to influence a government decision if it is reasonably foreseeable that the decision will have a material financial effect on an economic interest of yours or an immediate family member.

The City's appearance standard

In addition to state law, the City has its own conflicts provision. The City's appearance standard states that it is "not in the public interest" for you to act on a matter if you do not believe that you could act impartially or if the public might reasonably reach that conclusion. This can be true even when your interest in the matter is not financial. The City Attorney may decide, pursuant to City Charter § 222, that the public interest prevents you from acting even when you would not be disqualified by state conflict of interests laws.

Decisions related to contracts

State law prohibits you from having a financial interest in a City contract if your duties call on you to participate in any way in the contract. Participating in preliminary discussions, planning, developing, negotiating, approving, or executing a contract is a violation of law if you have a financial interest in that contract. Furthermore, state law limits both your ability to participate in the contract and also the City's ability. If you are a member of a board that acts on a contract in which you have a financial interest, severe penalties can result for the board and the City—even if you recuse yourself.

In the first 12 months of City service, you are prohibited from knowingly making, participating in making, or attempting to use your City position to influence a City decision directly relating to a contract if a party to the contract is a person by whom you were employed in the 12 months prior to entering City service.

If you are a member of a City board or commission, you may not participate in the contracting process outside of a public board or commission meeting. Participation includes making recommendations on bids or proposals and taking part in contract negotiations.

Conflicts of Interests

Example

You are a City Pension Board member. At a conference you are approached by a money manager who insists that a City pension fund should invest in his company. He wants to talk to you in detail about what his company can offer the pension fund. Because you are prohibited from being individually involved in the contracting process, you should ask the money manager to contact the staff to discuss his proposal.

Interests that can create conflicts

A conflict of interests may arise from interests like the following:

- A **business** in which you or your family members have an investment; or
- **Real property** in which you or your family members have an interest; or
- A **source of income, gifts, or loans** to you or your family members; or
- A person with whom you have a **relationship** other than in your capacity as a City official (e.g., a non-profit board on which you sit); or
- A person with whom you are **negotiating future employment or business**.
- If you are a board or commission member, an elected official serving on another public board, or the head of a City agency, a source of campaign contributions to you in the past 12 months may create a conflict of interests for you. Please seek guidance from the City Attorney's office.

Remedies

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

If a conflict of interests exists, you must disqualify yourself, meaning you must recuse yourself from making, participating in, or attempting to use your official position to influence the government decision that might affect your personal interest. Severe penalties may result for you and the City if you do not recuse yourself when required.

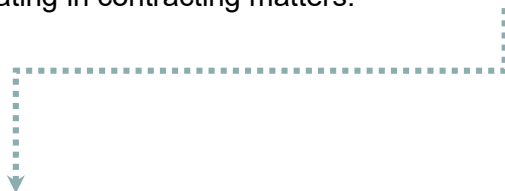
Recusal

If the City Attorney determines that you have a conflict or the appearance of a conflict and must recuse yourself, you should inform your supervisor, appointing authority, or chief administrative officer. Providing a written statement of your recusal, including a description of the interest that is the subject of the conflict, is the most prudent means of conflict disclosure. Also, when you are required to recuse yourself, you may not do anything to attempt to influence the decision related to your conflicting interest.

Conflicts of Interests

Recusal (cont'd)

If you sit on a City board or commission, you are required to submit a recusal notification form (Form 51) each time you are required to recuse yourself, even if you are not present at the meeting. Written or verbal public disclosure may also be required by law of certain City officials (e.g., 87200 filers, see page 9), members of a body or board, and employees participating in contracting matters.



Example

Y*ou are an employee with Los Angeles World Airports (LAWA). Your job includes screening proposals submitted in response to requests for proposals, to ensure that each meets the specified requirements. Your spouse, who owns a construction company, decides to submit a proposal for a five-year contract to repair and maintain runways at LAX. Since your spouse owns the business, you are financially interested. You should ask the City Attorney for advice about how to proceed.*

If the City Attorney determines that you must recuse yourself from participating in this matter, you should submit a written declaration of disqualification to your general manager. If you are a LAWA board member, the entire board could be disqualified from acting and the matter may be sent to the Board of Referred Powers.

Recusal reviews

If you are a board or commission member and submit three recusal forms within a 365-day period, the Ethics Commission is required to conduct a review to determine whether you have a significant and continuing conflict of interests that results from an interest in real property, a source of income, or an investment.

If the Ethics Commission determines that you do have a significant and continuing conflict, it is required to order you to divest yourself of the financial interest that is causing the conflict.

Gifts and Travel

City and state laws limit and sometimes prohibit gifts to City officials. These laws are designed to prevent gift givers from exercising or appearing to exercise improper influence over City decisions.

Gifts and Travel

Definition of “gift”

A gift is anything you receive that gives you a personal benefit for which you do not provide monetary or other consideration of equal or greater value. If you believe you have provided consideration (and, therefore, not received a gift), you have the burden of proving that the consideration is worth as much as or more than the value of what was received.

Examples of gifts include meals, tickets to sporting events, entrance to entertainment events, gift cards, gift baskets, and rebates or discounts (unless the rebate or discount is made in the regular course of business to any member of the public and without regard to your City position). Gifts to your family members may be gifts to you and, in some cases, a personal loan may also be a gift.

Gift limits

You may not solicit or accept a gift if it is reasonably foreseeable that it could influence you in the performance of your City duties.

In addition, you may not accept a gift or combination of gifts during the calendar year from a single source with a total value that exceeds any of the following:

- **\$0** from a lobbyist or lobbying firm that lobbies your agency or, if you are an elected official, that lobbies any City agency.
- **\$100** from any other restricted source (see definition below).
- **\$590** from a source that is not a restricted source but is listed in your disclosure category (see page 9) or, for an “87200 filer” (see page 9), from any source.

Registered lobbyists and lobbying firms are identified on the Ethics Commission’s web site.

Additional information about accepting gifts is provided in the “Gift Guide for City Officials” on page 33.

Gifts and Travel

Restricted sources

A restricted source is a person who is actively engaged in business with the City. A restricted source is a person who:

- Files or is required to file as a lobbyist or lobbying firm and seeks to influence your agency (or, if you are an elected official, any City agency);
- Has entered into, performs under, or seeks a contract with your agency (or, if you are an elected official, any City agency);
- Has attempted to influence you in the last 12 months on a matter that would have a material financial effect on the source; or
- Is, or within the last 12 months was, a party to a proceeding involving a license, permit, or other entitlement for use that was pending before you or a board of which you are a member.

You may never solicit a gift from a restricted source! And you may never accept a gift from a restricted source—or any other source—if it is reasonably foreseeable that it could influence you in your City actions.

Loans

Under state law, a personal loan may be considered a gift and, therefore, may be limited and subject to disclosure requirements. This does not apply to a loan from commercial lending institution that was made in the lender's regular course of business on terms available to members of the public, without regard to your official status.

If you are an elected official or an "87200 filer" (see page 9), you are prohibited from receiving a personal loan of more than \$250 from an officer, employee, commission or board member, contractor, or consultant of your agency or an agency over which your agency exercises control. Elected City officials are subject to further restrictions on loans.

Exceptions

Items listed below are not subject to City or state gift limits and, except where noted, need not be disclosed on your SEI.

- Items that are not used and are returned to the source within 30 days or items that are not used, are donated within 30 days to either the City or a 501(c)(3) organization in which neither you nor your family members hold a position, and are not claimed as a tax deduction.
- Items received from a family member, spouse, registered domestic partner, former spouse, former registered domestic partner, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother- or sister-in-law, nephew, niece, aunt, uncle, first cousin, or the spouse of any of these persons) or a partner in a bona fide dating relationship, as long as the individual is not acting as an intermediary for another source.
- Informational material (e.g., books, reports, pamphlets, calendars, seminars, or informational conferences) used to assist you in the performance of your City duties. Transportation is generally not considered informational material.

Gifts and Travel

Exceptions (cont'd)

- Admission for you and one guest to a ticketed entertainment event at which you perform a ceremonial role. This exception only applies if your agency files the state's Form 802. Specific rules may apply, and you should seek guidance from the Ethics Commission before applying this exception.
- Benefits received as a guest attending a wedding or civil union where the benefits are the same as those received by the other guests.
- Bereavement offerings.
- Personalized plaques and trophies valued at less than \$250.
- Admission and food provided by the organizers of an event at which you speak, participate in a seminar, or provide a similar service.
- Reciprocal exchanges of gifts of substantially similar value between you and a friend (other than a restricted lobbyist) where no single gift is \$590 or more.
- Inheritances and bequests. An inherited investment or interest in real property may need to be disclosed under state law.
- Two tickets or admissions received from a 501(c)(3) organization for a fundraiser for that 501(c)(3) organization.
- Two tickets or admissions received from a committee or candidate for a political fundraiser for that committee or candidate.
- Nominal and routine office courtesies received by a City official in a restricted source's place of business, as long as the courtesies are available to any person who visits that place of business.

Example 1

You are a principal city planner in the Planning Department, and you are attending a meeting at the office of a lobbyist who is registered to lobby the Planning Department. As he does with all guests, the lobbyist offers you a cup of coffee. Although you should not normally accept gifts from lobbyists registered to lobby your agency, you may accept a cup of coffee in this situation because it is a courtesy that the lobbyist normally offers to guests attending a meeting at his office.

Travel

Generally, you may not accept payments for travel or travel-related expenses from sources other than the City.

Travel that is offered to you by a source that is listed in your disclosure category is subject to the \$590 gift limit—even if it is offered to you in your personal life, outside the scope of your City duties. Travel that is offered by a restricted source is subject to the \$100 gift limit and travel offered by a restricted lobbyist or lobbying firm is prohibited. In addition, the California Constitution prohibits high-ranking City officials from accepting free or discounted travel from transportation companies.

Gifts and Travel

Travel (cont'd)

Exceptions to the gift restrictions may apply for certain types of travel offered to you, depending on the destination, the source, and whether you are providing a service, such as making a speech, in exchange for the travel.

Travel paid for by another local, state, or foreign government is not restricted.

It is important to get advice from the Ethics Commission about gifts of travel, because travel that is permitted may create disclosure requirements for you and your agency and may also require your recusal.

Disclosure

You must publicly disclose a gift and its value on your SEI if:

- The source is described as a reportable source of income in your “disclosure category” (see page 9); and
- The total value of all gifts you received from that source during the calendar year is \$50 or more.

It is a good idea to track the gifts that you receive throughout the year. The Ethics Commission has created a gift journal for tracking gifts, and it is available on our website.

If the exact dollar amount of a gift is unknown, you must report a good-faith estimate of the item’s fair market value. Reporting the value as “over \$50” or “value unknown” is not adequate disclosure.

Example 2

You are an official with the Department of Building and Safety. Jack Smith is a consultant for a firm that has applied for a contract with your agency. He offers you a couple of tickets to a Dodger game, each valued at \$75. Because Mr. Smith is seeking to do business with your agency through a contract, he is a restricted source to you. Therefore, you may not accept more than \$100 in gifts from him during the calendar year.

You should consult with your department to determine whether any additional departmental gift policies apply. If no additional departmental policy applies, you have three options:

- 1) Decline the gift; or*
- 2) Accept one ticket and return the other; or*
- 3) Accept both tickets and pay Mr. Smith the \$50 difference between the value of the tickets and the gift limit (so long as you have not received any other gifts from the Mr. Smith in the calendar year).*

If you accept one or both tickets, they must be disclosed on your SEI, because Mr. Smith is a reportable source of income to you and the value is over \$50. If you pay down the difference, you should keep a record of the transaction.

Political Activity

City laws that limit the political activities of City personnel were adopted to ensure that the City remains neutral in elections, to protect City personnel from pressure to support or oppose a candidate or ballot measure, and to protect City resources.

Political Activity

Prohibited political activity

Political activity is activity directed at the success or failure of any candidate for elective office or ballot measure in a future election. It includes but is not limited to endorsing a candidate; engaging in fundraising; developing, displaying, or distributing campaign materials; conducting research; and posting comments on social media or other Internet sites.

You may **not** do any of the following:

- Solicit contributions from a City official or employee to support or oppose a candidate for elected office, the recall of an elected official, a ballot measure, or an officeholder or legal defense committee.
- Receive, deliver, or attempt to deliver a contribution in City Hall, another City building, or building space for which the City pays most of the rent. This does not apply to City space that is rented by a private party, unless the rental agreement prohibits it.
- Use or authorize the use of City facilities, equipment, supplies, vehicles, or any other City property for campaign activity. City property includes computers, telephone numbers, email addresses, and mailing lists.
- Engage in political activity in the following scenarios:
 - While on duty for the City.
 - Using City equipment, vehicles, supplies, or resources, including but not limited to phones, computers, mailing and distribution lists, electronic mail, and electronic data.
 - In any manner that implies you are speaking on behalf of the City or communicating a City position. This may include wearing a uniform or official City insignia or using a City title or position.
 - In a room or building that is owned, primarily paid for, or used by the City and is occupied by a City official or employee in discharging City duties. This does not include a City room or building that is available to the public for political activities, as long as you do not use the space during your City working hours and do not use other City resources.
- Induce or coerce another person to violate these prohibitions.

Political Activity

Prohibited political activity (cont'd)

If you are a general manager, a board member, or a commissioner, you also may **not** do any of the following:

- Solicit, direct, or receive a contribution from a person who has, or in the preceding 12 months had, a matter involving a City action pending before you.
- Engage in the following activities on behalf of an elected City officer, a candidate for elected City office, or a City controlled committee (unless the activity is on behalf of your own candidacy):
 1. Asking someone to make a contribution.
 2. Inviting someone to a fundraising event.
 3. Supplying names to be used on invitations to a fundraising event.
 4. Permitting your name, signature, or official title to appear on a solicitation for contributions or an invitation to a fundraising event.
 5. Providing the use of your home or business for a fundraising event.
 6. Paying for 20% or more of the costs of a fundraising event.
 7. Hiring someone to conduct a fundraising event.
 8. Delivering someone else's contribution to an elected City officer, a candidate for City office, or a City controlled committee.
 9. Acting as an agent or intermediary in the making of a contribution.

Permitted political activity

You **may** do any of the following:

- Perform volunteer work, endorse candidates, and take a position on a ballot measure, as long as these activities do not involve the use of City resources and you make it clear that you are acting as an individual and are not acting on behalf of the City.
- Use your own funds to make political contributions, subject to applicable limits.
- Solicit a political contribution from a person who is not a City official or employee, as long as you are not a general manager, board member, or commissioner, and so long as it does not violate any of the other prohibitions on political activity above.
- Use City resources to inform the public of the possible effects of a bond issue or ballot measure relating to the City when using City resources is legally authorized.

In any of these activities, you must make it clear that you are acting as an individual and take all steps to avoid giving the impression that the City or your agency supports a particular candidate or ballot measure.

Political Activity

Permitted political activity (cont'd)

Example 1

You are a City official who is not a general manager or a member of a City board or commission, and you would like to support a candidate for City Attorney. You may support the candidate by volunteering on your non-City time, making a contribution of your personal funds to the candidate's campaign, and by soliciting contributions from someone who is not a City official or employee. In doing any of these activities, you must not use any City resources and must make it clear that you are acting as an individual and not on behalf of the City.

Example 2

You are a City employee who works for the Department of Animal Services. You want to campaign for a ballot measure that would ban the euthanizing of animals in City shelters. You may support and promote the passage of the ballot measure, but you may not use any City time or resources, and you must make it clear that you are acting as an individual and not on behalf of the City or the Department of Animal Services.

Lobbying

To foster public confidence in the integrity of City decisions, City law limits lobbying activity by certain City officials and requires lobbying entities to publicly disclose their lobbying activities, clients, and financing.

Lobbying

Registered lobbyists

An individual is required to register as a lobbyist if the person contacts a City official or employee in an attempt to influence City action on behalf of another person and is compensated for at least 30 hours of lobbying activity in a three-month period. Lobbyists must register with the Ethics Commission, and a list of all registered lobbyists is available on the Ethics Commission's web site.

If someone has attempted to influence you on behalf of a third party, you should check to see if the person is registered as a lobbyist. If the person's name does not appear on the Ethics Commission's web site and you believe that the person may be required to register, please contact us.

As a reminder, a gift from a registered lobbyist or lobbying firm that lobbies your agency is prohibited (see page 17). If you are an elected official, a gift from any lobbyist or lobbying firm is prohibited.

Board and commission members

If you are a member of a City board or commission, you may not attempt to influence any City decisions for compensation. This prohibition includes direct communication with City officials, either personally or through someone acting as your agent, and it applies to matters pending before any City agency.



Example

You are a City commissioner who also happens to own a law practice. One of your clients is seeking a liquor license from the City and has asked you to meet with the City Council offices to urge their support for the license. You decline and inform your client that, because you are a City commissioner, you are not allowed to be paid to influence a City action.

Revolving Door

To prevent former City officials from exercising or appearing to exercise improper influence over City decisions, City law contains “revolving door” restrictions.

Revolving Door

Lifetime ban

You are permanently prohibited from receiving compensation (monetary or non-monetary) to attempt to influence City action on a specific matter in which you personally and substantially participated during your City service. The ban lasts as long as the matter is still pending before a City agency or the City is a party to the matter. You are also prohibited from advising or assisting anyone else who attempts to influence action on the matter.

Personal and substantial participation includes but is not limited to making or voting on a decision, making a recommendation, rendering advice, and conducting research or an investigation. It does not include ministerial acts, such as simply scheduling a meeting.

As a reminder, you are also permanently prohibited from using or disclosing confidential information that you gain during City service.

One-year ban

You are also subject to a one-year “cooling-off” period, during which you are prohibited from attempting to influence action on a matter pending before your former City agency for compensation (monetary or non-monetary), regardless of whether you personally participated in that matter. This ban applies for one year after leaving City service. It applies to attempts made personally or through an agent, and it applies to matters pending before any City agency in which you served during the 24 months before leaving City service.

If you are an elected official or held one of the positions listed below in the 24 months before leaving City service, your cooling-off period applies to compensated attempts to influence the actions of every City agency, regardless of whether you personally served in that agency:

Mayor's Office

Chief of Staff
Deputy Mayor
Mayoral Aide VII
Mayoral Aide VIII

City Attorney's Office

Executive Assistant City Attorney
Chief Assistant City Attorney
Senior Assistant City Attorney
City Attorney Exempt Employee

Controller's Office

Chief Deputy Controller
Principal Deputy Controller
Administrative Deputy Controller

City Council Offices

Council Aide VII
Council Aide VI

Other Offices

Board of Public Works Commissioner
General Manager
Department Chief Administrative Officer

Revolving Door

Example

Bruce recently left his position as a building inspector with the Department of Building and Safety. He has since started a consulting business in which he interacts with his former colleagues for the purpose of expediting his clients' building permits. Bruce has violated the one-year ban by being compensated to attempt to influence action at his former agency on behalf another person.

Additional restrictions

In addition to the City's revolving door restrictions, elected officials, the City Administrative Officer, and the 87200 filers identified on page 9 are also subject to state revolving door laws that, in some respects, are stricter than City law.

After you leave City service, state law may bar you (and possibly your new employer) from receiving any benefit from a contract that you participated in creating while with the City. Please consult the City Attorney's office if you have questions about how this provision applies to you.

Exceptions

Exceptions to the revolving door restrictions occur under limited circumstances, such as when you communicate on behalf of a city or other government agency.

You are not prohibited from attending social or other events at which City officials may be present. However, you are subject to the revolving door restrictions at those events, just as you would be at any other time.

Violations

To support the goals of the governmental ethics laws, the voters adopted a requirement that the Ethics Commission investigate and enforce against violations and, where appropriate, impose penalties.

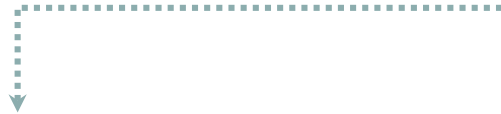
Violations

Penalties

Late filing penalties apply to statements and reports that are not filed by their deadlines. The penalties are \$10 per day (up to \$100) for Form 700 and \$25 per day (up to \$520) for City forms, such as Form 44 or Form 60.

In addition to late filing penalties, a person who violates the GEO, the Municipal Lobbying Ordinance, the Campaign Finance Ordinance, or the related provisions of the Charter or the Administrative Code may be subject to an administrative enforcement action. Such an action can result in monetary penalties of up to the greater of \$5,000 per violation or three times the amount of money that was improperly reported, contributed, spent, given, or received.

A person who knowingly, willfully, or negligently violates the law may also be subject to civil and criminal penalties. City officials and employees who violate the laws may also be subject to disciplinary action by their appointing authorities.



Example

A former City employee was fined \$5,000 for violating the City's post-employment laws. The former City employee admitted to receiving compensation from a client to attempt to influence his former City department within three months of leaving City service and regarding a matter in which he personally participated while employed by the department.

Reporting wrong-doing

If you have information about a possible violation of the governmental ethics laws, you may file a complaint. The complaint may be submitted online, in writing, in person, or by calling the toll-free, 24-hour whistleblower hotline at (800) 824-4825 or (213) 978-1999.

You may also call the Ethics Commission office to discuss the matter with an investigator. Please be sure to provide as much specific detail as possible.

Additional information about the whistleblower hotline is available on the Ethics Commission's web site.

Conclusion

This handbook provides a general overview, to help you comply with City and state governmental ethics laws. It does not include all of the details specified in the law. Applying the law to your specific circumstances often requires analysis by the Ethics Commission or the City Attorney's office.

Ethics Commission advice

Questions regarding the City's governmental ethics laws should be directed to the Ethics Commission. We are happy to help by answering general questions or providing situation-specific advice:

- **Informal advice** can be provided during regular business hours. Informal advice is kept confidential to the extent required by law but does not provide immunity in enforcement actions.
- **Formal advice** must be requested in writing, is based on specific facts about your circumstances, and must be requested *before* you take any action. The Ethics Commission has 21 days to respond after all required information has been provided. Formal advice letters are public records and are posted on the Ethics Commission's web site. If you receive formal advice and act in good faith on that advice, you are immune from administrative enforcement actions by the Ethics Commission. Immunity applies only to the person on whose behalf the advice was requested, the specific facts identified in the letter, and the law in effect at the time the letter was issued.

Contact information for the Ethics Commission is provided on page 2.

City Attorney advice

Questions regarding the following should be directed to the City Attorney's office:

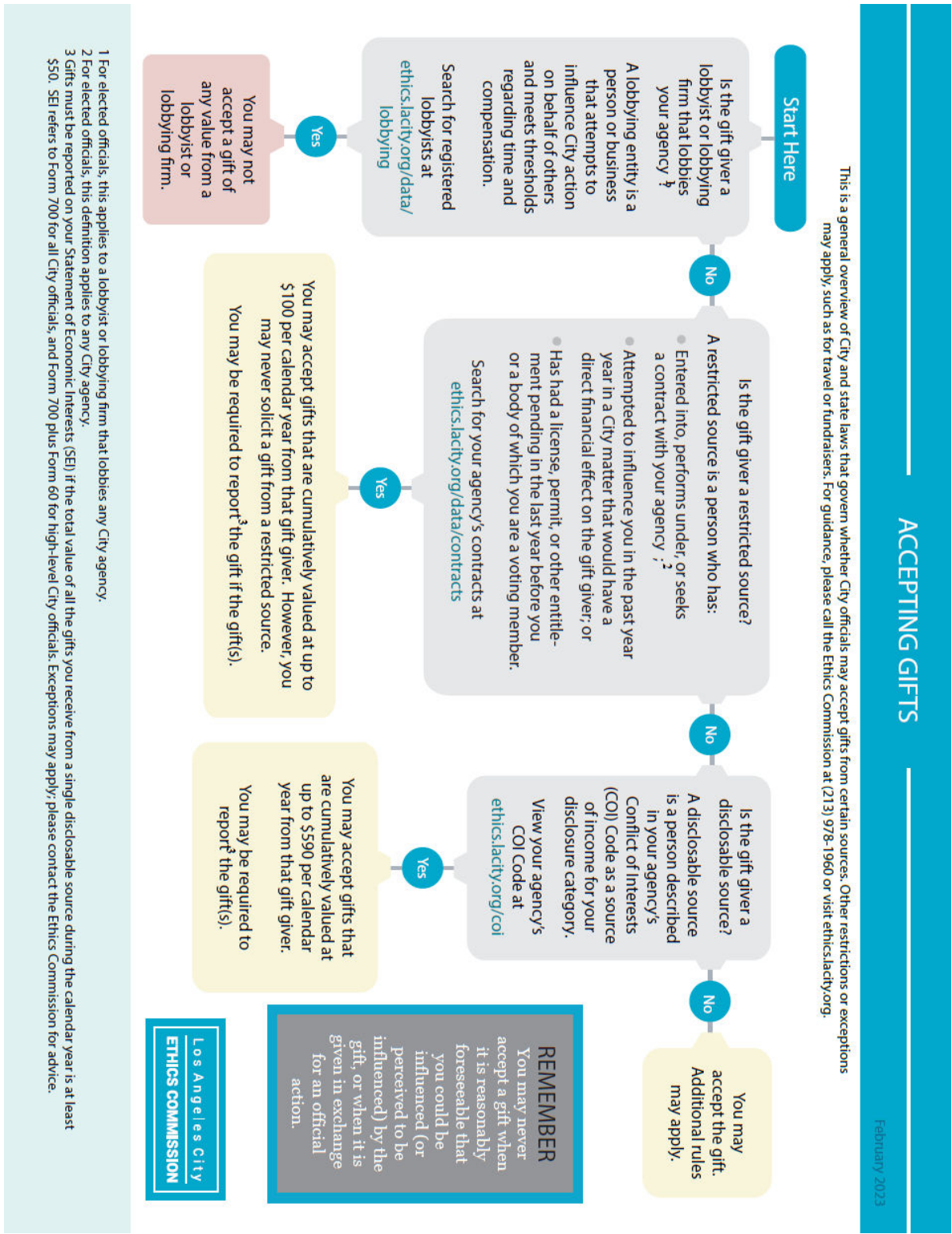
- Conflicts of interests.
- Ralph M. Brown Act (California's "open meeting" law).
- Mass mailings at public expense.
- Misuse of public funds.

Contact information for the City Attorney's office is as follows:

James K. Hahn City Hall East
200 North Main Street, 8th Floor
Los Angeles, CA 90012

Tel: (213) 978-7100
Fax: (213) 978-8250
lacityattorney.org

Appendix I: Gift Guide for City Officials



¹ For elected officials, this applies to a lobbyist or lobbying firm that lobbies any City agency.

² For elected officials, this definition applies to any City agency.

³ Gifts must be reported on your Statement of Economic Interests (SEI) if the total value of all the gifts you receive from a single disclosable source during the calendar year is at least \$50. SEI refers to Form 700 for all City officials, and Form 700 plus Form 60 for high-level City officials. Exceptions may apply; please contact the Ethics Commission for advice.

Appendix II: Citations

The Public Trust

California Government Code § 87200
California Code of Regulations, Title II, §§ 18722–18740
Los Angeles Municipal Code §§ 49.5.9–49.5.10

Financial Disclosure

California Government Code § 87200
California Code of Regulations, Title II, §§ 18722–18740
Los Angeles Municipal Code §§ 49.5.9–49.5.10

Conflicts of Interests

California Government Code §§ 1090, 84308, 87100–87105
California Code of Regulations, Title II, §§ 18700–18720
Los Angeles City Charter §§ 222, 707
Los Angeles Municipal Code § 49.5.6

Gifts and Travel

California Constitution Article XII § 7
California Government Code §§ 82028, 87207, 87210, 87460–87462, 89503–89505.5, 89506
California Code of Regulations, Title II, §§ 18940–18950.3
Los Angeles Municipal Code §§ 49.5.2, 49.5.8–9

Political Activity

California Government Code §§ 3205, 3206, 84308
California Code of Regulations, Title II, §§ 18420.1, 18438.1–18438.8.
Los Angeles Municipal Code §§ 49.5.5, 49.7.11

Lobbying

Los Angeles Municipal Code §§ 48.02, 49.5.13

Revolving Door

California Government Code §§ 7508.5, 87406.3, 18746.3–18747
Los Angeles Municipal Code § 49.5.13

Violations

California Code of Regulations, Title II, §§ 91000–91015
Los Angeles Municipal Code §§ 48.09, 49.5.16–49.5.18, 49.7.38, 49.7.39