


Conflict of Interest Rules

Presented by the Office of the Los Angeles County Counsel, 2019

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- * Conflict-of-interest laws are grounded on the notion that government officials owe paramount loyalty to the public, and that personal or private financial considerations on the part of government officials should not be allowed to enter the decision-making process.

General Ethical Principles

- * Beyond the laws is the public's perception as to whether the public official's conduct is ethical. (“How would the newspaper headline read?”)
- * The ethics laws create minimum standards for ethical conduct by public officials.
- * The public's expectations often create a higher standard of behavior.
- * Avoid prohibited activities.
- * Comply with disclosure, disqualification and other affirmative ethics obligations.
- * Consult with counsel if there is any doubt.

Laws Governing Public Officials

- * The Political Reform Act
- * Penal Code Section 68
- * Government Code Section 1090

Conflicts Involving Personal Financial Interests/Obligations (Political Reform Act)

- * Government Code §§87100, 87103 & 87200 et seq.

- * Basic Obligations

- * Disqualification
- * Disclosure



Disqualification

- * Do not make, participate in the making, or in any way attempt to use your official position to influence a governmental decision in which you know, or have reason to know, that you have a personal financial interest.

Five Disqualifying Financial Interests

- * Real Property- Investment of \$2,000 or more
- * Business Entity- Investment of \$2,000 or more
- * Source of Income of \$500 or more provided, promised, or received within 12 months of decision
- * Business entity where official is Director, Officer, Partner, Trustee, Employee or Manager
- * Gifts

Acceptance of Gifts

- * Government Code §§82028, 86203, 89503, 89506; Title 2 CCR §§18940-18946.5
- * A gift is any payment or other benefit received by a public official unless the official provided something of equal or greater value in return.



Acceptance of Gifts

- * A gift 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 without regard to an individual's status as a public official.

Acceptance of Gifts (cont'd)

- * Gifts aggregating \$50 or more from a single source in a calendar year must be reported.
- * \$500 annual gift limit.

Disclosure Rules

- * Each agency develops a conflict of interest code:
 - * Designates positions involved in making decisions.
 - * Designates disclosure categories and enumerates types of financial interests to be disclosed.
 - * Designated positions must file an assuming, annual, & leaving office statement of economic interests (Form 700).

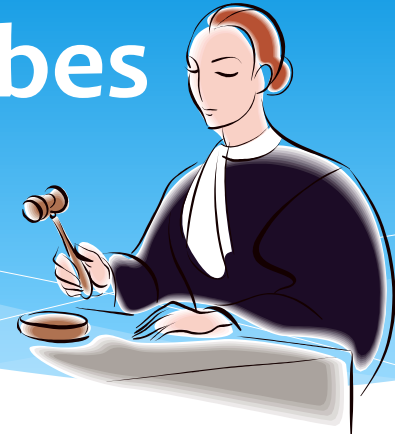
Juvenile Justice Coordinating Council Conflict of Interest Code

- * Business positions, investments in, and income (including gifts, loans and travel payments) received from for-profit businesses, nonprofit entities and persons that provide the type of services utilized by the JJCC or that are eligible to receive grant funding from the JJCC;
- * Any trusteeship or directorships of entities that provide the type of services utilized by the JJCC or that are eligible to receive grant funding from the JJCC.

Penalties for Violating Political Reform Act

- * Knowing or willful violations are a misdemeanor
- * Criminal and civil fines
- * Administrative action
- * Disciplinary action

Do Not Accept Bribes



- * Penal Code §68
- * A public official is prohibited from asking for, receiving, or agreeing to receive, anything of value in exchange for his vote.

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City of South Gate Public Official Gets 10 Years for Bribery



LOS ANGELES – Former city treasurer of South Gate, Albert Robles, 41 was taken into custody today.

Robles was sentenced to 10 years in prison for extracting nearly \$2 million in bribes from contractors in violation of Penal Code section 68.

He was also ordered to pay back more than \$600,000 to the city in southeast Los Angeles County.

Robles was convicted in July 2005 of five counts of bribery from his activities as City Treasurer.

Robles solicited bribes from city contractors in exchange for promises of favorable treatment.

The illegally obtained money paid for Robles' lavish lifestyle including a seaside condo for his mother and an exclusive club membership run by motivational speaker Tony Robbins authorities said.

When asked for comment regarding his recent arrest, Robles responded by saying that his activities "were not illegal."

Contractual Conflicts of Interest

- * Government Code §§1090, 1091, & 1091.5
- * A public official shall not be financially interested in any contract made by him in his official capacity.

Contractual Conflicts of Interest

(cont'd)

The concept of “making a contract” applies to all aspects of the contracting process:

- Determination to contract
- Drafting solicitation documents
- Selecting contractor
- Monitoring contract
- Decision to terminate contract



Contractual Conflicts of Interest

(cont'd)

- * Your abstention may not be enough.
- * The entire commission may be precluded from acting on the contract.
- * Limited exceptions.

Penalties for Violating § 1090

Penalties for Violating section 1090

- * Willful violations are a felony
- * Criminal fines and imprisonment
- * Disqualification from ever holding public office in California again
- * Contracts entered into are **voided**



Additional Information

- * California Attorney General

<http://ag.ca.gov/ethics/index.htm>

- * California Fair Political Practices Commission

<http://www.fppc.ca.gov/index.html?id=466>

- * Institute for Local Government

<http://www.ca-ilg.org/ethicsfaqs>