

ETHICS TRAINING



San Francisco City Attorney's Office

CONFLICTS OF INTEREST IN GOVERNMENT DECISIONS

1. California Political Reform Act
2. Government Code Section 1090
3. Disclosure

I.

POLITICAL REFORM ACT

Political Reform Act

A public official may not make, participate in making, or attempt to use your official position to **governmental decision** tal decision in which you know or have reason to know y **financial interest** al interest.

Political Reform Act

If you have a conflict, you must **abstain** from **any** participation or efforts to influence the decision.

Political Reform Act

1

FINANCIAL INTEREST?

2

GOVERNMENTAL DECISION?

1

FINANCIAL INTERESTS

- Real property
- Income
- Investments
- Business positions
- Gifts
- Personal finances

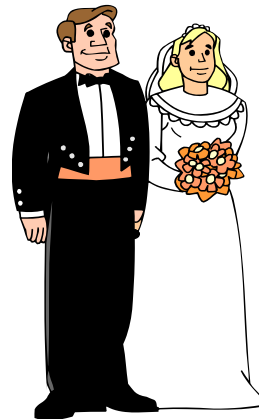
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FINANCIAL INTERESTS



You

Your Spouse,
Registered Domestic
Partner and
Dependent Children



2

GOVERNMENTAL DECISION

Making a governmental decision includes:

- Voting
- Appointing a person
- Entering into a contract
- Committing your department to a course of action

2

GOVERNMENTAL DECISION

Participating in a governmental decision includes:

- Attending board or commission discussions
- Advising or making recommendations to a final decision-maker

2

GOVERNMENTAL DECISION

Using your position to influence a governmental decision includes:

- Communicating with members or your own department or board
- Purporting to act as a representative of your agency

II.

SECTION 1090

Section 1090

Neither you, nor the board of which you are a member, may make a **contract** in which you have a financial interest.

Section 1090

What is a *financial interest*?

- Not defined, but the courts construe the term broadly.
- Examples of financial interests: your employer, your clients, your investments

Section 1090

What is *making a contract*?

- Approving a contract or RFP
- Planning
- Negotiations
- Preliminary discussions

Section 1090

Exceptions to section 1090:

- **Remote interests:** Board and commission members must disclose and abstain, but can remain on the board or commission
- **Non-interests:** OK to participate

Section 1090

Consequences of Section 1090 conflict:

- **For board/commission members:** must give up the financial interest or resign from board or commission
- **For department heads and other employees:** must abstain from any participation in the decision

III.

DISCLOSURE

Financial Disclosures - SEIs

Why do you file?

- Allows the public to monitor their officials. Form 700s are public documents.
- Encourages officials to review their financial interests to avoid conflicts.

Financial Disclosures - SEIs

When do you file?

- **Assuming office statements:** within 30 days of taking office
- **Annual statements:** every year by April 1!
- **Leaving office statements:** within 30 days of leaving office

Disclosure of Relationships

Even when you have no conflict, you must disclose **personal, professional and business relationships** that would make members of the public reasonably question your impartiality.

Disclosure of Relationships

Personal: family member or personal friend

Professional: regular contact in a professional capacity, including volunteer activities

Business: within two past years, client, business partner, or did business with person

GIFT LAWS



1. What is a gift?
2. Disclosure
3. Annual gift limit
4. Restricted source rule
5. Gifts from subordinates
6. Statement of incompatible activities

1

What is a gift?

A gift is **anything** of value for which you do not provide something of equal or greater value in return

EXAMPLES:



1

What is a gift?

Common exceptions to the gift rules



1

What is a gift?

The gift rules do not apply if within **30 days** of receiving a gift you:

- Pay for it
- Donate it (without a tax deduction)
- Return it

Gift Disclosure

- Must report all gifts worth **\$50 or more** from sources in your disclosure category.
- Cumulative: disclosure threshold applies to series of gifts

Annual Gift Limit



- Do not accept more than \$460 of gifts from any one source in a calendar year
- Cumulative limit

Restricted Source Rule

You may not solicit or accept any gift from a restricted source. A restricted source is:

- Anyone doing business or seeking to do business with **your department**, or
- Anyone who has attempted to influence **you** in any legislative or administrative action in the previous 12 months.

Restricted Source Rule

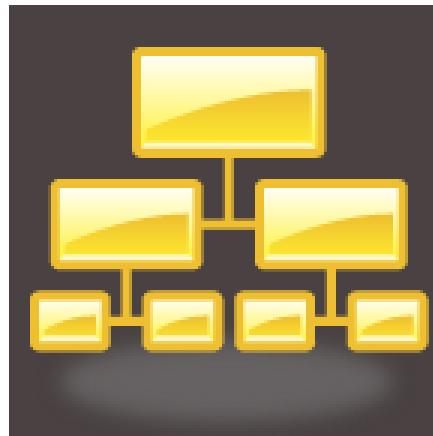
Exceptions to the Restricted Source Rule:

- Non-cash gifts worth \$25 or less up to four times per year.
- Gifts of food or drink to be shared in the office.

5

Gifts from Subordinates

You may not accept gifts from people who work for you or who are applying to work for you.



6 Statement of Incompatible Activities

Department-specific rules:

- No gifts from any entity that has a contract, is seeking a contract, or has had a contract within past 12 months
- No gifts for doing your job