



**Monthly Report to Board of Directors  
Office of Ethics  
July 2014**

# ***ETHICS IN THE PIPELINE***

THEME  
OF THE  
MONTH

## ***SPEECHES, APPEARANCES, AND TRAVEL EXPENSES***

Scenario: An engineering firm invites a director to speak about water policy at a trade association conference in New York City. It offers to cover the director's travel expenses, waive the \$300 conference fee, and provide a \$500 appearance fee. What rules apply?

State law and Metropolitan's internal rules prohibit "honoraria" – payments or other consideration – from any reportable source of income for making speeches, writing articles, or attending meetings. "Speech" includes participating on a panel. "Written article" is a non-fiction work published in a periodical or newsletter. (See Admin. Code, sec. 7131; Gov. Code sec. 89502.)

In most cases, the official may accept travel expenses, so long as lodging and subsistence are limited to the day before, the day of, and the day after the speech or event. Also, officials may accept travel provided by a government, foreign government, or a 501(c)(3) non-profit. (Gov. Code sec. 89506.)

Qualifying travel payments are exempt from the standard gift limit of \$440 per year from a single source. However, the official generally must report them as a "gift of travel" on the next Form 700/Statement of Economic Interests. (Gov. Code sec. 89506(c); FPPC Reg. sec. 18932.4(f).)



Waiver of conference admission fees, personalized plaques or trophies, and food and refreshments are allowable and not reportable as gifts. (FPPC Reg., sec. 18932.4(d) and (e).)

Conclusion: the director may not accept the \$500 appearance fee. The firm may pay for the director's travel expenses, so long as the director reports the payments as a gift of travel from the firm on Form 700. Waiver of the conference fee, food and beverages, and any plaque of recognition for speaking are not reportable as gifts.

Please feel free to consult the Ethics Office if a question arises about restrictions or reporting requirements about conferences, speeches, or travel expenses.

## *MONTHLY ACTIVITIES*

In July 2014, the Ethics Office:

- Conducted ethics orientations for 28 new employees and 6 new managers.
- Presented Ethics Office overview for approximately 25 employees at Diemer water treatment plant.
- On July 16, 2014, made a site visit to Hinds pumping plant.
- Received 1,026 hits on website.

## *ADVICE*

In July 2014, the Ethics Office provided written advice in response to questions or inquiries concerning:

- Whether a family relationship to an employee of a contractor created a disqualifying financial interest precluding participation in Metropolitan's contracting decisions.
- Whether an employee could accept a part-time job working for a Metropolitan contractor if the employee's work at Metropolitan does not involve the contractor's services.



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Specific Matters Submitted FY 2014/15

	FY 13/14	Jul 2014	Aug 2014	Sept 2014	Oct 2014	Nov 2014	Dec 2014	Jan 2015	Feb 2015	Mar 2015	Apr 2015	May 2015	June 2015	FY 14/15
<b>Ethics Complaints</b>														
Conflict of Interest	1													
Customer Relations	4													
Discrimination	2	1												1
Employee Relations	12	1												1
Falsification of Records														
Favoritism	2													
Misuse of MWD Resources	5													
Misuse of Position	3	1												1
Nepotism	2													
Policy Issues	3													
Product Quality Concerns														
Retaliation	4													
Safety														
Sexual Harassment	2													
Theft of Time	2													
Theft of Goods	1													
Wage/Hour														
<b>Total Complaints</b>	<b>43</b>	<b>3</b>												<b>3</b>
<b>Ethics Advice</b>														
Conflicts of Interest	22	2												
Contractor Relations														
Customer Relations	3													
Employee Relations	1													
Gifts	18													
Honorarium														
Misuse of MWD Funds														
Misuse of MWD Resources	1													
Nepotism	1													
Outside Employment	1													
Policy Issues	10													
Theft of Time														
Wage/Hour	1													
<b>Total Questions</b>	<b>58</b>	<b>2</b>												<b>2</b>
<b>Total: Complaints &amp; Questions:</b>	<b>101</b>	<b>5</b>												<b>5</b>