



ETHICS OFFICE MONTHLY REPORT

TO BOARD OF DIRECTORS

Metropolitan Water District of Southern California

AUGUST 2017

COMPLIANCE AND ETHICS OFFICERS DAY

September 26 is Compliance and Ethics Officers' Day. Admittedly, it sounds like another "manufactured" holiday. But it is worth a quick thought if only because the work of professionals in the relatively new field of compliance and ethics is so frequently misunderstood. Some even see the function as unnecessary and burdensome.

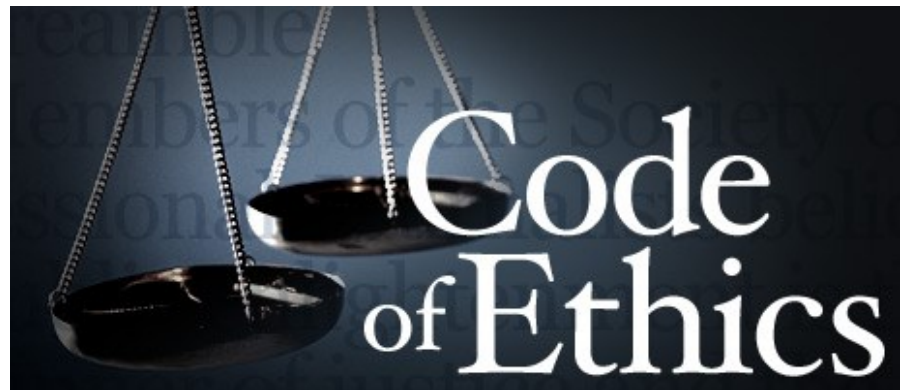
This is a chance to consider an ethics office's intrinsic value and potential for assisting an organization. As one commentator put it:

"Compliance officers and their colleagues are responsible for helping all of the people in a company understand the difference between 'right' and 'wrong,' why they should care and how it is related to what they do.

"That may sound simple in theory, but the intricacies of how it is accomplished are more complex than you may realize. From cultural, behavioral, regulatory, and legal perspectives, right and wrong are not going to be the same for [different employees in different situations].

"Now imagine doing that every day with the knowledge that if one of those thousands of people ends up doing the wrong thing, it can negatively impact every other person they work with." (Sean Freidlin, SAI Global, Aug. 29, 2017)

So, hold the Hallmarks but keep a good thought for our hardworking Ethics Office staff. We are here to help and appreciate your support.



PROJECTS & INITIATIVES

The Ethics Officer and staff remain engaged in several projects and initiatives for review, analysis, and evaluation.

- ⇒ Support for outside review of Ethics Office policies and procedures.
- ⇒ Review of Investigation Guidelines and Processes
- ⇒ Collaboration with Human Resources and Information Technology on implementing new Conflict of Interest Code
- ⇒ Form 700 training course for new filers goes "live"
- ⇒ Modifying workflow of Form 700 electronic filing systems to accommodate new filers and disclosure categories

ADVICE & ASSISTANCE

The Ethics Office provides advice, educational materials, and other assistance to any director, officer, employee, or contractor regarding application or interpretation of Metropolitan's ethics rules and policies. Absent unusual circumstances, the Office provides its advice in writing.

The Ethics Office can provide advice only prospectively, i.e., about future activities. If it becomes apparent that a request for advice or other assistance concerns events that have already occurred, it might be necessary to review the matter as a potential violation.

In July 2017, the office provided analysis and advice in the following areas:

- ◆ Conflicts of interest
- ◆ Incompatible offices
- ◆ Gifts
- ◆ Financial disclosure



<i>Matters Addressed FY 2017-18</i>	FY 16/17	Jul 2017	Aug 2017	Sep 2017	Oct 2017	Nov 2017	Dec 2017	FY 17/18
Ethics Complaints								
Abuse of Authority	9	1	1					2
Campaign Contributions	0							
Conflict of Interest	7							
Discrimination	0							
Economic Disclosure	1							
Gifts	0							
Misleading Associations	0							
Nepotism	0							
Outside Employment	5							
Outside Scope of Ethics Office	4							
Revolving Door	0							
Whistleblower Protection	4							
Total Complaints	30	1	1					2
Ethics Advice Questions								
Abuse of Authority	0							
Campaign Contributions	1							
Conflicts of Interest	39	2	2					4
Economic Disclosure	57	1						1
Gifts	21	1	3					4
Misleading Associations	0							
Nepotism	4	1						1
Outside Employment	2	1						1
Outside Scope of Ethics Office	3							
Public Inquiries	0							
Revolving Door	1							
Whistleblower Protection	0							
Total Questions	128	6	5					11
Combined Total	158	7	6					13