



Ethics Office Monthly Report

MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

November 2018

FPPC UPDATES

At the November FPPC meeting, commissioners discussed the following: 2019 gift and campaign contribution limits, proposals to amend conflict of interest regulations and electronic filing standards, and Form 700 updates.

1. Newly Adopted Annual Gift Limit:

The state's annual gift limit will increase to \$500 on January 1, 2019.

Please note that the current limit of \$470 remains in effect until December 31, 2018.

As a reminder, you can track gifts throughout the year via the FPPC's gift tracking app, available for download at:

<http://www.fppc.ca.gov/Form700/gift-tracking-app.html>

2. Newly Adopted State Campaign Contribution Limits:

The FPPC has increased contribution limits for state campaign and officeholder accounts to adjust for cost of living increases.

The new limits take effect January 1, 2019 and will remain effective until at least December 30, 2020; they are listed by state office in FPPC amended regulation 18545:

<http://www.fppc.ca.gov/content/dam/fppc/NS-Documents/LegalDiv/Regulations/NewRegs/18545-11-15-2018.pdf>

3. Proposed Amendments to Real Property Conflict of Interest Regulations:

The FPPC is moving forward with a bright-line rule for determining when an official's real property interest disqualifies them from participation in a government decision.

The FPPC aims to simplify conflict of interest rules governing real property interests to make them more predictable and clear. This proposed amendment would establish a bright-line test for determining when officials are disqualified from decisions based on real property interests that are 500 feet or more from the property that is the subject of the governmental decision.

They noted the difficulty of creating a "one size fits all" rule that is equally appropriate for small towns, special districts, and other unique entities.

The proposed amendment is subject to a notice and comment period before adoption. The Ethics Office will continue to monitor the evolving conflict of interest standards and provide updates as they become available.

4. Proposed Regulation for Electronic Form 700 Systems

The FPPC is proposing a regulation that would require a local agency's electronic filing system to meet certain data exchange requirements necessary for the free exchange of data between the local agency's and FPPC's systems. The Ethics Office has reviewed the proposed changes and concluded that our Form 700 electronic filing system complies with the requirements.

5. New Form 700 Available January 1

The FPPC recently adopted its amended Form 700 for the 2018 annual filing. The form has no major substantive changes from previous years. It will be made available to Metropolitan Board members and employees who file Form 700s once the annual filing period begins January 1, 2019.

COMPLIANCE

On November 5, held biennial AB1234 ethics training required by the state. Current participation for the compliance period is 76%; nine directors and eight employees need to complete training before the year's end. Efforts to secure 100% participation will continue.

Collaborated with HR to improve the process for identifying employees in interim assignments who need to file Form 700.

Provided substantive and technical assistance to employees and Board members filing Assuming and Leaving Office Form 700s.

Monitored the status of Assuming Office and Leaving Office filings and sent notifications to filers as necessary.

ADVISORY SERVICES

Provided advice in the areas of: potential financial conflicts of interest with a former employer, nepotism, and financial disclosure.

Held individual consultations with new Form 700 filers to help promote accurate and timely filings.

Created monthly conflicts bulletin for directors in collaboration with the General Counsel.

EDUCATION

Presented an Ethics Office overview at new employee orientation.

INVESTIGATIONS

Processed three complaints as follows:

1. Whistleblower complaint alleging that an employee falsified documents. This matter was referred to HR after initial review.
2. Whistleblower complaint alleging that an employee violated the Nepotism Policy. This matter is currently under preliminary review.
3. Staff-initiated investigation resulting from evidence obtained in a related matter indicating that an employee may have an ongoing conflict of interest and may have failed to report disclosable financial interests on Form 700.

Continued discussions with Employee Relations staff regarding collaborating on investigations and inter-office referrals.

INVESTIGATION FINDINGS

Completed a full investigation into whether an employee: (1) performed prohibited outside work for a Metropolitan consultant; (2) participated in Metropolitan decisions with a conflict of interest; or (3) failed to report disclosable outside income on Form 700.

The Interim Ethics Officer found that the evidence did not substantiate the allegations. This finding was based on documentary evidence and witness statements.