



Ethics Office Monthly Report

MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

July 2019

ANNOUNCEMENTS

Abel Salinas Assumes Ethics Officer Position – On July 15, 2019, Abel Salinas joined the Ethics Office. In his first two weeks, Salinas met with managers, employees, and union and employee association representatives. He also discussed his vision for the Ethics Office during Jeff Kightlinger’s Annual State of Metropolitan broadcast and presented at new employee orientation.

On the Horizon – Since Salinas’ arrival, the Office has begun developing new training materials, revamping the Office’s IntraMet page, and finalizing recommendations for the proposed Administrative Code changes. Training, policy, education, and outreach are immediate priorities, and the Office looks forward to collaborating with Metropolitan staff in these areas.

COMPLIANCE

Facilitated securing Form 700s from outside consultants who make decisions on behalf of Metropolitan that may impact outside entities.

Assisted Board members and employees filing Assuming Office, Leaving Office, and Annual Form 700s and consulted with the FPPC on a unique Form 700 issue.

Monitored the status of Assuming Office and Leaving Office Form 700 filings and notified filers of reporting deficiencies to increase compliance.

CHANGES TO STATE ETHICS LAWS

Monitored monthly meetings of the Fair Political Practices Commission (FPPC) for items applicable to Metropolitan officials.

This month, the FPPC adopted amendments to the state’s conflict of interest regulations. The goal of the amendments was to provide more clarity to officials when determining whether they must recuse themselves from government actions based on a personal conflict of interest.

The amendments address officials’ interests in business entities and income sources as follows:

- ***Financial Interest in a Business Entity*** – This amendment added bright line thresholds for determining when an interest in a business is considered *material* and requires recusal. It also added an exception for officials whose only interest in a business is stock valued under \$25,000. If they meet the requirements of the exception, these *small shareholders* may now be allowed to participate in some government matters involving the business.
- ***Financial Interest in an Income Source*** – This amendment, in part, established bright line standards for conflicts of interests involving income sources.

We will continue to provide updates to state ethics laws and apply the most current FPPC regulations in our advice to assist Metropolitan officials in complying with state law.

ADVICE

Handled 16 advice matters involving the areas of financial disclosure, conflicts of interest, travel payments from a government agency, and outside employment.

Collaborated with General Counsel on an advice matter involving a unique issue of state law and on the monthly conflicts advisory for directors.

EDUCATION AND TRAINING

Held individual new filer training sessions with seven new employees. Employees received personalized training on how to file Form 700, conflicts of interest, and related ethics rules.

Presented an Ethics Office overview at new employee orientation.

INVESTIGATIONS

Ethics Officer Findings – Completed an investigation into whether an employee participated in Metropolitan transactions in which the employee had a personal financial interest. The Interim Ethics Officer found that the evidence substantiated the allegation. The matter was referred to Human Resources and the California Fair Political Practices Commission.

Completed Investigations – Completed an investigation into whether an employee worked for a private entity on days in which the employee was being paid by Metropolitan. The matter was closed when

the employee resigned from Metropolitan. The Office consulted with Human Resources on overlapping areas of concern.

JULY ADVICE AND INVESTIGATION DATA

Advice Provided	16
Complaints Received	4
Investigations Opened	0
Pending Investigations	3