

City Ethics Commission

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IT'S NOT JUST THE THOUGHT THAT COUNTS

Limits on Giving Gifts to Los Angeles City Officials

To strengthen public trust in Los Angeles City government and to prevent real or perceived conflicts, the City of Los Angeles restricts gifts to City officials from those who have an interest in the outcome of a City government decision.

Under City law, gift restrictions apply both to the recipient *and* to the giver. If you are considering giving a gift to a Los Angeles City official, appointee, or employee, this brochure will help you understand how the City's gift restrictions may apply to you.

If you have any questions about whether a gift you wish to give to a City official would be permitted or restricted by law, please contact the City Ethics Commission at (213) 978-1960.

What is Considered a “Gift”?

City law defines a “gift” as anything for which consideration is not given in exchange. In other words, a gift is anything you give to a City official for which you do not receive something of equal or greater value, such as monetary payment, in return. Gifts may include tickets to sporting events, meals, or a rebate or discount in the price of anything of value unless the rebate or discount is made in the regular course of business to members of the public without regard to official status. Gifts received by City officials are subject to public disclosure requirements.

Some items you may wish to give to a City Official are not subject to restrictions. Most notably, if you are a family member of a City official or a partner in a bona fide dating relationship with an official, gifts from you to that City official are exempt from the gift limits. Please refer to page 4 for a complete list of exemptions.

How Does the Law Restrict Gift Giving?

You may never offer or give a gift to any City of Los Angeles official, appointee or employee with an intent to influence that person’s official action.

In addition, the law restricts the value of any gift you may give to a “City official” if you are engaged in an activity that can be influenced by the official actions of the City official. The value of gifts you may give depends on your identity as the gift-giver and whether the official is a “designated” or “high-level” City official.

Who are City Officials?

A “City official” is any officer, appointee, employee or consultant who is required by law to file public financial disclosure statements, called statements of economic interests (also known as "Form 700"). There are two types of City officials:

High Level City Officials are subject to the most stringent gift restrictions. These officials, who participate in making decisions that affect the City as a whole, are:

- ♦ **Any Elected Official.**
- ♦ **Mayor’s Office:** Chief of Staff; Assistant Chief of Staff; Deputy Mayor; Special Assistant for Legal Affairs, and any other staff member as designated by the Mayor.
- ♦ **City Attorney’s Office:** Executive Assistant City Attorney; Chief Assistant City Attorney; Senior Counsel, and any other staff member as designated by the City Attorney.
- ♦ **City Controller’s Office:** Chief Deputy Controller; Administrative Coordinator, and any other staff member as designated by the City Controller.
- ♦ **City Council Offices:** Two members of the staff possessing the most decision-making responsibility relative to governmental policy as designated by each Councilmember, and any other staff member as designated by the Councilmember.
- ♦ **Others:** The Director of the Office of Administrative and Research Services and each Assistant; the Chief Legislative Analyst; Assistant Chief Legislative Analyst; the Treasurer; City Clerk; City Ethics Commissioners and their Executive Officer; Planning Commissioners and the Director of Planning; and the Members of the Public Works Board.

Other Designated City Officials are all the other City officers, appointees (e.g., commissioners), employees and consultants who are not high level officials but who file statements of economic interests. If you are unsure whether an official is required to file a statement of economic interests, you should ask the official or contact the City Ethics Commission before offering any gift.

Gift-Giving Limits for Registered Lobbyists and Lobbying Firms

If you are a lobbyist registered with the City Ethics Commission, you are considered a "restricted source" to all high level officials *and* to all other designated officials of any agency you lobby. **Your limit on gifts to these officials is no more than \$25 per official during a calendar year.** Gifts from a registered "lobbying firm" are also limited to \$25 per official. This means that the total that you, or a lobbying firm, may give to a City official (such as flowers or other nominal gifts of hospitality) for which you do not receive consideration in return may not exceed \$25 in a calendar year. Remember, this limit is cumulative for the entire year. For example, if you bought a high level official a \$10 lunch in January, you could not then give her a \$20 flower arrangement in December.

Please note, City law prohibits a lobbyist or lobbying firm from 1) providing or arranging any gift of travel to a City official; and, 2) acting as an intermediary for any third party making a gift (including travel) to a City official. Further, lobbyists and lobbying firms that provide gifts to City officials may have public disclosure requirements. For information about the City's lobbying registration and public disclosure requirements, please call the City Ethics Commission at (213) 978-1960 or visit the Commission's Website at <http://ethics.lacity.org>.

Gift-Giving Limits for *Other* "Restricted Sources"

Even if you are not a registered lobbyist, you are a "restricted source" to a City official and are limited in your gift giving to that person if you do any ONE of the following:

- ◆ Do business with or seek to do business with the designated official's City agency; *or for a high level City official*, do business or seek to do business with *any* City agency. ["Doing business with the City" means having a contract with the City to provide goods, services or equipment. It does *not* mean the receipt of or payment for services such as sewer service or water and power.]
- ◆ Contract with or employ a registered lobbyist or lobbying firm that lobbies the designated official's agency; *or for a high level City official*, contract with or employ a registered lobbyist or lobbying firm that lobbies *any* City agency.
- ◆ Currently have, or in the past nine months had, a matter before the designated official that involves a license, permit, or other entitlement for use; *or for a high level City official*, currently have, or in the past nine months had, a matter pending that involves a license, permit, or other entitlement for use, before the high level official, the official's voting body, or the City Council.
- ◆ Have attempted to influence the official (*designated or high level*) during the past year in any legislative or administrative action that would have a direct material financial effect on you or your employer.

If you are a restricted source, the total value of your gift(s) to an official may not exceed \$100 in a calendar year.

Remember that this limit is cumulative, so if you give a City official two \$45 theater tickets in February (total value of \$90), you may not buy him a \$25 lunch in September.

Please note that City law prohibits a restricted source from providing or arranging any gift of travel to a City official. The City official who receives a gift from a "restricted source" has public disclosure requirements if the value of the gift or combination of gifts in a calendar year is at least \$50.

What are the Limits if I Am Not a Lobbyist or Other Restricted Source?

If you are not a lobbyist, a lobbying firm or any other kind of "restricted source" to a City official, you still may be limited by state law in how much you can give to that official if you are engaged in activities that can be influenced by the official actions of that official. These activities are described in each City official's "disclosure category" that is part of his or her agency's Conflict of Interest Code. **Pursuant to state law, the total value of your gift(s) to a City official may not exceed \$340 in a calendar year if you are engaged in an activity that is covered by the official's disclosure category.** [Note: the state may increase this limit in January 2005.] To determine whether your activities are covered, you are urged to contact the City Ethics Commission at (213) 978-1960, before offering any gift(s) to a City official valued at more than \$340.

Gifts of Travel to City Officials are Restricted

In most cases, you may not pay travel and related expenses for a City official who is traveling on official duty. Some exceptions apply, and you should contact the Office of the City Attorney at (213) 978-7100 for advice if you would like to provide such travel. Other gifts of travel offered to a City official as *personal* gifts are subject to the gift limits as described on page 3. Again, exceptions *may* apply and you should contact the Office of the City Attorney or the City Ethics Commission if you have questions. **Pursuant to City law, however, you may never offer or provide a gift of travel and related expenses if you are a lobbyist or lobbying firm registered with the City Ethics Commission or are another “restricted source”** (please see “Gift Giving Limits for *Other* “Restricted Sources” on page 3 to determine if you are a “restricted source” other than a registered lobbyist or lobbying firm).

Exceptions to the Gift Limits

Items listed below are not subject to City or state gift limitations.

- ◆ Tickets to a fundraising event for a non-profit organization that is tax exempt under IRC Section 501(c)(3), or to a political fundraising event.
- ◆ Gifts from family members (spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother or sister-in-law, nephew, niece, aunt, uncle, first cousin, or the spouse of any of these persons) or a partner in a bona fide dating relationship as long as he or she is not acting as intermediaries for restricted sources.
- ◆ Gifts to the official or the official’s immediate family member in connection with a non-recurring ceremonial event (e.g., wedding, bar mitzvah) valued at no more than \$100.
- ◆ Informational material such as books, reports, pamphlets, calendars, seminars, or informational conferences exclusively for official or office use and valued at less than \$250. (Note: travel is never “informational material.”)
- ◆ Items received from an official’s union; food and beverage from another union if the official is a member of a union.
- ◆ Personalized plaques and trophies valued at less than \$250.
- ◆ Meals and lodging offered in an individual’s home.
- ◆ Meals provided at an event at which the official speaks, participates in a seminar, or provides a similar service.
- ◆ Meals paid for by a local, state, federal, or foreign governmental agency.
- ◆ Inheritances and bequests.
- ◆ Gifts to non-elected City officials for legal expenses related to an enforcement action brought under City or state ethics laws.
- ◆ Gifts not used and returned to you the gift-giver or donated to charity or the City without being claimed as a tax deduction within 30 days of acceptance.
- ◆ Payments for travel expenses from a campaign committee; a nonprofit organization of which the City official is a member; or an organization of which the City, an agency, or the official is a member acting in an official City capacity. [Note: Such payments are not restricted by City law, but *in some cases may* be restricted by state law. Call for more information.]
- ◆ **Exception for Harbor and Airport Officials Only:** The limit on gifts from “restricted sources” as described on page 3, does not apply to “foreign gifts” made when the official is acting on behalf of his or her City agency. However, such gifts must be publicly disclosed by the official to the City Ethics Commission within 30 days after receipt.

Gifts to the City of Los Angeles

A gift (including travel payments) *may* be deemed a gift to a City agency *in some circumstances* rather than a gift to an individual City official. A gift to a City agency is not subject to the gift limits, *only* if certain requirements are satisfied: the City agency receives and controls the gift; the gift is used for official agency business; the agency - not the donor - has sole discretion to determine which specific officials will use the gift; and, the receipt of the gift is memorialized in a public record. (2 CCR Sec. 18944.2). For more information, please contact the City Ethics Commission.