

Gifts and Travel

What is a gift?

The state's Political Reform Act and the City's Governmental Ethics Ordinance regulate your receipt of certain gifts. These laws apply to all City board and commission members who file statements of economic interests (see page 4, "Who files financial disclosure statements?"). Accepting a prohibited gift may subject you to penalties and may require the City to void contracts if a conflict of interest was involved.

A gift is anything of value that you receive for which you do not provide monetary or other consideration of equal or greater value. A gift may include meals, tickets to sporting events, and rebates or discounts in the price of anything of value (unless the rebate or discount is made in the regular course of business to any member of the public without regard to official status). A City board or commission member who claims to have provided consideration (and, therefore, not received), has the burden of proving that the consideration is worth as much as or more than the gift. In some cases, a personal loan may be considered a gift.

Gift restrictions for City board and commission members (Planning, City Ethics, and Public Works Commissioners, see next page.)

You may not accept any gift intended to influence you in the performance of your official duties. In addition, City board and commission members who are required to file statements of economic interests may not accept a gift or combination of gifts during the calendar year from a single source with a total value that exceeds:

- \$420* from a source that is listed in your disclosure category (see page 4, "What is a disclosure category?").
- \$100 from a restricted source (see below).
- \$0 from a restricted source who is a registered lobbyist or lobbying firm that lobbies your City agency.

A "restricted source" is a person or entity that:

- is a lobbyist, lobbying firm, or lobbyist employer, seeking to influence your agency;
- does business or seeks to do business with your agency;
- has attempted to influence you during the past year in legislative or administrative action that would have a direct financial effect on the person or the person's employer; or
- has a matter involving a license, permit, or other entitlement for use currently before your agency or had one pending during the past nine months.

You may never solicit a gift from any of the restricted sources described above.

To assist you in determining whether or not you may accept a gift, please refer to the "Gift Acceptance Guide for City Officials" located on the last page of this handbook.

Harbor and Airport Officials Only: The limit on gifts from restricted sources does not apply to certain gifts defined as foreign gifts you receive when you are acting on behalf of your agency. You may not solicit a gift from these sources. However, such gifts must be publicly disclosed to the City Ethics Commission within 30 days after receipt. To determine whether a gift may be defined as foreign, please contact the Office of the City Attorney.

*If you are an "87200 filer" (see page 16), you may never accept a gift or a combination of gifts valued at over \$420 from anyone, unless an exception applies (see page 8).

Gifts and Travel

Gift restrictions for Planning, City Ethics, and Board of Public Works Commissioners

The City's Governmental Ethics Ordinance designates Planning Commissioners, City Ethics Commissioners, and Public Works Board Members as "high-level" officials. High-level officials may not accept a gift or combination of gifts in one calendar year from a single source with a total value that exceeds:

- \$420* from a source that is listed in your disclosure category (see page 4, "What is a disclosure category?").
- \$100 from a restricted source (see below).
- \$0 from a restricted source who is a registered lobbyist or lobbying firm that lobbies any City agency.

A "restricted source" is a person or entity that:

- is a lobbyist, lobbying firm, or lobbyist employer who lobbies any City agency;
- does or seeks to do business with any City agency;
- has attempted to influence you during the past year in a legislative or administrative action that would have financially benefited the person or the person's employer; or
- has a matter involving a license, permit or other entitlement for use currently pending before you or the City Council, or other body of which you are a voting member, or had one pending during the past nine months;

You may not accept any gift intended to influence you in the performance of your duties. Further, you may not solicit a gift from any of the restricted sources described above.

*If you are an "87200 filer" (see page 16), you may never accept a gift or a combination of gifts valued at over \$420 from anyone, unless an exception applies (see page 8).

Gifts and Travel

Exceptions to the gift limits

Items listed below are not subject to City or state gift limitations and, except where noted, need not be disclosed on your statement of economic interests.

- Gifts not used and returned or donated to charity or the City within 30 days of acceptance without being claimed as a tax deduction.
- 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 they are not acting as intermediaries for restricted sources.
- Gifts to you or an immediate family member made by an individual in connection with a non-recurring ceremonial event (e.g., wedding, bar mitzvah) valued at no more than \$100. Gifts valued at \$50 or more may be reportable.
- Informational material such as books, reports, pamphlets, calendars, seminars, or informational conferences used exclusively for performance of official duties and valued at less than \$250. Travel is never informational material.
- Items received from your union and food and beverage received from another union if you are a member of a union. These are exempt from City law, but subject to state law requirements for disclosure and limitations.
- Personalized plaques and trophies valued at less than \$250.
- Meals and lodging offered in an individual's home when the individual is present.
- Meals provided at an event at which you speak, participate in a seminar, or provide a similar service.
- Meals paid for by a local, state, federal, or foreign governmental agency. These are exempt from City law, but subject to state law requirements for disclosure and limitations.
- Inheritances and bequests. An inherited investment or interest in real property, however, may be required by state law to be disclosed.
- Gifts to non-elected City officials for legal expenses related to an enforcement action brought under City or state ethics laws. These are exempt from City law, but subject to state law requirements for disclosure and limitations.
- Tickets to a political fundraising event or to a fundraising event for a non-profit organization that is tax exempt under IRC Section 501(c)(3) were previously exempt from gift limitations. However, through recent changes in state law, these tickets now have a value and are considered to be gifts in many circumstances.

Gifts and Travel

Restrictions on gifts of travel

Generally, you may not accept reimbursement for travel and travel-related expenses from sources other than the City of Los Angeles if traveling on official duty. Some exceptions apply, and you should seek advice about how to proceed if a person or entity offers to reimburse your travel in connection with City business. It is important to get advice, because if an outside entity pays for your travel, the travel must meet state guidelines and your agency will have public disclosure requirements.

Travel that is offered to you as a gift is subject to the gift limits—even if offered to you in your personal life, outside the scope of your official duties. In some cases, you may be prohibited from accepting a gift of travel. For example, travel paid by a restricted source (see pages 6 and 7 for the definition) is prohibited.

Exceptions to the gift restrictions may apply for certain types of travel offered to you, depending on the destination and whether you are providing a service, such as making a speech, in exchange for the travel. *Note: Travel paid by your employer as part of your job and travel paid by another local, state, or foreign government agency is not restricted by City law, but may be reportable on your statement of economic interests.*

Disclosure of gifts

You must publicly disclose a gift you receive and its value if:

- the donor is a source described in your "disclosure category" (see pg. 4, "What is a disclosure category?"); and
- the total value of all gifts you received from that source during the calendar year is at least \$50.

If the exact dollar amount of a gift is unknown, you must report a good-faith estimate of the item's fair market value on your statement of economic interests. Reporting the value as "over \$50" or "value unknown" is not adequate disclosure.

To assist you in determining whether or not you may accept a gift, please refer to the "Gift Acceptance Guide for City Officials" located on the last page of this handbook.

Example

You are a member of the Department of Building and Safety Commission. In March, Jack Smith, a consultant for a firm that has applied for a contract with your agency offers you a couple of tickets to a Dodger game, each valued at \$75. Since Mr. Smith is seeking to do business with your agency, he is considered a restricted source to you. This means that your gift acceptance limit from Mr. Smith is \$100 for the calendar year. You have three options: 1) decline the gift; 2) accept one ticket and return the other; or 3) accept both tickets and pay down the \$50 difference. If you accept one or both tickets, you will be required to disclose the gift since its value is over \$50. If you pay down the difference, you must also keep a record of the transaction.