

3/18 Subcommittee Proposal Summary

Establishment

- Establishes a Los Angeles County Ethics Commission which would oversee a new Office of Ethics Compliance.
- The Commission and Office would operate as an independent department within County government, free from control by the Board of Supervisors or the County Executive.
- The Commission's and Office's purpose is to promote fairness, openness, honesty, and integrity in County government.

Commission Composition & Selection

- The Commission would have 7 members. Members exercise their independent judgment and do not represent the official appointing them.
- Members would be nominated by different officials:
 - **Elected County Executive** (but **GRTF** through 2028) – 1 member with background in public information and public meetings, community outreach and engagement, or using technology as relates to open government
 - **District Attorney Chair of the Board of Supervisors** – 1 member with public policy or public law background.
 - **Assessor** – 1 member with expertise in campaign finance, accounting, auditing, compliance with ethics laws in the public or private sector, or protection of whistleblowers.
 - **The Commission itself** – 4 members chosen through a public application process, including 1 resident of an unincorporated area. Commissioners may not communicate with elected officials about whom to appoint outside a public meeting.
 - *Notwithstanding any quorum requirements, if the Commission has fewer than 4 appointed members, it may meet for the sole purpose of nominating additional members by a majority vote of appointed members.*
- The **Board of Supervisors** votes to appoint nominees, but if it does not act within 45 days, the nominee is automatically appointed.
- Nominations and appointments shall be based on a person's relevant analytical skills, ability to be impartial, and appreciation for the County's diverse demographics, to the extent legally permissible.

Commissioner Eligibility and During- and Post-Service Restrictions

- **Eligibility.** To be eligible for appointment:

- Commissioners must be **County residents**.
- People are **not eligible** if, within 2 years of appointment, they:
 - Or their immediate family have held a County elected office
 - Were a candidate for County office.
 - Worked for a County elected official or campaign.
 - Were a County registered lobbyist.
 - Were a campaign major donor (\$10k+) or gave more than \$1,000 to a candidate for county office.
 - Were a political party officer or employee.
- **Restrictions While Serving.** Commissioners and the Ethics Compliance Officer cannot:
 - Run for any elected office *in* LA County during their tenure and for any *LA County elected office* during their tenure and for 2 years afterward.
 - Support or oppose candidates or ballot measures in County elections during their tenure.
 - Serve as a political party officer or employee during their tenure.
 - Work as County lobbyists during their tenure or for 1 year afterward.
 - Work for County elected officials or receive gifts or compensation from them during their tenure and for 1 year afterward.
 - Receive no-bid County contracts during their tenure and for 1 year afterward.

Commissioner Terms of Office

- Commissioners serve one 5-year term and cannot be reappointed after a full term.
- Initial terms are staggered to ensure continuity.
- Commissioners may serve up to 1 year in a holdover role until a replacement is appointed.

Commissioner Removal and Vacancies

- A commissioner can be removed by 5/6 ~~4/6~~ votes of the other commissioners for cause.
- Vacancies occur if a commissioner resigns, dies, moves out of the County, is convicted of a felony, or misses 3 consecutive meetings without being excused in writing.
- If a nominating official fails to nominate a replacement for a vacancy on the Commission within 120 days, the Commission may nominate someone instead.

Commission Operations

- The Commission must hold at least 6 meetings per year posted to its website and will comply with the Brown Act.
- Four members constitute a quorum and are required to take action.

- Commissioners receive \$250 per meeting and reimbursement for expenses.
- The Commission elects a President and Vice President each year.
- The Commission may adopt rules and regulations for its own procedures and to administer or implement the laws it enforces. The Board of Supervisors may veto a rule or regulation within 60 days with a two-thirds vote.

Office of Ethics Compliance

- The Commission appoints and may remove at-will the ***Ethics Compliance Officer***, who leads the Office of Ethics Compliance.
- The Ethics Compliance Officer manages the Office, implements Commission policies, and acts on behalf of the Commission between meetings.
- The Ethics Compliance Officer (ECO) hires all staff including:
 - ***Enforcement Chief*** (serves at-will of ECO)
 - ***Chief Counsel*** (serves at-will of ECO)
 - ***Other chief deputies*** and assistant chief deputies (serves at-will of ECO)
 - and other employees (civil service).
- The Office shall employ a Chief Counsel and other attorneys to provide advice and representation to the Office and Commission, in addition to using County Counsel.

Duties of the Office of Ethics Compliance and Commission:

- ***Responsibility.*** The Commission and Office of Ethics Compliance shall have responsibility for the impartial and effective administration and implementation of the provisions of the Charter, statutes and ordinances concerning campaign financing, lobbying, conflicts of interest, and governmental ethics, and other laws as provided by the Charter or County ordinance.
- ***Education and Training***
 - Provide training on campaign finance, lobbying, conflicts of interest, and ethics laws.
 - Publish a plain-language ethics manual for County officials and employees.
- ***Advice and Guidance***
 - Provide informal advice and formal written opinions on ethics laws. A requestor who follows the formal advice provided by the Commission shall not be enforced against by the Commission.
 - Help County departments develop **conflict-of-interest codes** required by state law.
- ***Public Transparency***
 - Create and maintain searchable, sortable, and downloadable public databases for campaign finance, lobbying, and ethics filings.
 - Update data in real time or as close as possible.

- **Filing and Disclosure Administration**
 - By **January 1, 2028**, become the filing officer for:
 - County lobbying reports.
 - Form 700 (Statements of Economic Interests).
 - Forms 801, 802, and 803 relating to payments, tickets, and behested payments, to the extent permitted by state law.
 - The commission may create and require the use of electronic forms to administer or enforce the laws under its jurisdiction under penalty of perjury.
- **Enforcement**
 - Monitor and enforce laws in coordination with other agencies related to campaign financing, lobbying, conflicts of interest, and governmental ethics, including:
 - Chapters 2.160, 2.175, 2.180, 2.190, and 2.195 of Division 4 of Title 2 of the Los Angeles County Code;
 - Section 2.165.040 and 2.165.060 of Chapter 2.165 of Division 4 of Title 2 of the Los Angeles County Code;
 - Section 2.37.060 of Division 3 of Title 2 of the Los Angeles County Code;
 - Sections 5.02.060 of Chapter. 5.02 of Title 5 of the Los Angeles County Code;
 - Sections 5.44.020 and 5.44.170 of Chapter 5.44 of Title 5 of the Los Angeles County Code;
 - other laws as provided by the Charter or County ordinance; and
 - in the Commission’s discretion, Chapter 7 (Conflicts of Interest) of Title 9 of the California Government Code, Article 4 (Prohibitions Applicable to Specified Officers) of Chapter 1 of Division 4 of Title 1 of the California Government Code, and Sections 8314 (Misuse of Public Resources), 84308 (Levine Act), and 89503 (Gifts) of the California Government Code, as these provisions relate to Los Angeles County.
- **Policy Development**
 - Propose a two-year “cooling-off” rule restricting former officials from lobbying the County after leaving office by July 31, 2027.
 - Propose a County Ethics Code ordinance by December 31, 2027.
 - Regularly review County ethics laws and recommend updates. Commission proposals shall be agendaized for consideration by the full Board within 180 days.
 - Starting in 2030, the Commission may place ethics-related ordinances directly on the ballot once per decade by a vote of 5/7 commissioners.
- **Public Reporting.** Publish an annual report summarizing complaints, investigations, enforcement actions, and penalties.

- **Acceptance of Funds.** The Commission may accept grants and gifts for its work. The Commission will adopt guidelines for application and acceptance of grants.

Investigation, Enforcement, and Penalties

- **Investigations and Audits.** The Commission and Office may:
 - Investigate complaints involving County officials, employees, candidates, lobbyists, contractors, and others.
 - Audit filings and disclosures.
 - Issue subpoenas to obtain records and testimony.
 - Administer oaths and affirmations.
- **Administrative Hearings.** The Commission and Office may:
 - Hold public evidentiary hearings to determine whether violations occurred. The Commission may hold a hearing as a whole body, or delegate holding an evidentiary hearing to one or more members or to an outside hearing officer.
 - Reach a final enforcement decision by a vote of 4 commissioners.
 - Commissioners shall abide by the prohibition on ex parte communications in enforcement matters.
 - Enforcement actions may be appealed within 90 days.
- **Penalties and Remedies.** If a violation is found in an administrative hearing, the Commission may order a person to:
 - Stop the violation.
 - File required reports or disclosures.
 - Pay monetary penalties of up to \$15,000 per violation, adjusted for inflation, or 3x the amount of an unlawful contribution or undisclosed amount.
 - Fines or penalties are appealable to the Superior Court.
- **Civil Enforcement Option.** The Office or Commission may bring a civil enforcement action to enforce its laws in lieu of an administrative enforcement action.
- **Alternative Enforcement Options.**
 - The Commission shall create a diversion program allowing education instead of fines for minor violations.
 - Cases may also be referred to other agencies.
- **Complaint Procedures & Penalty Guidelines.** The Commission shall adopt Complaint Procedures for the administrative process of the Commission and Penalty Guidelines to set standards for imposition of penalties.
- **Represented Employees.** Represented employees may have a union representative during investigation interviews.
- **Confidentiality.** Records and information obtained by the Commission during the preliminary review and investigation of a complaint shall be confidential to the

extent permitted by law, but may be shared with other agencies without waiving confidentiality.

- **Protection Against Retaliation.** No officer or employee can be retaliated against for reporting a potential violation of ethics laws to the Commission.
- **Duty to Assist.** Officers and employees have a duty to cooperate with Commission investigations.
- **Other Enforcement.** Ethics Commission enforcement does not preclude enforcement by other county entities (e.g. DA for criminal prosecution).
 - For county laws enforced by the Commission, existing county administrative enforcement provisions shall continue to exist until the Ethics Commission certifies it can conduct administrative enforcement. Thereafter, administrative enforcement for such laws shall only be performed by the Commission.

Funding and Budget Protections

- The Board of Supervisors must provide funding and staffing.
- A minimum annual budget of ___ will be set starting in FY2027-28.
- The Commission's budget will adjust by the greater of the percent increase in inflation or average salaries for Californians unless the Board declares exigent circumstances by 4/5 (later 7/9) vote.
- The Commission:
 - Does not need prior approval for expenditures within its budget.
 - Is exempt from hiring freezes if it remains within its budget.