

LOS ANGELES COUNTY
METROPOLITAN TRANSPORTATION AUTHORITY
ADMINISTRATIVE CODE

Title 5

Ethics

Chapter 5-05

General Provisions and Definitions

5-05-010 Codes of Conduct. This title sets forth the codes of conduct for MTA officers and employees and for those doing business with the MTA. The Ethics Officer is authorized to prepare and publish informational materials describing the requirements of this title in a readily understandable format and to make copies of such informational materials available to all affected and interested persons.

5-05-020 Waiver. Any provision of this title not mandated by statute may be waived by the Board of Directors if it finds, based upon the facts applicable in a particular instance, that such a waiver is in the best interest of the MTA.

5-05-030 Definitions. The terms used in this title shall be construed as defined in this chapter.

5-05-040 Activity Expense. "Activity Expense" means any expense incurred or payment made by a lobbyist, lobbying firm, or lobbyist employer, or arranged by a lobbyist, lobbying firm, or lobbyist employer, that benefits in whole or in part any MTA official, or a member of the immediate family of an MTA official. Activity expenses include, but are not limited to, contributions made to office holder accounts and to committees controlled by an MTA official and gifts.

5-05-050 Administrative Testimony. “Administrative testimony” means influencing or attempting to influence MTA action undertaken by any person or entity who does not seek to enter into a contract or other arrangement with the MTA by acting as counsel in, appearing as a witness in, or providing written submissions, including answers to inquiries, which become a part of the record of any proceeding of the MTA that is conducted as an open public hearing for which public notice is given.

5-05-060 Board Member. “Board Member” means a member of the MTA Board of Directors.

5-05-070 Campaign Contribution and Contribution. “Campaign contribution” and “contribution” have the same meaning as the term “contribution” as defined in Government Code Section 82015.

5-05-080 Consultant. “Consultant” has the same meaning as set forth in Title 2 California Code of Regulations, Section 18701(a)(2).

5-05-090 Contractor. “Contractor” means any construction company, engineering firm, consultant, legal firm, or any company, supplier, or business entity who is presently engaging in any business with the MTA or any owner or employee of such entities and all entities who have submitted a bid or proposal for an MTA contract. "Contractor" shall also include any consultant and any subcontractor to a contractor.

5-05-100 Designated MTA Employee. “Designated MTA Employee means an MTA official whose position with the MTA entails the making or the participation in the making of decisions which could foreseeably have a material effect on a financial interest of that official. Such persons are designated in the MTA’s Conflict of Interest Code.

5-05-110 Financial Interest. “Financial interest” on the part of a Board Member which would preclude participation in an MTA decision means any interest which would constitute a financial interest under subdivision (c) Public Utilities Code Section 130700. “Financial interest” on the part of an MTA employee which would preclude participation in an MTA decision means any interest which would constitute a financial interest under Government Code Section 87103 and any regulations of the California Fair Political Practices Commission interpreting that section.

5-05-120 Gift. “Gift” has the same meaning as set forth in Government Code Section 82028 and any regulations of the California Fair Political Practices Commission interpreting that section.

5-05-130 Lobbying and Lobbyist Services. “Lobbying” and “lobbyist services” mean any action by a lobbyist or lobbying firm to influence or attempt to influence MTA action through direct or indirect communication, other than administrative testimony, with an MTA official.

5-05-140 Lobbying Firm. “Lobbying firm” means any business entity, including an individual lobbyist, that meets either of the following criteria:

A. The business entity receives or becomes entitled to receive any compensation, other than reimbursement for reasonable travel expenses, for the purpose of influencing MTA action on behalf of any other person, and any partner, owner, officer, or employee of the business entity is a lobbyist; or

B. The business entity receives or becomes entitled to receive any compensation, other than reimbursement for reasonable travel expenses, to communicate directly with any MTA official for the purpose of influencing MTA action on behalf of

any other person, if a substantial or regular portion of the activities for which the business entity receives compensation is for the purpose of influencing MTA action.

5-05-150 Lobbyist. “Lobbyist” means any individual who receives any economic consideration, other than reimbursement for reasonable travel expenses, for lobbying, including consultants and officers or employees of any business entity seeking to enter into a contract with the MTA.

5-05-160 Lobbyist Employer. “Lobbyist employer” means any person, other than a lobbying firm, who does either of the following:

- A. Employs one or more lobbyists for the purpose of influencing MTA action; or
- B. Contracts for the services of a lobbyist or lobbying firm for economic consideration for the purpose of influencing MTA action.

5-05-170 MTA Action. “MTA action” means the drafting, introduction, consideration, modification, enactment, or defeat of an ordinance, resolution, contract, or report by the governing board of an organizational unit of the MTA, or by an MTA official, including any action taken, or required to be taken, by a vote of the Board of Directors, or by the members of the governing board of an organizational unit of the MTA, except those actions relating to Article 10 of Chapter 5 of Part 3 of Division 10 (commencing with Section 30750) of the Public Utilities Code.

5-05-180 MTA Employee. “MTA employee” means any individual, including a consultant who receives compensation from the MTA for full or part-time employment. The term MTA employee includes a "designated MTA employee".

5-05-190 MTA Official. “MTA official” means any Board Member or member of an organizational unit of the MTA, or MTA employee.

5-05-200 Official Responsibility. “Official responsibility” means the direct administrative or operating duties for the MTA, whether intermediate or final, and whether exercisable alone or with others, and either personally or through subordinates, to approve, disapprove, or otherwise direct MTA action.

5-05-210 Person. “Person” has the same meaning as set forth in Government Code Section 82047.

5-05-220 Public Official. “Public official” has the same meaning as set forth in Government Code Section 82048.

5-05-230 Signed. “Signed” means executed or adopted, with the present intention to authenticate and affirm, using either:

- A. A handwritten signature; or
- B. An electronic sound, symbol, or process unique to the filer and assigned by the Ethics Officer, which is attached to or logically associated with the filing of a report or statement using the MTA’s electronic filing system.

5-05-240 Significant Other. “Significant other” means an individual with whom an MTA official participates in a dating relationship.

Chapter 5-10

Board Member Code of Conduct

5-10-010 Incorporation of Statutory Provisions. The provisions of Chapter 6, entitled *Code of Conduct for the Board of the Los Angeles County Metropolitan Transportation Authority*, of Division 12 of the Public Utilities Code (commencing with Section 130600), and Public Utilities Code Section 130051.20, along with such other provisions as are included in this chapter, shall constitute the code of conduct for members of the Board of Directors. Any other code of conduct for Board Members which is in existence on the effective date of this chapter is repealed.

5-10-020 Enforcement and Sanctions.

A. An alleged violation of this chapter by any member of the Board of Directors or by a member or his or her staff shall be referred to the Inspector General for investigation. Upon completion of the investigation, and if the matter has been determined not to be criminal in nature and can be disclosed, the Inspector General shall report the findings to the Board of Directors. If the matter is determined to be criminal in nature, the Inspector General shall refer the matter to the appropriate enforcement authorities for prosecution.

B. For any matter reported to the Board of Directors under paragraph A., the Board shall determine the appropriate sanction, if any, to be imposed. The sanction imposed should depend upon the severity of the violation and may be progressive unless the violation is determined to be so egregious as to warrant more severe action as an initial sanction.

C. The Board of Directors may consult with the Inspector General, the Ethics Officer and/or the General Counsel for an opinion regarding the sanctions appropriate for any violation. The sanctions imposed may include any of the following:

1. Public or private censure by the Board of Directors;
2. Disqualification from participation in any discussion or vote on the matter related to the violation;
3. Removal of the Board member from one or more Board committees for a specified period of time;
4. Permanent removal of the Board member from one or more Board committees;
5. Suspension from all Board of Director actions for a period of time;
6. A monetary fine in an amount determined by the Board of Directors, including but not limited to, forfeiture of the stipend for participation as a member of the Board of Directors; and
7. Any other sanction determined by the Board of Directors to be appropriate and reasonable based upon the nature of the violation.

D. In an instance where a violation of this chapter has been committed by a person who is staff to a member of the Board of Directors, in addition to any sanction imposed on the staff member, a sanction may be imposed on the member of the Board of Directors to whom that staff member reported if the Board of Directors determines that the member of the Board of Directors knew or reasonably should have known of the conduct of the staff member which violated this chapter.

E. If a violation of this chapter results in a criminal prosecution or the imposition of civil liability, the Board of Directors may recommend additional sanctions after the criminal or civil proceedings are completed.

Chapter 5-15

Employee Code of Conduct

5-15-010 MTA Values. The MTA is a public agency that shall conduct its business with integrity in an honest and ethical manner. MTA employees shall comply with the letter and spirit of this chapter and the law. Strict compliance with the chapter is not necessarily sufficient, and any attempts to evade or circumvent any requirements of this chapter or of any rules or laws applicable to the MTA and its employees is improper.

5-15-020 Questions and Advice. The MTA has an Ethics Officer to oversee ethics issues that arise in the workplace. The functions of the Ethics Officer are described in chapter 2-25 and include creating ethics policies and codes of conduct, administration of lobbyist and statement of economic interest disclosure programs, training MTA employees and contractors on these policies and programs, conducting hearings on rejections of certain bids or proposals, and providing advice relating to ethics questions that arise at the MTA. Questions concerning these or other ethics related matters should be directed to the Ethics Officer. Questions about other legal matters should be directed to the General Counsel.

5-15-030 Business Conduct. MTA Employees shall conduct the MTA's business in compliance with the law, this chapter, MTA policies, and good judgment based on the MTA's values and goals. MTA employees shall avoid speech or behavior that is likely to create an appearance of impropriety.

5-15-040 Professionalism. It is up to each MTA employee to maintain a professional, safe, and productive work environment. MTA employees shall treat each other with courtesy and professionally at all times. Differences of opinion on work issues should be expressed in a constructive manner that promotes sharing of ideas and effective teamwork to resolve problems to meet the challenges of the MTA.

5-15-050 Nondiscrimination. No person shall be discriminated against in employment because of race, color, creed, religion, sex, ancestry, age, national origin, marital status, sexual orientation, veteran status, physical or mental disability or any other status protected by applicable federal or state statutes, except where a bonafide occupational qualification applies. Derogatory comments, which relate to race, ethnicity, religion, national origin or sexual orientation or other comments of a sexual nature, are not appropriate in a professional environment and are prohibited in the MTA workplace.

5-15-060 Sexual Harassment. No person employed by or associated with the MTA shall engage in sexual harassment in conducting MTA business. Sexual harassment includes any sexual advances or requests for sexual favors which are unwelcome or where submission to or rejection of such conduct is used as the basis for employment decisions. Sexual harassment also includes verbal, visual or physical conduct of a sexual nature, which creates an intimidating, hostile or offensive working environment.

5-15-070 Relationships With Contractors. MTA business shall be conducted in a manner above reproach, with impartiality, and with preferential treatment for none. Particularly in relationships with contractors and potential contractors, MTA employees must avoid any actual or appearance of conflict of interest or impropriety.

5-15-080 Contacts with Bidders or Proposers.

A. Beginning at the time a procurement is issued and ending at the time when the contract award recommendation is made public, all MTA employees involved in the procurement shall not disclose any information to anyone other than MTA officials entitled to receive such information unless the disclosure is considered public information and is made equally available to all participants in the procurement process. All contacts with bidders or proposers to that procurement including their lobbyists, agents and representatives, shall be reported as set forth in paragraph C.

B. MTA employees involved in the procurement, as referred to in paragraph A, include, but are not limited to, the contract administrator, the project manager, the in house-evaluator(s) of a proposal, the staff responsible for determining and writing the specifications of a procurement, the staff responsible for drafting and creating the solicitation documents, the staff involved in determining and drafting the contract award recommendation, the clerical staff who prepared (including word-processing) any documents relating to the procurement, and all staff in the chain of approval, up to the Chief Executive Officer.

C. The report required by paragraph A. shall include all contacts with bidders or proposers, and their lobbyists, agents and representatives. The contacts shall include, but not be limited to, meals, meetings, conferences, sporting events, and cultural events. This report shall not include contacts made as part of the procurement process, including, but not limited to, pre-bid or pre-proposal meetings, exchange of information which is given to all proposers, interviews and protest applications. MTA employees engaging in such contacts shall file a Disclosure of Contacts Form with the administrative head of

procurement for the MTA within five (5) days of the contact(s), but in no event later than the date the item is to be considered by Board of Directors or the appropriate Board committee, whichever is sooner.

5-15-090 Contractor's Personnel. Each contractor retained by the MTA is fully responsible for the quality and performance of its staff and retains full responsibility for the selection of its personnel. MTA officials shall not direct or recommend personnel that the contractor should hire, even if the contractor requests a recommendation.

However, the MTA retains the right in its absolute discretion to require the removal of any personnel of a contractor or subcontractor assigned at any level to perform services on an MTA contract if the MTA determines, in its sole discretion, that the personnel to be removed are not able to adequately or appropriately perform the services required for the particular contract. Any direction by the MTA to a contractor that specified personnel be removed from work on an MTA contract shall be made in writing.

5-15-100 Professional Associations. Memberships in professional associations and organizations by MTA employees are encouraged as such memberships can contribute to their professional development and enhance expertise. These relationships, however, can give other association members more access to MTA employees than non-members and create the appearance of bias or favoritism in their dealings with the MTA. MTA employees must always ensure that their dealings with other members of such organizations are consistent with the provisions of this title and do not result in preferential treatment or even the appearance of preferential treatment.

5-15-110 Use of MTA Assets.

A. MTA employees shall not use any MTA assets for personal gain or for any purpose other than MTA business. MTA assets include, but are not limited to, time, facilities, equipment, stationery, records, mailing lists, supplies, badges, vehicles, prestige or influence.

B. MTA telephones, computers, e-mail and internet access are provided for the purpose of conducting MTA business. Subject to the restrictions in this section and if permitted by the employee's supervisor, some occasional and limited personal use is allowed so long as it does not interfere with the performance of the employees' MTA duties and does not result in any additional expense to the MTA. However, MTA telephones, computers, e-mail or internet access shall not be used for e-mail chain letters, for religious or political advocacy, for excessive personal communications, for personal financial gain, to seek outside employment, for any purpose that could reasonably be viewed as abusive, harassing, hostile or intimidating to MTA customers or employees, to access entertainment or sexually explicit sites, or for any use otherwise prohibited by law. Employees shall reimburse the MTA for all personal toll calls. The MTA reserves the right to monitor and review all records of usage by MTA employees of any MTA assets. No use of MTA telephones, computers, e-mail or internet access, or use of any other MTA asset, shall be private to the employee, and no MTA employee shall be given any basis for an expectation of privacy in any such use.

5-15-120 Confidential Information. MTA employees shall maintain the confidentiality of any confidential information relating to contracts, construction, procurement, litigation strategy, personnel files, MTA employee medical information, or

other proprietary information to which they have access through their employment with the MTA. Such confidentiality shall be maintained during and after employment with the MTA. MTA employees shall not use confidential information for any purpose other than in the performance of their job for the benefit of the MTA. Confidential information shall only be disclosed to authorized persons.

5-15-130 Gifts.

A. This section exists to assure the public that public employees are not influenced to show favoritism to a contractor based on receiving gifts or for being rewarded for doing his or her job in a way that will or did benefit the giver of the gift.

B. No MTA employees shall accept gifts exceeding fifty dollars (\$50) in value in a calendar year or exceeding ten dollars (\$10) in value in a calendar month from a single source that is an MTA contractor, subcontractor, lobbyist, lobbying firm, lobbyist employer or anyone else doing business with the MTA. No MTA employee shall accept any gift from a bidder or proposer on an MTA contract.

C. Designated MTA employees may accept gifts totaling less than \$340, or such amount allowed pursuant to Government Code Sections 89502 and 89503 as adjusted biennially, in a calendar year from a single source other than one identified in paragraph B., above. Designated employees must report such gifts totaling fifty dollars (\$50) or more from a single source, or a single gift of fifty dollars (\$50) or more from multiple sources, in a calendar year on their annual Statements of Economic Interests according to state law.

D. Any MTA employee who receives a gift in excess of the limitations in this section, must either return the gift or donate it to a charity within thirty (30) days after

receipt. MTA employees may also bring any gifts to the Ethics Officer for distribution to a charity. MTA employees should keep a log of all gifts received and the value, source, and disposition of the gifts.

5-15-140 Honoraria. No designated MTA employee may accept an honoraria. An honoraria is a payment received for making a speech, publishing an article, or attending any public or private conference, convention, meeting, social event, meal or similar gathering. Honoraria payments are prohibited because they can be, or can appear to be, a disguised way of providing personal benefits to public employees as an inducement to influence their conduct. Questions about whether a particular payment is prohibited honoraria should be directed to the Ethics Officer.

5-15-150 Travel Payments. Payment or reimbursement for travel and lodging may be considered a gift for purposes of the gift limits unless it is paid by MTA for business travel. Travel payments donated by other persons, even if permitted, may have to be reported by a designated MTA employee on his or her annual Statement of Economic Interests and may require the MTA employee to be disqualified from MTA issues concerning the donor of the travel. Questions about donated travel expenses should be directed to the Ethics Officer.

5-15-160 Conflicts of Interest.

A. A conflict of interest, or at least an appearance of impropriety, exists when the interests, investments, outside employment or personal enterprises of the employee or a member of his or her immediate family could compromise the employee's duty of loyalty, or otherwise conflict with, or appear to conflict with his or her job performance, objectivity, impartiality, or ability to make fair business decisions in the best interest of

the MTA. A conflict of interest may arise in any situation in which an MTA employee is in a position where he or she could use his or her contacts or position in the agency to advance the private business or financial interests of the employee or his or her immediate family, whether or not at the expense of the MTA. An MTA employee may also have a conflict of interest if called upon to make a decision concerning a former employer of that employee or of a member of his or her immediate family.

B. An MTA employee has a conflict of interest and shall not participate in the making of any decision or contract in which the MTA employee has a financial interest. Any MTA employee with such a conflict of interest must disqualify himself or herself from making, participating in the making, or in any way attempting to use his or her official position to influence the MTA decision in which he or she knows, or has reason to know, that he or she has a financial interest. An MTA employee should also disqualify himself or herself from participating in an MTA decision where the MTA employee does not have a disqualifying financial interest, but where the making of the decision will have some other significant effect on the employee, a member of his or her immediate family or another person with whom the MTA employee has a close personal relationship.

C. Any MTA employee who may have a conflict of interest as described in paragraph B. relative to a prospective contractor, subcontractor, bidder or contract, or any other MTA decision or issue, at the earliest possible time, must advise his or her supervisor of the possible conflict of interest.

D. An MTA employee may not buy anything from or sell anything to the MTA in connection with a contract the MTA employee worked on in his or her official capacity.

E. Pursuant to Public Utilities Code Section 130051.20, no MTA employee shall make, participate in or use his or her official position to influence a contract decision if the employee has received a political contribution exceeding ten dollars (\$10) in the previous four years from an entity seeking to contract with the MTA or from an agent of that entity.

F. Upon request, the Ethics Officer or the General Counsel shall advise an MTA employee and his or her supervisor regarding whether it is appropriate for the MTA employee to participate in a decision involving a possible conflict of interest.

5-15-170 Statement of Economic Interest. Each designated MTA employee shall file with the Ethics Officer an original complete and accurate statement of economic interest disclosure form (“Form 700”) disclosing the personal financial information required by law, promptly after assuming office, annually on or before April 1 (or the first business day following April 1 if it falls on a weekend day) of each year of employment, a leaving office statement within thirty (30) days after leaving the MTA, and as otherwise provided pursuant to the MTA conflict of interest code and applicable state law. The Ethics Officer shall maintain a supply of blank Form 700s and make them available to MTA employees. Completed forms will be public documents retained by the Ethics Officer and disclosed as required by the California Public Records Act. Failure to timely file a Form 700 may result in fines by the MTA filing officer required pursuant to

state law, prosecution by the Fair Political Practices Commission, and other sanctions set by law or set forth in this chapter.

5-15-180 Incompatible Activities. No MTA employee shall engage in any outside activity that is inconsistent, incompatible, or that interferes with his or her ability to efficiently and effectively carry out his or her MTA duties. Incompatible activities include, but are not limited to, any of the following:

A. Accepting money or other benefit from an outside employer for work that the employee would be required or expected to do as part of his or her MTA employment;

B. Performing work for an outside employer which may later be subject directly or indirectly to the control, inspection, review, audit, or enforcement by another MTA employee;

C. Accepting money or other benefit from someone doing business or seeking to do business with the MTA, that could reasonably be interpreted as having been intended to influence the MTA employee in his or her job at the MTA or intended as a reward for past performance in his or her job;

D. Any situation that might involve a conflict of loyalties for the MTA employee between the MTA and any other person or entity;

E. Using MTA assets including time, facilities, equipment, vehicles, employee lists, stationery, records, mailing lists, supplies, badge, uniform, prestige or influence for personal gain or non-MTA related activities;

F. Time demands from outside activities that would interfere with the ability of the MTA employee to devote his or her full work time, attention, and efforts to his or her MTA duties;

G. Lobbying the MTA on behalf of any other person or entity; and

H. Outside employment for which employment with the MTA is a prerequisite.

5-15-190 Outside Employment. An MTA employee shall not engage in any other employment without the written permission of his or her MTA supervisor. Such permission must be obtained prior to the MTA employee commencing any outside employment. If the MTA employee is reassigned to a new supervisor that employee must promptly obtain permission from his or her new supervisor. No approval to engage in outside employment shall be granted for any outside employment or activity that would violate any provision of this chapter. Questions about whether an outside activity or employment will violate this chapter should be directed to the Ethics Officer.

5-15-200 Contracts with MTA Employees. The MTA shall not contract with an MTA employee, or with any business in which an MTA employee serves as an officer, principal, partner, major shareholder, or as a key employee or consultant relative to any contract with the MTA.

5-15-210 Restrictions Upon Leaving the MTA. In order to prevent the appearance of impropriety, an unfair competitive advantage to companies hiring former MTA employees, and the potential compromise of the loyalty of MTA employees who may be desirous of future employment with an MTA contractor, all MTA employees are subject to the post-employment restrictions set forth in this section.

A. No person may register as a lobbyist or lobby the MTA for one (1) year after leaving MTA employment.

B. The MTA shall not contract with a former MTA employee for one (1) year after he or she leaves MTA employment if that former employee held a position of substantial responsibility in the area of service to be performed by the contract or participated in any way in developing the contract or its specifications.

C. The MTA shall not contract with a business where a person who left MTA employment within the preceding one (1) year serves as an officer, principal, partner or major shareholder, or has been identified as a key personnel, if the former MTA employee held a position of substantial responsibility in the area of service to be performed by the contract or participated in any way in developing the contract or its specifications.

D. The MTA shall not contract with a business which has a subcontractor which employs a person who left employment with the MTA in the preceding one (1) year and where the former MTA employee serves as an officer, principal, partner, major shareholder, or has been identified as key personnel, if the former MTA employee held a position of substantial responsibility in the area of service to be performed by the contract or participated in any way in developing the contract or its specifications.

E. Pursuant to Public Utilities Code Section 130051.20, any former MTA employee who participated as a decision maker in the preparation, evaluation, award, or implementation of a contract, shall not within three (3) years of leaving the MTA, accept employment with any company that was awarded a contract as a result of the MTA employee's participation, evaluation, award or implementation of that contract.

F. Former MTA employees shall not at any time disclose to unauthorized persons or use for personal gain or other non-MTA related purposes any MTA confidential information.

5-15-220 Participation in Political or Charitable Activities. MTA employees may not engage in political or charitable activities during official duty hours or while on MTA premises. MTA employees may pursue such interests when off duty. MTA Employees shall not solicit political or charitable contributions from other MTA employees while on duty and at no time shall attempt to coerce such contributions. MTA employees shall not solicit political or charitable contributions from MTA contractors at any time. However, an MTA employee may communicate through the mail, or by other means, requests for political funds or charitable contributions from a significant segment of the public which may include MTA officers, employees or contractors, so long as it is clear that MTA officers, employees and contractors were not targeted for the solicitation. MTA employees shall not use employee lists, MTA mailing lists, vendor lists and lobbyist lists to solicit political or charitable contributions.

5-15-230 MTA Employees Holding Elective Office. An MTA employee who holds elective office shall not be involved in MTA projects within the geographic jurisdiction of his or her elective office. At the time of his or her election to any office subject to this section, the MTA employee shall disclose this information to his or her supervisor and shall disqualify himself or herself from participating in any MTA project within the jurisdiction of the elective office.

5-15-240 The Hatch Act. An MTA employee considering running for a partisan elective office must become familiar with the Hatch Act (Title 5, Chapter 15, U.S.C.

Sections 1501 *et seq.*) and comply with its requirements. The Hatch Act governs the partisan political activities of employees of state or local agencies whose principal employment is in connection with an activity that is financed in whole or in part by loans or grants made by a federal agency.

5-15-250 Receipt of Political Contributions. Pursuant to Public Utilities Code Section 130051.20, no MTA employee or member of his or her immediate family shall accept, solicit, or direct a political contribution of over ten dollars (\$10) from any company, consultant, or firm seeking a contract with the MTA or that has contracted with the MTA in the preceding four (4) years.

5-15-260 Procurement Restrictions. While informational and market research contacts between MTA employees and prospective contractors can be a valuable source of data to the MTA, such contacts can sometimes provide an unfair advantage in a future procurement to the persons contacted as part of the market research. All parties must exercise sound judgment and caution to ensure that there is no preferential treatment of any prospective contractor and to avoid even the appearance of such preferential treatment. Requests for complimentary services or products or for free travel for specified individuals to view products are not permitted. Prospective contractors should not be requested to provide such things as testing services, custom drawings, special investigations, major demonstrations, or the furnishing of significant samples unless such requests are required of all prospective contractors as a part of a procurement.

5-15-270 Contacts with Board Members or their Staff During Procurement. Beginning when a procurement is issued and ending when the contract award recommendation is made public, MTA employees shall not communicate with Board

Members or their staff regarding the procurement. If a Board Member or a member of his or her staff attempts to communicate with an MTA employee to influence the recommended award, this communication shall be reported to the Inspector General.

5-15-280 Compliance and Enforcement. All MTA employees have a responsibility to conduct the MTA's business in compliance with this chapter. The Inspector General shall investigate violations of this chapter and report his or her findings to the Board and to the Chief Executive Officer who shall take such action as is appropriate under the circumstances. Any violation of a provision of this chapter which is based upon a state or federal law may also be enforced by any appropriate enforcement agency.

5-15-290 Duty to Report. Each MTA employee is obligated to report to his or her supervisor, the Inspector General or the Ethics Officer any facts made known to the employee which show that an MTA contractor or MTA employee has engaged in business practices regarding an MTA matter which appear to be unethical, or which may violate this chapter or any applicable state or federal law.

5-15-300 Whistleblower Protection. The MTA is committed to fair treatment of all its employees and recognizes its responsibility under state and federal law to protect from punishment and harassment any person who reports a potential ethics issue, whether or not the allegation is found to have merit. The MTA shall not take any action or threaten any action against any MTA employee as a reprisal for making a report under section 5-15-290, unless the report was made or the information was disclosed with the knowledge that it was false or with willful disregard for its truth or falsity.

5-15-310 Sanctions For Violating This Chapter. A violation of this chapter by an MTA employee may result in the imposition of discipline, up to and including dismissal. The appropriate discipline will be determined by the employee's supervisor in consultation with the executive officer of the organizational unit in which the employee works and the Human Resources Department. The discipline imposed will depend upon the severity of the violation and may be progressive unless the violation is determined to be so serious as to warrant more severe action initially. The imposition of discipline by the MTA for a violation of this chapter, where such violation is also a violation of a state or federal law, shall not affect the ability of any appropriate prosecutorial agency to seek the imposition of any penalty allowed by law for such a violation.

5-15-320 No Employment Contract. This chapter sets forth rules of conduct for MTA employees. However, nothing in this administrative code shall be construed as establishing an employment contract between the MTA and any of its employees.

Chapter 5-20

Contractor Code of Conduct

5-20-010 Application of the Contractor Code of Conduct. This chapter shall govern the conduct of all Contractors of the MTA. These standards supersede all prior written ethics policies adopted by the MTA which are in conflict with these standards. These standards are to be read in conjunction with applicable provisions of the MTA Procurement Manual and other applicable MTA ordinances, policies and procedures. All Contractors shall ensure that their subcontractors comply with this chapter.

5-20-020 Purpose.

A. The purposes of this chapter are to protect the integrity of the procurement process, and to provide a comprehensive statement of pertinent regulations and obligations governing the conduct of contractors doing business with the MTA so they will be able to compete fairly and perform their work and services in an ethical manner.

B. This document does not purport to respond to all ethical issues which may arise in the course of doing business with the MTA. Each person and entity doing business with the MTA is expected at all times to conduct himself or herself in the manner of an ethical, reasonable person.

5-20-030 Interpretation. The Ethics Officer is charged with educating and advising regarding ethical issues. All persons subject to this chapter are authorized to contact the Ethics Officer for an interpretation of this chapter.

5-20-040 Enforcement. The provisions of this chapter may be enforced by the Inspector General and other appropriate enforcement authorities. Violations of law or of this chapter by a contractor should be reported to the Inspector General.

5-20-050 Contract Performance. All contractors doing or seeking to do business with the MTA should refrain from conduct which they know or reasonably should know is likely to create in the minds of an objective observer the perception that they are using or performing their contract with the MTA in an improper manner. Improper conduct in the performance of a contract which will constitute a violation of this chapter includes, but is not limited to, the following:

- A. The making of false or misleading representations regarding any aspect of the performance of the contract;
- B. An intentional breach of any contract term;
- C. Intentional or grossly negligent use of inferior products; and
- D. Misuse of MTA information or access to MTA personnel.

5-20-060 Contacts by Staff Prior to the Issuance of a Solicitation. While informational and market research contacts by MTA employees with prospective contractors can be a valuable source of data to the MTA, such contacts can sometimes provide an unfair advantage in a future procurement to persons contacted as part of the market research. All parties must exercise sound judgment and caution to ensure that there is no preferential treatment of any prospective contractor and to avoid even the appearance of such preferential treatment.

5-20-070 Lobbying. The MTA shall not award a contract to any person or entity who is in violation of chapter 5-25.

5-20-080 Prohibition Regarding Gifts and Contributions. No bidder or proposer or any of their consultants or proposed subcontractors shall offer, give, or promise to offer or give, directly or indirectly, any gift to any MTA Board Member or employee. No contractor or person doing business with the MTA, or any of their subcontractors, shall offer or give, directly or indirectly, to any MTA Board Member or employee any gift(s) totaling more than fifty dollars (\$50) in a calendar year or more than ten dollars (\$10) in any calendar month. All persons doing business with the MTA or seeking to do business with the MTA, and each of their subcontractors and proposed subcontractors, are charged with full knowledge of the requirements of Public Utilities Code Section

130051.20, regarding the making of campaign contributions, and shall not violate or conspire with any other person to violate said Section.

5-20-090 Prohibition Regarding Offers of Employment. No bidder, proposer, or contractor shall offer, or promise to offer, either directly or indirectly, any future employment or business opportunity to any MTA official, or member of his or her immediate family, significant other or business associates of such persons if such offer of employment is conditioned expressly or impliedly on the awarding of a present or future contract or preference in the awarding of a contract to anyone at any time by the MTA.

5-20-100 Prohibition Regarding Information. Prior to a contract award, no bidder, proposer or contractor shall solicit or obtain, directly or indirectly, from any MTA employee, any information relating to current or future contracts, or a specific pending procurement, unless such information is at the time a public record required to be disclosed under the California Public Records Act, or has otherwise been made available at the same time in the same form to all other bidders, proposers and contractors.

5-20-110 Prohibitions on Use and Disclosure of Confidential Information. At no time shall any contractor who obtains confidential or proprietary MTA information in the course of doing or seeking to do business with the MTA disclose any such information to any person not authorized by the MTA to receive such information or use such information for any personal gain except as necessary to fulfill its contractual obligations to the MTA.

5-20-120 Contractor Pre-Qualification. The MTA will accept bids and proposals for contracts and procurement of goods or services only from firms or entities which are complying with the MTA pre-qualification process as set forth in chapter 4-05. Firms or

entities seeking certification as pre-qualified shall submit a completed pre-qualification application. Firms or entities intending to bid as a joint venture should submit a separate pre-qualification application for each joint venture.

5-20-130 Prohibition Regarding Participation in Procurement Development.

No contractor who participates in the development of a scope of work, solicitation documents, contractual instruments or technical specifications may participate as a proposer or sub-proposer on that particular procurement or perform any work on that particular procurement or any other procurement that would constitute an organizational conflict of interest or would give that contractor an unfair advantage over other bidders on that procurement. This prohibition may be waived in writing by the administrative head of procurement for the MTA upon a showing of good cause.

5-20-140 Contractor's Personnel. Each contractor retained by the MTA is fully responsible for the quality and performance of its staff and retains full responsibility for the selection of its personnel. MTA officials are not permitted to direct or recommend personnel that the contractor should hire, and no contractor shall request such a recommendation. However, the MTA retains the right in its absolute discretion to require the removal of any personnel of a contractor or subcontractor assigned at any level to perform services on an MTA contract if the MTA determines, in its sole discretion, that the personnel to be removed are not able to adequately or appropriately perform the services required for the particular contract. Any direction by the MTA to a contractor that specified personnel be removed from work on an MTA contract shall be made in writing.

5-20-150 Duty to Disclose Conflicts of Interest.

A. Each bidder, proposer and contractor, and each of their consultants and subcontractors, seeking to do business, or doing business, with the MTA has an obligation to promptly disclose in writing to the administrative head of procurement for the MTA any of the following potential conflicts of interest which become known to the management of the bidder, proposer or contractor:

1. Any financial relationship between the bidder, proposer or contractor and a Board Member or member or his or her staff, or an MTA employee;
2. Any financial or close personal relationship between any officers, directors or key employees of the bidder, proposer or contractor and a Board Member or member of his or her staff, or MTA employee;
3. Any outstanding offer of employment to, or the current or former employment of, any current or former Board Member or member or his or her staff, or of an MTA employee or former employee, by the bidder, proposer or contractor; or
4. Any campaign contributions exceeding ten dollars (\$10) made by or on behalf of the bidder, proposer or contractor or its lobbyist to any current Board Member within the previous four (4) years.

B. The duty to disclose potential conflicts of interest as described in paragraph A. exists prior to and during any employment or contract and regardless of whether the facts actually constitute a conflict of interest under any law. The Ethics Officer, in consultation with the General Counsel, shall provide advice to the

administrative head of procurement for the MTA and to the Board of Directors as to whether any facts disclosed under this section constitute a prohibited conflict of interest, and of the impact, if any, of that conflict on the relationship between the bidder, proposer or contractor and the MTA.

C. Failure to make a disclosure as required by this section, shall be sufficient cause for the MTA to decline to do business with the bidder, proposer or contractor or any of its subcontractors or consultants.

5-20-160 Sanctions.

A. The MTA encourages good faith reporting of all suspected violations of this chapter. There shall be no penalty or other adverse consequences imposed upon anyone making a good faith report of a suspected violation of this chapter. The identity of any person reporting a violation of this chapter not be disclosed except as necessary to carry out the purposes and requirements of this chapter.

B. Any party alleged to have violated this chapter, shall be presumed innocent of that charge unless and until a violation is demonstrated by credible evidence, and prior to any such determination of any actual violation no penalty may be imposed.

C. Suspected violations of this chapter shall be reported immediately to the Inspector General for investigation. The Inspector General shall investigate the allegations and, if they are determined to have merit, the matter will be referred to the appropriate enforcement authorities.

D. In any instance where the Inspector General has determined that an allegation of a violation of this chapter has merit, the administrative head of procurement for the MTA, or his or her designee, may take one or more of the following actions:

1. Meet with the contractor to obtain an explanation of the violation;
2. Impose a fine upon the contractor as authorized by the contract documents;
3. Suspend the contract or subcontract involving the offending contractor and commence debarment proceedings under chapter 4-10;
4. Direct the prime contractor to remove the offending subcontractor from the project;
5. Rescind, void, or terminate the contract; and/or
6. Impose another reasonable and appropriate penalty.

E. In any instance where the administrative head of procurement for the MTA proposes a sanction under this section, he or she shall notify the contractor in writing of the recommended action. The contractor may request an informal hearing with the administrative head of procurement for the MTA or his or her designee to explain the contractor's position regarding the alleged violation and/or the proposed sanction. Any such request must be made in writing and received by the administrative head of procurement within ten (10) working days of the issuance of the notice of the recommended sanction. If no request is received within the ten (10) working day period, the sanction may be imposed forthwith. If a timely request for an informal hearing is received, the informal hearing shall take place within ten (10) working days after the administrative head of procurement receives the request. The contractor may be represented by legal counsel at its own expense at the hearing. Within ten (10) working days after the informal hearing, the administrative head of procurement or his or her designee shall advise the contractor in writing of the outcome of the hearing. Except as

set forth in paragraph F., the decision of the administrative head of procurement shall be final.

F. If the administrative head of procurement for the MTA imposes a sanction under paragraph D.3., the contractor shall have such hearing rights as are set forth in chapter 4-10. If the administrative head of procurement imposes a sanction under paragraph D.2., which involves a fine in excess of one thousand dollars (\$1,000), or imposes a sanction under paragraph D.4., D.5. or D.6., the contractor may request arbitration before the American Arbitration Association pursuant to its rules and regulations to determine whether a violation of this chapter has been shown, and, if so, whether the sanction imposed is appropriate. A request for arbitration must be in writing and be directed to the administrative head of procurement. This request must be received within ten (10) working days after the decision of that official becomes final. The contractor shall bear the costs associated with any such arbitration. The arbitration hearing shall take place in the County of Los Angeles as soon as possible. The decision of the arbitrator shall be final.

G. Notwithstanding any other provision of this section, in any procurement where a violation of this chapter has been established prior to the award of the contract, the MTA, at its sole discretion, shall determine whether to terminate the procurement or to proceed to award a contract with or without disqualifying the offending bidder or proposer.

Chapter 5-25

Lobbying the MTA

5-25-010 Registration and Fees.

A. Each lobbyist, lobbying firm, and lobbyist employer shall register in writing with the Ethics Officer within ten (10) days after qualifying as a lobbyist, lobbying firm, or lobbyist employer. Registration shall be completed prior to the commencement of lobbying. Registration shall include the filing of a registration statement, and the payment of such fees as are authorized by this section. Registration shall be renewed annually by January 15 of each succeeding year by the filing of a renewal statement and the payment of the required fees.

B. Each lobbyist, lobbying firm, and lobbyist employer required by this section to register and to file an annual renewal statement may be charged a fee for each filing in an amount sufficient to cover the direct costs of implementing this chapter as determined by the Ethics Officer. Failure to pay any such fee when due shall be a violation of this chapter.

5-25-020 Lobbyist Registration Statement. The registration and renewal statements for each lobbyist shall include all of the following:

A. The name, business address, e-mail address and telephone number of the lobbyist; and

B. For each person or company from whom the lobbyist receives compensation to provide lobbying services, all of the following:

1. The full name, business address, e-mail address and telephone number of the person or company;

2. The time period of the contract or employment agreement;
3. The lobbying interests of the person or company;
4. A written, signed statement authorizing the lobbyist to lobby the MTA on behalf of that person or company; and
5. A statement signed by the lobbyist certifying that he or she has read and understands and will comply with the requirements and restrictions contained in this chapter.

5-25-030 Lobby Firm Registration Statement. The registration and renewal statements for each lobbying firm shall include all of the following:

- A. The full name, business address, e-mail address and telephone number of the lobbying firm;
- B. A list of the lobbyists who are partners, owners, officers, or employees of the lobbying firm; and
- C. For each person or company with whom the lobbying firm contracts to provide lobbying services, the following:
 1. The full name, business address, e-mail address and telephone number of the person or company;
 2. The time period of the contract;
 3. Information sufficient to identify the lobbying interests of the person or company;
 4. A written, signed statement authorizing the lobbying firm to lobby the MTA on behalf of that person or company; and

5. A statement signed by the designated responsible person that he or she has read and will comply with the requirements and restrictions contained in this chapter.

5-25-040 Lobbyist Employer Registration Statement. The registration and renewal statement for each lobbyist employer shall include all of the following:

A. The full name, business address, e-mail address and telephone number of the lobbyist employer;

B. A list of the lobbyists or lobbying firms who are employed by the lobbyist employer;

C. The lobbying interests of the lobbyist employer, including identification of specific contracts or MTA actions; and

D. A statement signed by the designated responsible person that he or she has read and will comply with the requirements and restrictions contained in this chapter.

5-25-050 Mandatory Record Keeping. Lobbyists, lobbying firms, and lobbyist employers that make offers, receive payments, make payments, or incur expenses or expect to receive payments, make payments, or incur expenses in connection with activities which are reportable pursuant to this section, shall keep all statements and reports filed pursuant to this chapter together with detailed accounts, records, bills, and receipts, for a period of four (4) years and make them reasonably available for inspection for the purposes of auditing for compliance with, or enforcement of, this chapter.

5-25-060 Quarterly Reports. Each lobbyist, lobbying firm, and lobbyist employer shall file with the Ethics Officer a written quarterly report as set forth in this chapter within thirty (30) days after the end of each calendar quarter. The period covered by the

first quarterly report of a lobbyist, lobbying firm, or lobbyist employer shall begin with the first day of the calendar quarter in which the filer first registered or qualified and shall end with the last day of the calendar quarter for which the report is being made.

Thereafter, except as otherwise provided in this chapter, the period covered by a quarterly report shall be from the beginning of the calendar year through the last day of the calendar quarter for which the report is being made. Each quarterly report shall include a signed statement certifying that the information contained in the report is a true and complete disclosure of the information required to be reported under this chapter.

5-25-070 Lobbyist Quarterly Report. Each lobbyist shall complete a quarterly report, which shall be signed and filed with the Ethics Officer, which shall contain all of the following:

A. The full name, business address, e-mail address and telephone number of each person or company who contracted with the lobbyist for lobbying services and each other person or entity on whose behalf the lobbyist attempted to influence MTA action, even if the lobbyist is compensated for such efforts by another person. The lobbyist shall also include a description of the specific lobbying interests of the person or company, and the total payments, including fees and the reimbursement of expenses, received from the person or company for lobbying services during the reporting period. If the lobbyist lobbied on a specific contract, the lobbyist shall disclose the contract number and describe in detail the nature of the contract. The lobbyist shall also disclose payments received for lobbying on a specific contract; and

B. A report of all activity expenses by the lobbyist during the reporting period, including:

1. The date and amount of each activity expense;
2. The full name and official position, if any, of the beneficiary of each expense, a description of the benefit and the amount of the benefit; and
3. The full name of the payee of each expense if other than the beneficiary; and
4. The date, amount, name of the recipient, including the name of the recipient account or committee, for all contributions of ten dollars (\$10) or more made or delivered by the lobbyist to an MTA official during the reporting period. Each time a new Board Member is seated during a calendar quarter, the quarterly report for that calendar quarter shall include the information required by this paragraph as to that new Board Member for that calendar quarter and for the immediately preceding four (4) years.

5-25-080 Lobbying Firm Quarterly Report. Each lobbying firm shall complete a quarterly report, which shall be signed and filed with the Ethics Officer, which shall contain all of the following:

- A. The full name, business address, e-mail address and telephone number of the lobbying firm;
- B. The full name, business address, e-mail address and telephone number of each person or company who contracted with the lobbying firm for lobbying services, a description of the specific lobbying interests of the person or company, and the total payments, including fees and the reimbursement of expenses, received from the person or company for lobbying services during the reporting period. If the lobbying firm lobbies

for a specific contract or retains a lobbyist to lobby a specific contract, the lobbying firm shall disclose the contract number and describe in detail the nature of the contract;

C. A report of all activity expenses by the lobbying firm during the reporting period, including:

1. The date and amount of each activity expense;
2. The full name and official position, if any, of the beneficiary of each expense, a description of the benefit and the amount of the benefit; and
3. The full name of the payee of each expense if other than the beneficiary; and
4. The date, amount, name of the recipient, including the name of the recipient account or committee, for all contributions of ten dollars (\$10) or more made or delivered by the lobbying firm to an MTA official during the reporting period. Each time a new Board Member is seated during a calendar quarter, the quarterly report for that calendar quarter shall include the information required by this paragraph as to that new Board Member for that calendar quarter and for the immediately preceding four (4) years.

5-25-090 Lobbyist Employer Quarterly Report. Each lobbyist employer shall complete a quarterly report, which shall be signed and filed with the Ethics Officer, which shall contain all of the following:

- A. The name, business address, e-mail address and telephone number of the lobbyist employer;
- B. The total amount of payments to each lobbying firm;
- C. The total amount of all payments to lobbyists employed by the filer;

D. A description of the specific lobbying interests of the filer. If the lobbyist employer has contracted with a lobbying firm or lobbyist to lobby a specific contract, the lobbyist employer shall disclose the contract number and describe in detail the nature of the contract. The lobbyist employer shall also disclose the amount of money paid to a lobbying firm or lobbyist to lobby the specific contract;

E. A report of all activity expenses by the lobbyist employer during the reporting period, including:

1. The date and amount of each activity expense;

2. The full name and official position, if any, of the beneficiary of each expense, a description of the benefit and the amount of the benefit; and

3. The full name of the payee of each expense if other than the beneficiary.

4. The date, amount, name of the recipient, including the name of the recipient account or committee, for all contributions of ten dollars (\$10) or more made or delivered by the lobbyist employer to an MTA official during the reporting period. Each time a new Board Member is seated during a calendar quarter, the quarterly report for that calendar quarter shall include the information required by this paragraph as to that new Board Member for that calendar quarter and for the immediately preceding four (4) years; and

F. The total of all other payments to influence MTA action.

5-25-100 Registration Statement and Quarterly Report Amendments. Each registration and renewal statement and each quarterly report shall be amended in writing within ten (10) days of a change in the information included in the statement, or of the

discovery of information that was omitted or incorrectly reported on a quarterly report. However, if the change includes the name of a person by whom a lobbyist or lobbying firm is retained, the registration statement shall be amended to show that change prior to the commencement of lobbying by the lobbying firm or the lobbyist.

5-25-110 Filing Method. Any written statement or report required to be filed, or payment required to be made, pursuant to this chapter shall be filed in the format and form of payment, including the electronic media type or other means, specified by the Ethics Officer unless the Ethics Officer waives such requirement in writing upon demonstration of a significant hardship by the filer.

5-25-120 Retention Period. Each registration and renewal statement and each quarterly report required to be filed with the Ethics Officer pursuant to this chapter shall be retained by the MTA for a minimum of four (4) years, and shall be available for inspection by the public during regular working hours. A computer printout of any electronically filed statement or report shall be treated as an original for purposes of admissibility in any court or other proceeding.

5-25-130 Gift Restrictions.

A. No lobbyist, lobbying firm or lobbyist employer shall make any gifts to any MTA official aggregating more than ten dollars (\$10) in a calendar month, or act as an agent or intermediary in the making of any gift, or arrange for the making of any gift by any other person.

B. No MTA official shall knowingly receive any gift which is prohibited by this chapter.

5-25-140 Other Prohibitions. No lobbyist or lobbying firm shall do any of the following:

A. Take any action with the purpose of placing an MTA official under personal obligation to the lobbyist, the lobbying firm, or the lobbyist's or the lobbying firm's employer;

B. Deceive or attempt to deceive any MTA official with regard to any material fact pertinent to any MTA action;

C. Cause or influence any MTA action for the purpose of thereafter being employed to secure its passage or defeat;

D. Attempt to create a fictitious appearance of public favor or disfavor of any MTA action, or cause any communications to be sent to any MTA official in the name of any fictitious person, or in the name of any real person except with the consent of that real person;

E. Represent, either directly or indirectly, that the lobbyist or the lobbying firm can control any MTA official;

F. Accept or agree to accept any payment that is contingent upon the outcome of any MTA action; or

G. Make or direct any payment, directly or indirectly, which is prohibited by Public Utilities Code Section 130051.20 or Government Code Section 84308.

5-25-150 Prohibitions Related to Procurements.

A. Commencing with the issuance of a Request for Proposals (RFP), a Request for Information and Qualifications (RFIQ), or an Invitation for Bids (IFB), and ending on the date the staff recommendation for award is made public, no lobbyist

representing a person or entity submitting a proposal in response to the RFP, RFIQ or IFB shall contact by any means or engage in any discussion concerning the award of the contract with any MTA official or any staff to a Board Member. Any such contact shall be grounds for the disqualification of the proposer.

B. During price negotiations of non-low bid contracts, lobbyists shall not contact, lobby or otherwise attempt to influence MTA officials or any staff to a Board Member, other than negotiation team members, relative to any aspect of the contract under negotiation. This provision shall apply from the time of award until the recommendation for execution of the contract is made public. Any concerns relative to any contract under negotiation shall be communicated only to the CEO for resolution.

C. A lobbyist representing a person or entity who submitted a proposal or bid in response to the RFP, RFIQ, or IFB shall not contact a Board Member or his or her staff regarding a protest submitted regarding the recommended contract award or any lawsuit or potential lawsuit regarding the recommended contract award or any issue relating to the underlying procurement.

5-25-160 Lobbying on Behalf of MTA. Any person or entity who receives compensation pursuant to a contract or subcontract to lobby on behalf of, or otherwise represent the MTA, shall be prohibited from lobbying the MTA on behalf of any person or entity.

5-25-170 Lobbying By MTA Officials or Staff to Board Members. No MTA official or person who is staff to a Board Member shall lobby the MTA until one year after leaving the MTA or after ceasing to be staff to a Board Member.

5-25-180 Termination of Lobbying Activities.

A. Lobbying firms and lobbyist employers upon ceasing all lobbying activity which required registration shall file a notice of termination within thirty (30) days after the cessation.

B. Lobbyists and lobbying firms shall remain subject to the prohibitions of this chapter for twelve (12) months after filing a notice of termination.

5-25-190 Non-Applicability. The provisions of this ordinance are not applicable to any of the following:

A. An elected public official who is acting in his or her official capacity to influence MTA action; or

B. Any newspaper or other periodical of general circulation, book publisher, radio or television station which, in the ordinary course of business, publishes or broadcasts news items, editorials, or other documents, or paid advertisement, that directly or indirectly urges MTA action, if the newspaper, periodical, book publisher, radio or television station engages in no further or other activities in connection with urging MTA action other than to appear before the MTA in support of, or in opposition to the MTA action.

5-25-200 Enforcement. The Inspector General is authorized to investigate alleged violations of this chapter. The Ethics Officer is authorized to assess a late fee and/or to terminate a registration for failure to timely file statements or reports or to timely pay the required fees. The Ethics Officer is authorized to waive any penalty for a late filing upon a showing that the late filing was not willful or that the enforcement of a penalty for the late filing would otherwise not further the purposes of this chapter. Both the Inspector

General and the Ethics Officer are authorized to make recommendations to the Board of Directors related to the imposition of any other penalty authorized by this chapter for a violation of this chapter.

5-25-210 Sanctions for Violations of this Chapter.

A. Any party committing a violation of this chapter shall be subject to the following possible sanctions:

1. The Ethics Officer may assess a late fee or terminate that party's registration for failure to timely file any statement or report, or to timely pay any fee, required by this chapter;
2. The party's bid or other proposal to enter into a contract with the MTA may be rejected;
3. The party may be disqualified from lobbying on the matter related to the violation;
4. The party may be suspended from all MTA lobbying activities for a specific period of time;
5. The party may be permanently prohibited from all MTA lobbying activities;
6. The party may be subject to civil penalty in an amount up to five hundred (\$500) dollars, or three times the amount of an unlawful gift or expenditure, whichever is greater, as directed by the court in a civil action brought by the civil prosecutor or by a person residing within the jurisdiction of the MTA.

B. Any sanction imposed for a violation of this chapter shall depend upon the severity of the violation and may be progressive unless the violation is so egregious as to warrant more severe action initially.

C. Any person who knowingly or willfully violates any provision of this chapter is guilty of a misdemeanor.

D. The District Attorney of the County of Los Angeles is authorized to bring civil or criminal prosecutions for violations of this chapter.

5-25-220 Procedures for Imposing Certain Sanctions. Before the imposition of a sanction authorized by section 5-25-210, other than a criminal prosecution or a sanction under paragraphs A.1. or A.6. of section 5-25-210, the following procedures should be followed:

A. Information relating to the alleged violation shall be forwarded to the Inspector General for investigation;

B. Upon completion of the investigation, the Inspector General shall submit his or her findings to the Board of Directors for review;

C. The Board of Directors, or such person or body as may be designated by the Chair of the Board of Directors, shall hold an administrative hearing relating to the alleged violation. Any entity may submit evidence in support of or in opposition to the allegations;

D. If the Board of Directors or its designee finds that a violation of this chapter has occurred, it shall decide the appropriate sanctions to impose. The decision of a designee of the Board of Directors shall be forwarded to the Board of Directors for approval. The decision of the Board of Directors shall be final.

E. The imposition of any sanction, or the failure to impose a sanction, by the Board of Directors shall not preclude the imposition of a late fee, the termination of a registration or the imposition of any criminal or civil penalty authorized by this chapter.

Chapter 5-30

Code of Conduct for Financial Employees

5-30-010 Purpose. This Code of Conduct for Financial Employees is adopted in recognition of the unique and critical nature of the services provided to the MTA by those MTA employees who are entrusted with the expenditure, investment or management of MTA funds and financial assets. The requirements of this chapter are in addition to the other requirements imposed upon MTA employees by this title.

5-30-020 MTA Financial Employees. As used in this chapter, the term MTA financial employee shall mean any MTA employee who prepares, reports, approves, manages or compiles data related to budgets or financial matters for the MTA or who has any authority to manage, invest, expend or authorize the expenditure of MTA funds or financial assets.

5-30-030 Actions Affecting MTA Funds and Financial Assets. Each MTA financial employee shall use, manage, invest and expend MTA funds and other financial assets in a prudent, cost effective and fiscally responsible manner in compliance with MTA and other governmental accounting rules and policies.

5-30-040 Financial Information. Each MTA financial employee shall provide financial information that is accurate, complete, objective, relevant, timely, and understandable, and which fairly represents the MTA financial conditions and operating

results without being misleading by expression, inference or silence concerning any material fact.

5-30-050 Compliance with Accepted Standards. Each MTA financial employee shall comply with generally accepted accounting principles and standard financial practices applicable to governmental agencies in all MTA financial matters. No MTA financial employee shall expose MTA funds or financial assets to any unnecessary or significant risk of loss.

5-30-060 Conflicts of Interest. Each MTA financial employee shall refrain from participating in any matter involving MTA funds or other financial assets where that employee has a conflict of interest. Each potential conflict of interest shall be promptly be reported by the employee to his or her supervisor.

5-30-070 Confidential Information. No MTA current or former financial employee shall make public or otherwise disclose any confidential financial information acquired in the course of his or her work with the MTA except as legally required or as specifically authorized by the MTA. No current or former MTA financial employee shall ever use any such confidential financial information for personal gain.

5-30-080 Internal Controls. The Chief Financial Officer shall establish and maintain internal controls designed to ensure compliance with this chapter.

5-30-090 Enforcement. Suspected violations of this chapter shall be reported to the Chief Financial Officer, the Ethics Officer, or the Inspector General, who shall investigate the alleged violation and report to the Chief Executive Officer or other appropriate MTA official a recommendation for any corrective action found necessary.

Chapter 5-35

MTA Conflict of Interest Code

5-35-010 Adoption and Appendix. This chapter shall constitute the Conflict of Interest Code for the MTA and the PTSC as required by Government Code Sections 87300 *et seq.* The Ethics Officer shall prepare an Appendix A to the Conflict of Interest Code which designates MTA officials by position who are obligated to file disclosure statements and which sets forth the appropriate disclosure categories for each position. The Ethics Officer shall review Appendix A each even-numbered year. If a change in the Appendix A is necessitated by changed circumstances, the Ethics Officer shall submit an amended Appendix A to the Conflict of Interest Code to the Los Angeles County Board of Supervisors, the reviewing body for the MTA's Conflict of Interest Code, for its approval in accordance with the Political Reform Act.

5-35-020 Definitions. The following terms when used in this chapter shall have the meaning set forth in this section.

A. "Political Reform Act" means the Political Reform Act of 1974 (Government Code Sections 81000, *et seq.*) as said Act reads on the date this ordinance is adopted and as said Act may be amended from time to time. Any word defined in the Political Reform Act shall have the meaning ascribed to it by the Political Reform Act when that word is used in this chapter.

B. "Business Position" means a position of director, officer, partner, trustee, employee, or any position of management in any organization or enterprise operated for profit, including but not limited to a proprietorship, partnership, firm, business trust, joint venture, syndicate, corporation or association.

C. “FPPC” shall mean the California Fair Political Practices Commission.

5-35-030 Adoption of Model Code. The Political Reform Act requires each state and local government agency to adopt a conflict of interest code. The provisions of Title 2, California Administrative Code, Section 18730, subdivision (b), adopted by the FPPC as a model conflict of interest code, as that regulation reads on the date of adoption of this chapter and as it may be amended from time to time by the FPPC, are hereby adopted and incorporated herein by this reference as the Conflict of Interest Code for the MTA and the PTSC. Designated positions of MTA officers subject to the disclosure requirements of this chapter shall be set forth in an Appendix A to the Conflict of Interest Code. Said Appendix A, as amended from time to time by the Ethics Officer as provided in this chapter, is incorporated into the Conflict of Interest Code by this reference.

5-35-040 Filing Requirement. Each MTA officer holding a position designated in the Appendix A to the Conflict of Interest Code shall file with the Ethics Officer statements disclosing the information required by the disclosure categories set forth in this chapter on such forms as may be specified by the FPPC. Copies of the forms to be used shall be supplied by the Ethics Officer. Every MTA officer holding a position designated in Appendix A to the Conflict of Interest Code shall retain his or her filing obligations, notwithstanding any reclassification or title change that may occur in the future as to the same or substantially similar job duties.

5-35-050 Disclosure Categories. The disclosure categories for the Conflict of Interest Code are as follows:

A. Disclosure Category 1. Persons holding designated positions in this category shall disclose all interest in real property within the jurisdiction of Los Angeles

County. Real property shall be deemed to be within the jurisdiction if the property or any part of it is located within or not more than two miles outside the boundaries of the jurisdiction or within two miles of any land owned or used by the MTA. Persons are not required to disclose property used primarily as their residence or for personal recreational purposes.

B. Disclosure Category 2. Persons holding designated positions in this category shall disclose all income, investments and business positions.

C. Disclosure Category 3. Persons holding designated positions in this category shall disclose all income, investments, and business positions in entities in which they might invest MTA employee funds, or entities that might manage or recommend such investments.

D. Disclosure Category 4. Persons holding designated positions in this category shall disclose all business positions, investments in, or income (including gifts and loans) received from business entities that manufacture, provide or sell service and/or supplies of a type utilized by the agency and associated with the job assignment of designated positions assigned to this disclosure category.

E. Disclosure Category 5. Individuals who perform under contract the duties of any position designated in Appendix A of the Conflict of Interest Code shall be subject to the provisions of the Conflict of Interest Code and shall disclose reportable interests in categories assigned to that designated position. In addition, individuals who, under contract, participate in decisions, by providing information, advice, recommendations, or counsel to the agency, which could affect their financial interests, shall be subject to the provisions contained in this Chapter (unless they are not “consultants” as defined by the

Political Reform Act). Such consultants shall disclose pursuant to the broadest disclosure category in the Conflict of Interest Code, subject to the following limitation: The Chief Executive Officer, a Deputy Executive Officer, or the Ethics Officer, may determine that a particular consultant, although in a “designated position”, is retained to perform a range of duties that is limited in scope and thus is not required to comply fully with the disclosure requirements described in this chapter. Any such determination shall include a description of the consultant’s duties and, based upon that description, a statement of the extent of the disclosure requirements. The determination of the Chief Executive Officer, Deputy Executive Officer or Ethics Officer, is a public record and shall be retained for public inspection by the Ethics Officer.