

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

Action Information

MEAD Number:
200750

Resolution:
 Yes No

TITLE:

Approval of Revised Governance Documents

PRESENTATION SUMMARY:

Approve Code of Ethics that incorporates revisions requested by Governance Committee on September 11, 2014, and proposals from jurisdictional attorneys.

PURPOSE:

The purpose of this item is to obtain Governance Committee approval of a Code of Ethics draft that incorporates revisions requested by Governance Committee on September 11, 2014, and proposals from jurisdictional attorneys.

DESCRIPTION:

The Board and leadership of WMATA are responsible for fostering high ethical standards for WMATA, its officers and employees, thereby strengthening public confidence that WMATA's programs are conducted with impartiality and integrity. The Board adopts a Code of Ethics to assure the highest degree of confidence and public trust in WMATA, and that the judgment of Board Members will not be compromised or affected by conflicting interests or the appearance of a conflict of interest.

Key Highlights:

- The Board Code of Ethics is a document that addresses a number of Board responsibilities including (but not limited to) resolving actual and apparent conflicts; making disclosures and acknowledgments; and addressing any violations.
- The Governance Committee asked staff to prepare a draft Code of Ethics incorporating revisions requested by Governance Committee on September 11, 2014, and proposals from jurisdictional attorneys.

Background and History:

On January 23, 2014, the Governance Committee requested a review of the Board Code of Ethics in comparison to the Code of Ethics for the Metropolitan Washington Airports Authority (MWAA) Board. On March 13, 2014, the Governance Committee discussed the impact of adopting key MWAA ethics provisions. On April 24, 2014, the Governance Committee reviewed a draft revised Code of Ethics and related Bylaws clarification. On June 24, 2014, WMATA received proposed changes to the draft Code

of Ethics from jurisdictional attorneys. On July 24, the Board addressed some of the proposed changes by approving Principles of Board Fiduciary Duties and Confidentiality. On September 11, staff presented a review of ethics proposals from jurisdictional attorneys and the Governance Committee requested a draft based on recommendations from the review.

Discussion:

The Governance Committee is considering adopting key provisions from the Metropolitan Washington Airports Authority (MWAA) Board Code of Ethics. The Committee considers this advisable inasmuch as key provisions were advised by the USDOT Inspector General, which entity also has oversight to WMATA. The Governance Committee prepared a working draft revised WMATA Code of Ethics based to the greatest extent possible on the MWAA Code. The Governance Committee wants to review revisions to this working draft that include ethics proposals from jurisdictional attorneys and incorporate the Principles of Board Fiduciary Duties and Confidentiality.

FUNDING IMPACT:

No funding impact because this is a matter of Board governance.	
Project Manager:	Kathryn Pett
Project Department/Office:	Office of General Counsel & Office of the Board Secretary

TIMELINE:

Previous Actions	On January 23, 2014, the Governance Committee requested a staff review and recommendation for revisions of the current Board of Code of Ethics in comparison to the Code governing the MWAA Board. On March 13, 2014, the Governance Committee discussed the impact of adopting key MWAA ethics provisions. On April 24, 2014, the Governance Committee reviewed a draft revised Code of Ethics and related Bylaws revision. On July 24, 2014, the Board approved Principles of Board Fiduciary Duties and Confidentiality. On September 11, 2014, the Governance Committee received a review of ethics proposals from jurisdictional attorneys, and requested a revised Code of Ethics.
Anticipated actions after presentation	Revise Code of Ethics to include Principles of Board Fiduciary Duties and Confidentiality, and as directed by Governance Committee in response to the changes proposed by jurisdictional attorneys. Seek Board approval of same.

RECOMMENDATION:

Approval of WMATA's Code of Ethics.

SUBJECT: APPROVAL OF REVISED CODE OF ETHICS FOR MEMBERS OF THE WMATA BOARD OF DIRECTORS

RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

WHEREAS, The Board of Directors is committed to continuously improving the governance of the Authority; and

WHEREAS, Pursuant to Resolution 2013-05, the Board of Directors approved a revised Code of Ethics for Members of the WMATA Board of Directors ("Code of Ethics") to clarify definitions, the means to obtain advisory opinions and restrictions on accepting gratuities; to avoid situations that may give the appearance of nepotism; to establish the position and duties of the Ethics Officer; and to require contractors to disclose interests that may pose a conflict for Board Members; and

WHEREAS, By Resolution 2014-41, the Board of Directors approved Principles of Fiduciary Duties and Confidentiality and directed staff to prepare a revised Code of Ethics incorporating the Principles and present it to the Governance Committee no later than the Committee's October session; and

WHEREAS, The recently overhauled Metropolitan Washington Airports Authority Code of Ethics for members of its Board of Directors is a model for good governance of Compact authorities, which the Office of Inspector General for the U.S. Department of Transportation referred to as an improvement in accountability and transparency, and which WMATA should adopt to the greatest extent practicable; and

WHEREAS, In order to provide clarity for Board Members, staff and the public alike, the revised Code of Ethics should describe the processes for submitting and reviewing Board Member disclosures; for reporting potential conflicts and suspected ethics violations; for the resolution of conflicts and violations; and for the conduct of ethics investigations and hearings; and

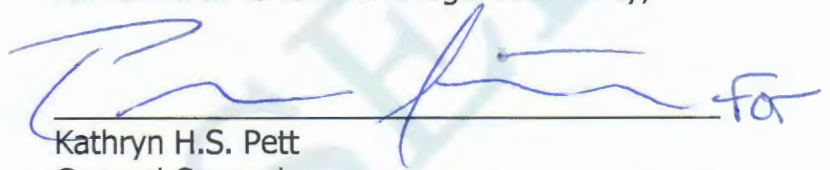
WHEREAS, The revised Code of Ethics requires Board Members to annually submit a Disclosure Statement form on April 30, as well as within 30 days of becoming a member, and this form differs substantially from the one used for the current Code of Ethics; now, therefore be it

RESOLVED, That the Board of Directors approves the attached revised Code of Ethics for Members of the Board of Directors, and attached forms, which supersede all prior Codes of Ethics; and be it further

RESOLVED, That each Board Member will complete the Disclosure Statement form attached to the revised Code of Ethics and submit it to the Board Secretary by December 4, 2014, and thereafter submit all required and applicable forms per the revised Code of Ethics; and be it finally

RESOLVED, That this Resolution shall be effective immediately.

Reviewed as to form and legal sufficiency,

A handwritten signature in blue ink, appearing to read 'Kathryn H.S. Pett', is written over a horizontal line. To the right of the signature, the letters 'fa' are written in blue ink.

Kathryn H.S. Pett
General Counsel

PROPOSED

GOVERNANCE COMMITTEE

**PROPOSED CODE OF ETHICS FOR
MEMBERS OF THE WMATA BOARD OF DIRECTORS**

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CODE OF ETHICS FOR MEMBERS OF THE WMATA BOARD OF DIRECTORS

Article I. Policy and Scope

The Board and leadership of the Washington Metropolitan Area Transit Authority (WMATA) are responsible for fostering high ethical standards for WMATA, its officers and employees, thereby strengthening public confidence that WMATA's programs are conducted with impartiality and integrity. The Board adopts this Code of Ethics ("Code") to assure the highest degree of confidence and public trust in WMATA, and that the judgment of Board Members will not be compromised or affected by conflicting interests or the appearance of a conflict of interest. If the Board determines that a Member has knowingly violated this Code, the Board may take the action it determines to be appropriate as specified under "Sanctions," Article XIII, part E.

This Code governs the conduct of all Members of the Board of Directors in all their activities relating to their positions as Board Members. It also applies to all individuals, corporations and other entities in their dealings with WMATA. This Code does not supersede or abrogate any laws, rules or regulations of the United States or of the applicable state or local governing body represented by the Members of the Board of Directors.

Article II. Board Members' Fiduciary Duty

Compact § 4 establishes WMATA as a "body corporate," and an instrumentality and agency of each of the signatory parties (District of Columbia, Maryland and Virginia), with governance through a Board of Directors. As a result, Board Members owe fiduciary duties to WMATA and to their respective "Jurisdiction" as that term is defined in Article III G. A Board Member's fiduciary duties include separate duties of loyalty, confidentiality, care and to avoid conflicts of interest and to earn and retain public trust through loyal, diligent, honest, faithful and disinterested service. Board Members owe a fiduciary duty to WMATA. Board Members return the public's trust through loyal, diligent, honest, faithful and disinterested service.

A. Duty of Loyalty

Board Members shall act in the best interests of WMATA and their respective Jurisdictions in carrying out their duties as Members of the Board, rather than in the Member's interest or in the interest of another person or organization with which the Members are personally associated. Board Members also shall not engage in conduct that would bring discredit upon WMATA. Board Members owe their duties of loyalty to WMATA and to their respective Jurisdictions and not to any other person or

Comment [PTS1]: Revisions pursuant to Resolution 2014-41. Same as AG revision.

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~~organization. Board Members act in the best interests of WMATA in carrying out their duties as Members of the Board, and do not engage in conduct that would bring discredit upon WMATA. Board Members owe their duty of loyalty exclusively to WMATA, and not to the person or entity which appointed them to their position.~~

B. Duty of Confidentiality

~~Board Members owe a duty of confidentiality to WMATA and to their respective Jurisdictions. Board Members shall keep confidential all matters involving the Authority that have not been disclosed to the public except as described herein. Members may disclose information obtained in their capacity as Members (including information obtained in Executive Session) to the leadership of the State and political Jurisdiction from which they were appointed. Members are encouraged to advise the Board of any such disclosure of confidential information to the leadership of their Jurisdiction. Members should request that the leadership of their Jurisdiction treat disclosed confidential information in a manner consistent with its sensitive nature. Leaders of the Jurisdiction will use their discretion in treating the information in a confidential manner consistent with the sensitive nature of the information disclosed. Any information that includes an actual or prospective personnel action, personnel evaluation or any other personnel information the disclosure of which is restricted by applicable statute shall be disclosed only pursuant to agreement of the recipient to maintain the confidentiality of such information. Board members shall not disclose WMATA matters that are not yet available to the public. Board Members shall treat information received in or for Executive Sessions as confidential and shall not disclose such information absent approval of the Chair of the Executive Committee.~~

C. Duty of Care

~~Board Members owe a duty to their respective Jurisdictions to provide liaison continuously and comprehensively with regard to plans, policies and actions requiring consideration in the planning for transit and in the development of planned transit facilities. Board Members shall make reasonable efforts to be diligent, attentive and prudent, including giving due consideration of matters before making decisions for WMATA. Board Members shall exercise their duty of care in the interests of WMATA, their respective Jurisdictions and the public, and therefore consider the views and policies of public officials, government bodies, and other individual stakeholders during the decision-making process. Once a decision has been voted by the Board, Board Members shall work together to implement that decision. Board Members make reasonable efforts to be diligent, attentive and prudent, including due consideration of matters before making decisions for WMATA. Board Members exercise their duty of care in the interests of WMATA and the public, and therefore consider the views and policies of public officials, government bodies, and other individual stakeholders during~~

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~~the decision-making process. Once a decision has been voted by the Board, Board Members speak with one voice and work together to implement that decision.~~

D. Duty to Avoid Conflicts of Interest

~~Board Members shall avoid conflicts of interest or appearance thereof and place ethical principles and compliance with the law above private gain and personal interests inconsistent with their responsibility to WMATA and their respective Jurisdictions. Regardless of whether specifically prohibited by this Code, Members shall endeavor to avoid conflicts of interest or the appearance of conflicts of interest, refrain from using their positions for personal profit or gain, or for any other personal advantage; refrain from the appearance of favored treatment to any person or entity; avoid compromising independence or impartiality; and avoid any other action that is likely to adversely affect the confidence of the public in the integrity of the Board or of WMATA. Members avoid conflicts of interest or appearances thereof and place ethical principles and compliance with the law above private gain and personal interests inconsistent with their responsibility to WMATA. Regardless of whether specifically prohibited by this Code, Members endeavor to avoid conflicts of interest or even the appearance of conflicts of interest, refrain from using their positions for private gain, refrain from the appearance of favored treatment to any person or entity, avoid compromising independence or impartiality, refrain from making WMATA decisions outside of official channels, and avoid any other action that is likely to adversely affect the confidence of the public in the integrity of the Board or of WMATA.~~

Article III. Definitions

Capitalized terms in this Code of Ethics are defined as follows:

A. "Board Member" or "Member" means a Director or Alternate of the Board of Directors of the Washington Metropolitan Area Transit Authority.

B. "Business Associate" means a person who is engaged with a Board Member in a venture expected to result in a benefit to the Board Member or any of the Board Member's Household Members in the form of money or other thing of value.

C. "Financial Transaction" means any arrangement from which a Party anticipates receiving or transferring money or any other thing of value including, but not limited to, arrangements for purchase, sale, lease or other transfer or conveyance of any interest in real or personal property; construction or improvement of any facility or property; and procurement of services, both personal and consulting.

D. "Gift" means any gratuity, favor, discount, entertainment, hospitality, loan, forbearance, other item having monetary value or similar consideration for which the

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recipient does not pay market value or that is not offered to the public generally. A gift therefore includes, but is not limited to, cash, a meal, merchandise, services, admission to a sporting event, admission to a theatrical, musical or other spectator event, admission to an event or activity in which persons are participants (e.g., a conference or golfing event), travel, transportation and lodging. It does not matter whether a gift is provided to the recipient in kind or in the form of a ticket, a payment in advance or a reimbursement of an expense that has been incurred; in all these cases, the benefit provided is considered a Gift.

E. "Household Member" means a spouse, domestic partner, dependent child, any relative over whose financial affairs the Board Member has legal or actual control or any person who resides in a Board Member's household on other than a temporary basis.

F. "Interested Party" means any Party that has decided to seek to enter into, that is seeking to enter into, or that has actual or prospective interest in a contract or agreement with WMATA or that has interests that can be directly affected by decisions or actions of WMATA.

G. "Jurisdiction" means the Signatories to the Compact (Maryland, Virginia and the District of Columbia), the bodies authorized by the Compact to appoint Board members, and the counties, cities and political subdivisions that Board Members represent.

H. "Participate" means vote, address, discuss or otherwise attempt to influence a decision of the Board of Directors or any action undertaken by WMATA staff.

I. "Party" means an individual, corporation, partnership or other legal entity, and any parent of a business entity. A "parent of a business entity" owns or controls more than fifty percent (50%) of that entity (i.e., by value or voting power).

J. "Property" means real property, including land, together with any structures improvements, and any rights on interests in land and/or improvements.

K. "Prohibited Source" means an Interested Party or other Party whose interests may be substantially affected by the performance or non-performance of the Member's duty, and a Party offering a Gift because of the Member's position on the WMATA Board of Directors. For the purposes of this definition, "Party" also includes the officers, employees and agents of a Party.

L. "Substantial Interest or Duty" means any of the following:

Comment [PTS2]: Accept AG revision with minor changes to achieve intent to encompass all political subdivisions in Compact Transit Zone that appoint Board Members and that Board Members represent.

AG revision:

"Jurisdiction" for the purposes of this Code of Ethics means the signatory states (Maryland, Virginia and the District of Columbia) that entered in the WMATA Compact to create WMATA, as well as any political subdivisions that are authorized in the Compact to appoint Members to the Board and the constituent member local governments of any such political subdivision."

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1. Ownership of Interest in a Party. Ownership interest (e.g., shares of stock or other securities) in a Party that exceeds three percent of the total equity of the Party, has a fair market value greater than \$15,000 or yields more than \$1,000 in annual income.

2. Ownership of Interest in Property. Ownership interest in Property that has a fair market value greater than \$15,000 or yields more than \$1,000 in annual income.

3. Ownership of Interest in or Employment by a Party Receiving Income from an Interested Party. Employment by or Ownership of Interest in a Party receiving revenues from an Interested Party of at least \$10,000 or three percent of the Party's gross income for its current or preceding fiscal year, whichever is greater.

4. Income. Income in any form (whether or not deferred) from a Party or Property, including, but not limited to, wages, salaries, fringe benefits, interest, dividends or rent that exceeds or may reasonably be expected to exceed \$1,000 annually. Income also includes potential income; for example, from an upcoming job or offer of employment with a Party.

5. Pledge or surety. Personal liability (incurred or assumed) on behalf of a Party that exceeds the lesser of three percent (3%) of the asset value of the Party or \$1,000.

6. Loan or debt. Personal indebtedness of \$1,000 or more to a Party, except a debt incurred in the ordinary course of business on usual commercial terms (e.g., a mortgage liability secured by a personal residence of the Member or the Member's spouse; a loan liability secured by a personal motor vehicle, household furniture or household appliances; a personal revolving line of credit or capital contribution loan liability; a debit, credit or other revolving charge account liability).

7. Personal Representation. Personally representing or providing professional services to a Party, including legal, audit, accounting, financial and consulting services, regardless of the specific subject matter of the representation or amount of compensation received.

8. Fiduciary Duty. The duty owed to a Party by a director, officer or general partner of the Party, even without financial remuneration from the Party.

9. Imputed Interest. The financial and other interests in a Party or Property held by Household Members are imputed to the Member.

Exclusions. The following interests are excluded from "Substantial Interest or Duty": checking or savings accounts; money market accounts and other demand deposits;

Comment [PTS3]: Decline AG proposal to exclude a Member's duty to represent or advocate on behalf of her respective Jurisdiction. This addition is not necessary as the Code recognizes that Board members represent their jurisdictions' views and policies. See, Article II.C "Duty of Care." The Members' duty to represent a Jurisdiction is not an "exclusion" of a Substantial Interest or Duty but is itself an affirmative duty.

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government bonds; certificates of deposit; government employment; and diversified mutual funds, pension plans, employee benefit plans, trusts, estates and other similar funds, plans and entities administered by an independent party without participation by the Member or Household Members in the selection or designation of financial interests held by the fund, plan or entity.

Article IV. Conflicts of Interest

A. An Actual Conflict of Interest arises whenever a Member or Household Member has a Substantial Interest or Duty in:

1. an Interested Party; or
2. any other Party or Property that may realize a reasonably foreseeable benefit or detriment as a result of an action or decision of the Board.

B. An Apparent Conflict of Interest arises from conduct, not constituting an Actual Conflict, that the Member knows or reasonably should know is likely to create in the mind of a reasonable person with knowledge of the relevant facts the perception that the Member is not fairly and objectively performing his or her official duties, or could be viewed as having the capability to influence or personally benefit from an action of the Board.

C. An Apparent Conflict of Interest also exists when a benefit greater than \$25 is conveyed, by or on behalf of a Party, to a Board Member, or to a Household Member or Business Associate on behalf of the Member, within 2 years of the Board considering a matter that may realize a reasonably foreseeable benefit or detriment to that Party ("Improper Benefit").

D. When a matter under consideration by the Board involves real property owned, operated or managed by a Member's Jurisdiction, that Member shall make a Declaration of the interest pursuant to Art. V.C.

Article V. Resolving Conflicts of Interest; ~~Legally-Required Participation~~

As set forth in this Article, Board Members shall resolve Actual Conflicts of Interest via recusal. Board Members have additional means to resolve Apparent Conflicts of Interest, with concurrence of the Ethics Committee: divesting and making a declaration. A Board Member with a conflict of interest may nevertheless Participate in a matter when that Participation is required by the Compact.

A. Recusal

Comment [PTS4]: Decline AG revision to remove the definition of apparent conflict on interest in part B and the per se rule in part C. These parts are necessary to achieve the Board's goals of transparency and accountability to the public.

The definition in part B was identified by the Governance Committee as necessary to achieve the intent of the ethics code. The provision adopts a reasonable person standard and a per se rule limit based on the LACMTA ethics code and ethics recommendations by USDOT IG.

The per se rule is consistent with best practices in the transit industry.

Comment [PTS5]: AG's urge a different term because "actual" and "apparent" can be synonymous. MWAA and Chicago Transit Authority use "apparent." NY MTA and the federal government use "appearance of." Cases generally use either "apparent" or "appearance of."

Staff recommends using "appearance of" a conflict of interest for clarity.

Comment [PTS6]: AG revision excluded property owned, operated or managed by the Member's Jurisdiction from Substantial Interest and Duty. This change accepts the AG proposal that Board members are not excluded from participating in matters when their jurisdiction have such a property interest, but requires Members to disclose the interest prior to taking action consistent with the Board's policy on transparency.

Comment [PTS7]: Clarification; not part of prior Committee consideration or AG revisions.

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1. Board Members with an Actual Conflict of Interest must recuse themselves from Participating in any matter in which they have an Actual Conflict of Interest.

2. Board Members will recuse themselves when Participating would otherwise violate the Code of Ethics, such as decisions by the Board or WMATA to hire, appoint, employ or promote, or to enter into a Financial Transaction with a Relative of the Member under Article IX.B.2, or when Participating would violate a law to which they are subject.

3. Board Members will also recuse themselves from Participating in any matter in which they have an Apparent Conflict, unless the Member believes and publicly declares in the manner described below that the Member is able to participate in the matter fairly and objectively in the interest of WMATA notwithstanding the appearance of a conflict, or the Member divests an Improper Benefit in the manner described below.

4. A Board Member will promptly notify the Board or Committee Chair before whom the matter is being considered of the decision to recuse using the form attached to the Code of Ethics. The Board Member will also cause the Board's official records to reflect the Member's recusal from participating in the matter. The fact of the conflict and recusal shall be publicly announced at any meeting of the Board or a Committee at which the matter is considered.

5. A Member shall not at any time Participate in, attempt to Participate in, or discuss with other Members or WMATA personnel, any matter from which the Member is recused. (Members may, however, consult the Ethics Officer regarding compliance with the provisions of this Code at any time.) The Member may remain present for any public portion of a meeting at which the matter is considered, provided the Member does not remain at the Board or committee table or dais during the discussion and consideration. The Member may not attend any portion of an executive session closed to the public at which the matter is considered.

B. Divesting in Lieu of Recusal

A Board Member with an Apparent Conflict of Interest arising by an Improper Benefit (see Art. IV.C) may, with the concurrence of the Chair of the Ethics Committee, resolve the conflict by paying the giver the Benefit's market value; returning the Benefit to the giver; or in cases where paying for or returning the Benefit is impracticable, deliver the Benefit to the Ethics Officer, who will make proper disposition of it.

C. Declaration in Lieu of Recusal

Comment [PTS8]: Decline the AG revision to remove the option to divest. In effect, members would not be able to resolve conflicts through divesting and would be prohibited from acting based on campaign contributions received even if without actual knowledge of the Board Member.

The option to divest is necessary to accommodate Board Members who receive campaign contributions as elected officials.

Elected Board members receive campaign contributions from many sources, and may not be able to determine at the time of receipt whether contributors have an interest in a matter before the Board. Later, when a matter arises in which a contributor has an interest, such as a joint development opportunity, the Board member will identify an apparent conflict of interest. The provision permits the Board member to return the benefit and participate in the matter, provided the Ethics Committee concurs that it cures the conflict. The divestment option achieves the Board's goals of disclosure and transparency without disenfranchising Board Members.

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If a Board Member believes that he or she is able to participate in a matter fairly and objectively in the interests of WMATA notwithstanding an Apparent Conflict of Interest, the Member may Participate in the matter after obtaining approval from the Chair of the Ethics Committee and making a Declaration. In the Declaration the Member shall explain: a) the nature of the Member's personal interest in the parties or matter, and b) why the Member is able to Participate in the matter fairly and objectively in the interest of WMATA. The Declaration will be effective upon concurrence by the Chair of the Ethics Committee. The presiding Chair will read the approved Declaration into the record at any meeting of the Board or a Committee at which the matter is considered prior to action being taken.

D. Compact-Required Participation

This section does not prohibit a Board Member from Participating in a matter if that Participation is required by Section 8(a) of the Compact in order for the decision to be made. In that case, the Board Member will make a Declaration as provided for in this section, and the Chair will read it into the record at any meeting of the Board or a Committee at which the matter is considered.

E. Facilitating Compliance with Conflicts of Interest Restrictions

In order to facilitate compliance with the conflict of interests provisions of this Article, the Board Secretary shall include in the materials mailed to the Board or Committee a list of Interested Parties and other Parties or Property that may be affected by a Board or Committee decision on matters scheduled for consideration at the upcoming meeting. Members are entitled to rely on the accuracy of information supplied to them by the Board Secretary pursuant to this subsection. Members shall review the information at the time it is supplied against their current holdings, and shall, as necessary, recuse themselves from participating in any matter in which they have a Conflict of Interests or, in the case of an Apparent Conflict, either recuse themselves or propose **to divest or make** a declaration regarding the matter.

Article VI. Restricted Interests

A. Board Members are prohibited from being "financially interested, either directly or indirectly, in any contract, sale, purchase, lease or transfer of real or personal property to which the Board or the Authority is a party." Compact § 10.

B. Board Members and Household Members shall not knowingly have a Substantial Interest or Duty in an Interested Party during the Member's term of service.

Comment [PTS9]: Decline the AG revision to remove Compact-required participation because Board members have alternates who can act for them in the event of a conflict. AG revision does not account for circumstances where alternates may not be available.

Allowing for Compact-required participation means that the Board may act in limited circumstances such as emergencies without invoking a jurisdictional veto. WMATA cannot amend the Compact on its own.

AG's believe that Compact-Required Participation is a misnomer and may allow conflicted members to inappropriately Participate in matters. They state: "This concept is fatally flawed. The Compact does not require participation of any member. In fact, the term 'Compact Required Participation' is nowhere to be found in the Compact. The Compact describes what constitutes a quorum in order for a Board action to be effective. No exigent circumstances rise to the level where it would be necessary for a conflicted Board Member to nonetheless vote on a matter in which they are conflicted."

Note that under Compact section 8, the Board cannot act without a majority, which must "include at least one Director or alternate from each Signatory" (with unrelated exceptions for plans of financing and mass transit plans). Staff recommends declining the AG revision because "required . . . in order for the decision to be made" sufficiently indicates that the circumstances will be rare.

Comment [PTS10]: AG-recommended Clarification; not part of prior Committee consideration. Staff recommends accepting the clarification.

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Article VII. Gifts

A. Non-Solicitation

1. Board Members shall not, "in connection with services performed within the scope of [their] official duties, solicit or accept money or any other thing of value in addition to the compensation or expenses paid to [them] by the Authority." Compact § 10.

2. Board Members shall not solicit a Gift from a Prohibited Source or from any WMATA employee, except when soliciting the general public by mass communication or other widely-distributed means that may incidentally be addressed to or include Prohibited Sources or WMATA employees.

Comment [PTS11]: AG-recommended Clarification; not part of prior Committee consideration. Staff recommends accepting the clarification.

B. Limits Upon Accepting Gifts

1. Board Members and Household Members may not accept a Gift from a Prohibited Source, except as specifically permitted by the exceptions set forth in Appendix 1 to this Code. In addition, Board Members and Household Members should not accept Gifts even though permitted by an exception, on such a frequent or regular basis that a reasonable person could be led to believe they are using their position with WMATA for personal gain or are not performing the duties of their position in an impartial manner.

2. Board Members may not designate, recommend or otherwise specify that a Gift be provided to or accepted by another Party, excluding a charitable organization or other charitable recipient approved by the Ethics Officer.

Comment [PTS12]: Accept AG revision.

3. Members are encouraged to seek the Ethics Officer's advice when determining whether a particular offer may constitute a Gift that may not be accepted.

4. A Member who has received a Gift that may not be accepted under this Code shall do one of the following: pay the giver the Gift's market value; return the Gift to the giver; or in cases where returning the gift is impracticable, deliver the gift to the Ethics Officer, who will make proper disposition of it. Market value may be estimated by reference to the retail cost of similar items or services of like quality. The Ethics Officer should be consulted when estimating the market value of a gift. Subsequent reciprocation of the giver by the Member to the giver does not constitute payment of the market value of a gift.

Comment [PTS13]: Decline the AG revision to surrender improper gifts to the Ethics Committee rather than the Ethics Officer. Surrendering gifts to the Ethics Officer follows Code of Ethics changes suggested by USDOT IG, and shields all Board members from association with an improper gift. It also allows for immediate disposition of an improper gift without the need to call a special meeting of the Ethics Committee.

Article VIII. Bona Fide Religious, Charitable and Political Contributions

Comment [PTS14]: Clarification; not part of prior Committee consideration or AG revisions.

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Provided all other provisions of this Code are satisfied, a Member or Household Member may solicit bona fide religious, charitable and political contributions. A Member may accept such contributions only to the extent consistent with the law of the Board Member's jurisdiction and where it cannot reasonably be inferred that the contribution is offered in an effort to influence the Member's action upon a WMATA matter or offered as a reward for the Member's action upon a WMATA matter.

Article IX. Use of Official Position

Comment [PTS15]: Revisions pursuant to Resolution 2014-41.

A. Board Members shall not use, nor give the appearance that they are using, their official position with WMATA in a manner inconsistent with their responsibilities to WMATA and their respective Jurisdiction. Board Members shall not:

1. Use their position with WMATA for their own personal financial gain, for the endorsement of any product, service or enterprise in which they have a financial interest ~~Substantial Interest or Duty~~, or for the private financial gain of friends, relatives, or individuals or entities with which they are affiliated, including nonprofit organizations of which they are officers or members, or with which they have or are seeking employment or business relations;

Comment [PTS16]: Clarification: not part of prior Committee consideration or AG revisions.

2. Use or permit others to use information not generally available to the public obtained from WMATA through the Board Member's official position with WMATA to further the Substantial Interests or Duties of a Board Member, a Household Member, a Member's Business Associate, or any Interested Party, ~~excluding the Federal government and governmental entities within the Transit Zone;~~

3. Disclose or permit others to disclose to anyone outside WMATA other than to staff of their respective Jurisdictions information obtained through their official position with WMATA and not generally available to the public except where and to the extent necessary to fulfill the Board Member's Fiduciary responsibilities; provided, however, that disclosure of confidential information shall be made only in accordance with the terms of Article II (B); ~~Disclose or permit others to disclose to anyone outside WMATA information obtained through their official position with WMATA and not generally available to the public except where and to the extent necessary to fulfill the Board Member's responsibility to further WMATA's interests; Board Members shall treat information received in or for Executive Sessions as confidential and shall not disclose such information absent approval of the Chair of the Executive Committee~~

4. Use WMATA property other than for authorized purposes, nor seek assistance from other WMATA personnel, while in duty status, to assist them in connection with business enterprises (including self-employment, home-based businesses, consulting, purchase or sale of real estate or other professional services) or personal matters (non-WMATA matters including a Board Member's social, religious or educational interests);

GOVERNANCE COMMITTEE

5. Offer money or any thing of value for or in consideration of obtaining an appointment, promotion or privilege in their employment with the Authority (Compact § 10); or

6. Receive compensation from WMATA except for reimbursement for necessary expenses incurred incident to the performance of their duties, in accordance with and to the extent permitted under WMATA's expense reimbursement policies. Members are expected to exercise prudence when incurring expenses in connection with official duties.

B. Influence with Regard to Household Members and Relatives

1. No Member or Household Member shall be employed by WMATA during the Member's term of service. In addition, no Member, Household Member, or Party that is wholly or substantially owned or controlled by a Member or Household Member shall be a party to a contract with WMATA during the Member's term of service. For purposes of this section, a Party will be considered "substantially" owned or controlled if the Member or a Household Member singly or in combination owns or controls more than fifty percent (50%) of the Business (i.e., by value or voting power).

2. A Member shall not Participate in a decision by the Board or WMATA management to hire, appoint, employ or promote, or to enter into a Financial Transaction with a Relative of the Member. "Relative" means a relation of the Member who is not a Household Member and is a: father, mother, grandfather, grandmother, non-dependent child, granddaughter, grandson, brother, sister, uncle, aunt, nephew, niece, father-in-law, mother-in-law, daughter-in-law, son-in-law, sister-in-law or brother-in-law.

Comment [PTS17]: Decline AG revision removing this paragraph. Paragraph 1 sets one standard for closer family, "Household Members" (no hiring or contracting), while paragraph 2 establishes a different standard for more distant family, "Relatives" (members do not participate in decisions regarding hiring or contracting). The provisions are not mutually exclusive.

C. Post WMATA Service Restrictions. Board Members shall not, for a period of two years following the end of their term or effective date of their resignation, accept employment with any private third Party to work on a matter in which the Board Member has Participated. In addition, a Board Member, his or her Household Members or any Party that is wholly or substantially owned or controlled by that Member or his or her Household Member, shall not be a party to a contract with WMATA for two years following the conclusion of the Member's term of service. For purposes of this section, a Party is "substantially" owned or controlled if the Member or Household Member singly or in combination owns or controls more than fifty percent (50%) of the Party (i.e., by value or voting power).

Comment [PTS18]: Decline AG revision to limit prohibition to one year rather than two. USDOT IG recommends two years.

GOVERNANCE COMMITTEE

Article X. Disclosures and Acknowledgements

A. Within 30 days of assuming a position as a Member of the Board of Directors and annually on April 30 thereafter, each Board Member shall submit a disclosure statement to the Board Secretary ("Disclosure Statement"), using the form attached to this Code. The Disclosure Statement shall include:

1. any Substantial Interest or Duty in an Interested Party, Party or Property held by the Board Member or Household Members at the time of filing, except for "Personal Representation" interests as defined in Article III section K part 7 of this Code;

2. any positions of employment held by the Member or Household Members during the prior calendar year, whether on a full- or part-time basis; and

3. any outside positions held by the Member or Household Members during the prior calendar year as a director, officer, general partner or trustee of any Party (including nonprofit, labor and educational organizations or institutions, although positions held in any religious, social, fraternal or political organization need not be disclosed).

B. Continuing Disclosure Obligation. Whenever a Member or Household Member acquires a disclosable Substantial Interest or Duty in an Interested Party, Party or Property not previously disclosed, the Member shall notify the Board Secretary, in writing, within 10 calendar days of the acquisition and its details, using the form attached to this Code. Such statement shall be maintained with the Member's most recent Disclosure Statement.

C. Disclosure of Gifts. Members shall submit the form attached to this Code to the Board Secretary regarding any Gift solicited or accepted from a Prohibited Source by the Member or a Household Member pursuant to an applicable exception of this Code. Gifts shall be disclosed in writing at the time of solicitation or acceptance (or as soon as possible thereafter). The disclosure shall briefly describe the Gift, state its value and identify its source. Gift disclosures shall be maintained by the Board Secretary for compilation and filing with each Member's Annual Disclosure Statement.

D. Disclosures will be submitted to the Board Secretary. The Board Secretary will review each disclosure for completeness, and request the Board Member to provide any incomplete information. The Board Secretary will provide each completed disclosure to the Ethics Officer for review and for a determination of whether the disclosure presents a Conflict of Interest. The Ethics Officer will notify the Board Member who submitted the disclosure of any conflicts and provide 5 business days to resolve them. If the conflict is timely resolved or if there are no conflicts, the Ethics Officer will return the

Comment [PTS19]: The AGs propose to insert "governmental" as another outside position that need not be reported. The AGs believe that governmental positions should be excluded like positions with political organizations. This has not previously been considered by the Governance Committee.

Staff recommends declining the AG proposal. Governmental positions, unlike membership in a political organization, may include the power to vote on or otherwise influence public policy and other governmental functions. As a result, they should be disclosed. Disclosure does not necessarily mean there is a conflict; instead, it serves transparency.

Comment [PTS20]: Clarification: not part of prior Committee consideration or AG revisions.

GOVERNANCE COMMITTEE

disclosure form to the Board Secretary. If a conflict remains unresolved after 5 business days, plus any extension granted in the Ethics Officer's sole discretion, the Ethics Officer will provide the disclosure form to the Board Secretary, who will transmit it to the Ethics Committee for consideration, recommendation and subsequent Board action.

E. Acknowledgement of Fiduciary Duties and Responsibilities. Immediately upon being sworn in as a Member of the Board of Directors, and annually on April 30 thereafter, each Board Member shall submit the form attached to this Code acknowledging the Board Member's understanding of his or her fiduciary obligations to the Authority to the Board Secretary.

Comment [PTS21]: Decline AG revision to remove this part. Annual acknowledgment of Board member fiduciary duties contributes to strong ethics and sound governance. It is also consistent with other annual acknowledgment requirements under the Code and annual ethics training for Board members.

F. Acknowledgement of Ethics Obligations. The Ethics Officer will provide Members with a copy of this Code of Ethics upon assuming their position as Member. Within 30 days of receiving the Code, Members shall provide the Ethics Officer with a written acknowledgement that they have read and will comply with the Code.

G. All statements required by this section shall be available for public review in the office of the Board Secretary.

Article XI. Other Reports of Potential Conflicts and Suspected Ethics Violations

A. Any Interested Party shall, prior to bidding on, proposing on or entering into a Financial Transaction, file a statement on the form attached to this Code disclosing all interests that Board Members have in that Party or in the Financial Transaction, of which the Party has knowledge or should have knowledge. These statements shall be used to facilitate Board Member compliance with the Conflicts of Interest provision (see Art. V.E).

Comment [PTS22]: Decline AG revision to remove this sentence from parts A and B. The sentence helps explain compliance procedures.

B. The WMATA Joint Development Policies and Guidelines require Parties to report suspected violations and potential Conflicts of Interest. These statements shall be used to facilitate Board Member compliance with the Conflicts of Interest provision (see Art. V.E).

C. Board Members shall disclose to the Ethics Officer any suspected violations of the Code of Ethics.

D. Any Party may report suspected violations of the Code of Ethics or potential Conflicts of Interest. Such reports: 1) must be made in writing, 2) must involve conduct in the capacity as a member of the WMATA Board, and 3) should be materially related to a violation of this Code, law, rule, regulation or duty, as opposed to a complaint about a policy or a matter of judgment. The report shall be submitted to the Ethics Officer and may be made anonymously.

GOVERNANCE COMMITTEE

E. The Ethics Officer shall conduct a preliminary investigation of all such suspected violations and potential conflicts, and report to the Ethics Committee, including a recommendation for or against further action based on the preliminary investigation. The Ethics Committee shall review all reports and recommendations received from the Ethics Officer and may conduct further inquiry or refer any matter to the Board of Directors for further action as the Committee deems appropriate. The Ethics Committee may also direct the Ethics Officer to attempt to resolve the matter consistent with the process for Board Member disclosures. If the matter remains unresolved after 5 business days, plus any extension granted in the Ethics Officer's sole discretion, the Ethics Officer will so report to the Ethics Committee. The Ethics Officer will provide a copy of all reports to the Board Secretary.

Article XII. Ethics Officer

A. The Ethics Committee shall designate a WMATA employee to serve as the Ethics Officer, who shall continue in that position until the designation is rescinded by the Ethics Committee.

B. The Ethics Officer is charged with fostering the highest ethical standards for WMATA and its Board Members and employees, thereby strengthening public confidence that the business of WMATA is conducted with impartiality and integrity. Specifically, the Ethics Officer is responsible for:

1. distributing copies of this Code to Members;
2. reviewing disclosures submitted by Members;
3. receiving allegations of violations of this Code (see Article XI), conducting preliminary investigation into all such allegations, and reporting all allegations to the Ethics Committee with a recommendation for or against further action based on the preliminary investigation;
4. advising Members, the Ethics Committee and Board about the application of this Code of Ethics to specific questions or situations presented by Members, including providing written opinions; and
5. arranging for the preparation and delivery of ethics training materials and sessions; and
6. serving as primary support staff to the Board's Ethics Committee (see Article XIII).

GOVERNANCE COMMITTEE

C. Ethics Opinions

1. Board Members may request a written opinion from the Ethics Officer regarding the application of the Code of Ethics to specific questions or situations that they encounter. The Chair, First Vice-Chair or Ethics Committee may request an opinion regarding the application of the Code to specific questions or situations regarding other Members that are properly before them. Requests for written opinions will include a full and accurate disclosure of all material facts.

2. No Board Member shall be found to have violated this Code of Ethics if the alleged violation followed from good faith reliance on a written opinion from the Ethics Officer that was made after a full and accurate disclosure by the Member of all material facts.

D. Ethics Officer Investigations

In reviewing disclosure forms or preparing an opinion, the Ethics Officer may conduct whatever investigation of the facts the Officer deems necessary. Board Members will cooperate fully with the investigation. If such investigation reveals conduct that may be criminal in nature, the Ethics Officer shall cease investigation of such conduct, report it to the appropriate prosecutor WMATA Inspector General and so advise the Board Chair and Board Secretary.

Article XIII. Ethics Committee

A. Formation

The Executive Committee will serve as the Ethics Committee, except that the Board Chair will select a replacement for any member of the Executive Committee who has a potential interest in the matter, or whose Participation in the matter would create an appearance of a conflict of interest. The Board Chair will serve as the Chair of the Ethics Committee, or in his or her discretion, designate another member of the Ethics Committee to serve as Chair. In matters involving the Board Chair, the First Vice Chair will perform these duties. Ethics Committee members may not designate alternates to act on their behalf; instead, a member who is unable to fulfill his or her role on the Committee will so inform the officer chairing the Committee, who will select a replacement Board Member.

B. Quorum and Meetings

Four members of the Ethics Committee, consisting of at least one member representing each Signatory, constitute a quorum. The Ethics Committee will meet in and follow the procedures for Executive Sessions, except that attendance is limited to

Comment [PTS23]: Modify in response to AG revision. AG revision added that the Ethics Committee must consent to the referral. As a result, the Ethics Officer would continue the investigation until receiving Ethics Committee approval—potentially interfering with a criminal investigation. Modification reflects that WMATA IG is the designated Board agent to handle criminal matters. Provision already requires the Ethics Officer to advise the Board Chair and Board Secretary.

Comment [PTS24]: The AGs propose to remove this provision because they believe only the conflicted member can pick a replacement. This has not previously been considered by the Governance Committee.

The AGs state: "A fundamental tenet of the Compact is that the Jurisdictions are represented by the Board Members they appoint. Giving this power to the chair of a committee is impermissible and in direct contravention of [Compact Article III (5)(a), which provides when an Alternate Member can vote on behalf of a Principal Member]. Allowing the chair of a committee to determine who a jurisdiction's alternate is, would grant the chair powers not given or even contemplated in the Compact; therefore, this language must be removed."

Note that under the following part B, the Ethics Committee cannot form without a member representing each Signatory. Also note that the Compact provision cited by the AGs relates to actions taken by the Board, and the Ethics Committee does not act but rather makes recommendations.

Staff recommends revising the provision to state that the Ethics Chair will select a replacement from the conflicted member's jurisdiction provided there is a member from that jurisdiction who does not share in the underlying conflict.

GOVERNANCE COMMITTEE

the members of the Ethics Committee, the CEO, the Ethics Officer and persons the Ethics Committee deems necessary for the discussion.

C. Consideration and Recommendation by the Ethics Committee

1. Consideration of a Matter by the Ethics Committee

The Chair of the Ethics Committee will promptly schedule an executive session to consider matters before it, and notify the Ethics Officer and affected Board Member(s) of the session. If the matter is resolved prior to the scheduled executive session, such as by the affected Board Member ~~having cured~~ resolving a potential conflict of interest, the session will be canceled.

Comment [PTS25]: Clarification; not part of prior Committee consideration or AG revisions.

A Member whose alleged conduct is the subject of Board review shall be given notice and an opportunity to be heard in writing and in person, either directly or through a representative. The Ethics Officer will attend the session to provide guidance.

The Ethics Committee shall obtain outside counsel whenever the interests of WMATA and a Board Member diverge; in making this determination and selection, the Ethics Committee will consult with the General Counsel. During its proceedings, the Ethics Committee may refer specific issues for external investigative assistance.

The Ethics Committee will cease its proceedings at any time it determines that the matter has been resolved and no longer presents an issue to be considered under the Code of Ethics.

2. Ethics Committee Recommendation

If the matter is not resolved by the Ethics Committee, the Ethics Committee will request a formal written opinion from the Ethics Officer and include it as part of its written recommendation to the Board. The Committee's recommendation for action upon the matter will be based on all evidence presented to it, including evidence provided by the affected Board Member; guidance from the Ethics Officer, including formal written opinion(s); consideration of the Code of Ethics; and any other findings and deliberations. The Chair will ensure Committee's recommendation is placed on the agenda for the next regularly-scheduled Board public session.

~~Because its written recommendation will be part of a public record, the Ethics Committee will carefully select the information it includes, in order to incorporate only that information required to adequately inform the Board, and exclude information that might discourage appropriate ethical conduct in the future, such as voluntary disclosures of potential conflicts. The affected Board Member may provide a statement that the Ethics Committee will include with its recommendation.~~

Comment [PTS26]: Accept AG revision.

GOVERNANCE COMMITTEE

D. Board Action Upon Ethics Committee Recommendation

The Board will consider in public session the Committee's recommendation. The Board may direct further proceedings by the Ethics Committee or request additional guidance from the Ethics Officer. The Board will make a written determination, including findings of fact and conclusions of law, of whether there is a Conflict of Interest or other ethics violation. The determination shall be maintained by the Board Secretary and be made publicly available.

E. Sanctions

1. If the Board determines that a Member has knowingly violated this Code or a related applicable law, the Board shall confer with the Member's appointing authority to consider what may take the action it determines to be appropriate, which may include but is not limited to any or all of the following: issuing a public reprimand; directing involuntary recusal; removal from positions held on Committees; giving written notice of the violation to the Member's appointing authority; submitting a request to the Member's appointing authority that the Member be removed; any other appropriate action regarding the Member; and appropriate action regarding any contract or agreement that is related to the violation (e.g. voiding or canceling a contract), to the extent permitted by law.

2. Any Board Member who willfully violates any provision of Compact § 10, "Conflict of Interest," shall, as specifically set forth in § 10(b) and at the discretion of the Board, forfeit the Board Member's position with WMATA. The Board shall confer with the Board Member's appointing authority when exercising its discretion in this part, and a Board Member may be removed or suspended from office only as provided by the law of the state or political jurisdiction from which he was appointed. The Board shall provide the Board Member notice and an opportunity to be heard, in writing and in person, directly or through counsel, before taking official action to cause the Board Member to forfeit the position.

3. Any Financial Transaction to which WMATA is a party, made in contravention of Compact § 10, may be declared void by the Board. The Board shall provide notice and an opportunity to be heard, in writing and in person, directly or through counsel, to any Party whose Financial Transaction with the Board or WMATA is considered to contravene these sections before taking action to void the transaction.

4. The Board may seek guidance from the Ethics Officer or General Counsel regarding appropriate sanctions.

Comment [PTS27]: Modify in response to AG revision.

AG revision required collaboration with Board member's jurisdiction to determine appropriate sanction, and limits Board to list of possible sanctions. It also seeks to modify Section 10 of the Compact by requiring concurrence of respective Jurisdiction in situation that, under Compact, gives authority to Board in limited situations for willful violation of Compact provisions. WMATA cannot amend the Compact on its own.

Modification represents compromise by requiring Board to confer with member's jurisdiction before making a decision but leaving ultimate decision regarding to Board as set forth in Compact.

Comment [PTS28]: Clarification; not part of prior Committee consideration or AG revisions

GOVERNANCE COMMITTEE

Article XIV. Interpretation and Training

A. The Board is responsible for enforcing this Code. It may seek general guidance regarding interpretation of the Code from the Ethics Officer.

B. The Ethics Officer will arrange for all Members to receive in-person ethics training and accompanying training materials within four weeks of the start of their term and thereafter on an annual basis.

Article XV. Severability

The provisions of this Code of Ethics shall be severable and if any phrase, clause, sentence or provision is declared invalid, the validity of the remainder shall not be affected thereby.

Article XVI. Effective Date; Duration; Amendment

This Code shall become effective when adopted by the Board and shall remain in effect unless and until amended or revoked by the Board in accordance with § 8 of the Compact.

The Ethics Officer, in consultation with the Board Secretary and General Counsel, shall review this Code on an annual basis and report to the Board regarding any recommendations for amending the Code or its implementing policies and procedures.

GOVERNANCE COMMITTEE

APPENDIX 1

**TO CODE OF ETHICS OF THE WMATA BOARD OF DIRECTORS EXCEPTIONS TO RULE
AGAINST ACCEPTING GIFTS**

1. Gifts of \$25 or Less. Board Members and Household Members may accept a Gift other than cash of \$25 or less, so long as the aggregate market value of individual Gifts a Board Member or Household Member receives from the same Prohibited Source in a calendar year does not exceed \$50. If the market value of a Gift exceeds \$25 (or the aggregate market value of multiple gifts exceeds \$50), a Member may not pay the excess value over \$25 (or \$50) in order to accept the gift.

2. Personal Gifts. Board Members and Household Members may accept a Gift that is given under circumstances that make it clear that the Gift is motivated by a personal friendship or family relationship rather than the position of the Board Member. Relevant factors in deciding whether a Gift is motivated by a personal friendship or family relationship include the history of the friendship or relationship, and whether the cost of the gift is paid by the individual with whom the friendship or relationship exists or by the individual's employer.

3. Widely Attended Gatherings. Board Member and Household Members may accept a gift of free attendance at a widely attended gathering or any portion of such an event that is open or part of a regularly-scheduled program.

A gathering is not widely attended, open or part of the regularly-scheduled program if it is, for example, by invitation only or focused on a particular business rather than transit more generally.

Free attendance to a widely attended gathering may include the provision of food, refreshments, entertainment, instruction and instructional materials, each of which is furnished to all attendees as an integral part of the gathering. Free attendance may not include the provision of travel or lodging.

4. Speaking Engagements and Events. Board Members and Household Members may accept free attendance from the sponsor of an event at which they are speaking, presenting information or otherwise participating on behalf of WMATA. Free attendance may include food, refreshments and entertainment furnished to all attendees as an integral part of the event. Participation in the event on the day of the Board Member's or Household Member's participation is viewed as a customary and necessary part of the performance of their positions and does not constitute a Gift.

Comment [PTS29]: Decline AG revision to include travel and lodging with free attendance, and remove requirement that Board Member participate on WMATA's behalf. The provision follows the ethics changes suggested by the USDOT IG.

GOVERNANCE COMMITTEE

5. WMATA-Sponsored Events. Board Members and Household Members may accept free attendance to an event that is sponsored solely by WMATA to recognize one or more Authority officers or employees or a WMATA achievement or milestone, or that is sponsored, in whole or in part, by WMATA to raise funds for a charitable organization or cause. Free attendance to such an event may include the provision of food, refreshments and entertainment.

6. Gifts to Household Members. Household Members may accept a Gift that results from the business or employment activities of the recipient, and it is clear from the circumstances that the gift is not being offered or given because of the Board Member's position with WMATA.

7. Prizes. Members may accept a gift that is a prize given to successful competitors in competitive contests or events or to persons based upon random drawings (including door prizes given randomly). Members may accept a gift, not addressed in the prior sentence, that is provided as a favor or in recognition of attendance to all attendees at a widely attended gathering or at an event identified in paragraph (4) or (5), so long as the value of the gift is less than \$25.

8. Gifts to WMATA. A Member representing or acting on behalf of WMATA may accept and use gifts of property for WMATA. Property accepted under this section and proceeds from that property must be used, as nearly as possible, under the terms of the gift, if any. These include: a) ceremonial gifts given to Members (e.g., by representatives of governmental units) while serving as a representative of WMATA that are accepted on behalf of WMATA; and b) gifts of food or refreshments provided Members at events they are attending as representatives of WMATA, where it is clearly in the interest of WMATA that it be present at the event through one or more official representatives. In the case of ceremonial gifts, Members are to turn the gifts over as soon as practicable to the Ethics Officer for disposition.

9. Approved Gifts. The Ethics Committee may, in an open public meeting, approve a Member's acceptance of a gift not otherwise falling within one of the foregoing exceptions if it determines that the acceptance would not be detrimental to the impartial conduct of the business of WMATA.

Comment [PTS30]: Decline AG revision to remove \$25 limit thus allowing Board Members to accept larger prizes. The provision follows the ethics changes suggested by the USDOT IG.

Comment [PTS31]: Decline AG revision to allow Board Member to keep ceremonial gifts. The provision follows the ethics changes suggested by the USDOT IG.

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

Board of Directors Disclosure Form

Reporting Individual's Identification

Last	First	Middle
Jurisdiction:		

General Instructions

- Step 1: Read the definitions on the following page.
- Step 2: Place your name at the top of pages 2 through 8.
- Step 3: Complete Parts I- IV. Do not leave a question blank. **Write "N/A" in any table for which you have nothing to report.** If you have already reported an interest in a particular entity in a response to a previous question, you may write "see response to question __," in any subsequent table that would require you to report an interest in the same entity.
- If there is insufficient space to completely answer any question, please make additional copies of that page to continue your response.
- Step 4: Sign the form and date it in the space provided.
- Step 5: Submit the original, completed and signed form in hard copy or electronic PDF to the Board Secretary by April 30, each year.
- Step 6: In accordance with WMATA Board Code of Ethics, Article X.B. there is a continuing obligation to disclose any changes or responsive information that arises after the submission of this form. Updates or amendments to this Disclosure Form must be submitted within 10 days of any change, using the form attached to the Code of Ethics.

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

Board of Directors Disclosure Form

Reporting Individual's Name:

Definitions

Household Member: A spouse, domestic partner, dependent child, any relative over whose financial affairs the Board Member has legal or actual control or any person who resides in a Board Member's household on other than a temporary basis.

Party: An individual, corporation, partnership or other legal entity, and any parent of a business entity. A "parent of a business entity" owns or controls more than fifty percent of that entity (i.e. by value or voting power).

Property: Real property, including land, together with any structures, improvements, and any rights or interests in land and/or improvements.

Part I – Identification of Household Members

1. Identify all Household Members as defined above for whom you are reporting and include the nature of the relationship.

Name of Household Member ⁽¹⁾	Relationship

(1) You are ineligible to serve as a Board Member while a Household Member is employed by WMATA or substantially owns a Party to a contract with WMATA.

PLEASE SUBMIT COMPLETED FORM TO THE BOARD SECRETARY

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

Board of Directors Disclosure Form

Reporting Individual's Name:

Part II– Employment and Outside Positions

Part II addresses the jobs and outside positions that you or a Household Member hold or held at **any time during the previous 12 months**. Please complete each table below that applies to you or a Household Member. Write "N/A" in any table that does not apply.

A. Employment Positions. Report any paid employment or self-employed positions (whether full, part-time, or temporary, regardless of duration, and whether Business, government or non-profit) held by you or a Household Member at any time during the previous 12 months, other than government employment.

Name and Address of Employer	Position Held

B. Outside Positions. Report any position held by you or a Household Member at any time during the previous 12 months as a director, officer, general partner, or trustee of a Party.

Name and Address of Party	Position Held ⁽²⁾

(2) Positions held in a religious, social, fraternal or political organization need not be disclosed

PLEASE SUBMIT COMPLETED FORM TO THE BOARD SECRETARY

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

Board of Directors Disclosure Form

Reporting Individual's Name:

Part III – Substantial Financial Interests or Duty

Part III addresses any Party in which you or a Household Member has a Substantial Interest or Duty **at the time you file this form**. Please complete each table below that applies to you or a Household Member in order to identify all Substantial Interests and Duties. Write "N/A" in any table that does not apply to you or a Household Member. Once you have listed a Party (indicating that you or a Household Member has a Substantial Financial Interest or Duty in it) in one table, you need not repeat it in subsequent tables.

Interests Not Required to Be Reported. When identifying your interests in this Part, you do not need to report any interest that you have in or that arises from any of the following:

- Checking or savings accounts, money market accounts, other demand deposits
- Government Bonds
- Certificates of Deposit
- Diversified mutual funds
- Pension Plans and/or other employee benefit plans
- Government Employment
- Trusts or estates (unless you are the trustee or administrator)
- Other funds, plans, or entities administered by an independent party without participation by you or another Covered Person in the selection or designation of the financial interests to be held by the plan, fund or entity
- Any liability granted or extended in the ordinary course of business by a financial institution or other Business on usual commercial terms, including the following:
 1. Mortgage liability secured by a personal residence
 2. Loan liability secured by a personal motor vehicle, household furniture, or household appliances
 3. Liability arising under a
 - Debit, credit, or other revolving charge account
 - Personal revolving line of credit, or
 - Capital contribution loan
 4. Liability incurred in a student loan program

PLEASE SUBMIT COMPLETED FORM TO THE BOARD SECRETARY

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

Board of Directors Disclosure Form

Reporting Individual's Name:

A. Ownership Interests in Parties or Properties. Report for yourself and all Household Members any reportable ownership interests in Parties or Properties (other than your personal residence) held at the time of filing this form that:

- Exceed 3% of the total equity of the Party,
- Have a fair market value greater than \$15,000, or
- Yield more than \$1,000 in annual income.

Name and Address of Party or Property	Type of Interest Held ⁽³⁾

(3)For instance, stocks, bonds, partnership interest, fee or leasehold interest in Property.

B. Income from Parties or Properties. Report for yourself and all Household Members any sources of income, whether earned or prospective, at the time of filing this form, from a Party or Property that exceed, or may be reasonably expected to exceed, \$1,000 per year. Also report a prospective source of income from a job offer received by you or a Household Member.

Name and Address of Party or Property	Income Description ⁽⁴⁾

(4)For instance, salary, wages, interest, dividends, rent.

PLEASE SUBMIT COMPLETED FORM TO THE BOARD SECRETARY

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

Board of Directors Disclosure Form

Reporting Individual's Name:

C. Pledges or Sureties. Report for yourself and all Household Members any pledge or surety on behalf of a Party, as of the time of filing this form, that may give rise to a liability that exceeds the lesser of:

- 3% of the asset value of the Party; or
- \$1,000.

Name and Address Of Party	Type of Pledge Or Surety ⁽⁵⁾

(5)For instance, a personal guaranty.

D. Loans or debts. Report for yourself and all Household Members any personal indebtedness in the form of loans or debts in excess of \$1,000 that are owed to a Party at the time of filing this form.

Name and Address Of Party	Type of Debt

PLEASE SUBMIT COMPLETED FORM TO THE BOARD SECRETARY

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

Board of Directors Disclosure Form

Reporting Individual's Name:

E. Fiduciary Positions. Report for yourself and all Household Members any position held at the time of filing this form with a Party as a director, officer or general partner, whether or not financially remunerated.

Name and Address Of Party	Position Held

Part IV - Certification and Signature

I CERTIFY that the statements I have made on this form are true, complete, and correct to the best of my knowledge. I further acknowledge my continuing obligation to report any changes in the above information to the Board Secretary in writing within 10 days of such change.

Signature	Date
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Received by Board Secretary

Signature	Date
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PLEASE SUBMIT COMPLETED FORM TO THE BOARD SECRETARY

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

Board of Directors Disclosure Form

Reporting Individual's Name:

Part V - Review By Ethics Officer

This Part is to be completed only if the Board Member answered affirmatively to any question above.

I have examined this statement and any attachments, and

_____ I find no conflict

_____ I recommend Ethics Committee review of the following:

_____ I find a conflict, actual or apparent, for which the Board Members:

_____ Other, explain:

Signature: _____

Date: _____

PLEASE SUBMIT COMPLETED FORM TO THE BOARD SECRETARY

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

Board of Directors Disclosure Update Form

Reporting Individual's Identification

Last	First	Middle
Jurisdiction:		

Pursuant to my continuing disclosure obligation, please include the following changes or new responsive information with my most-recently submitted disclosure form.

I am updating: *(check all that apply)*

- Part I – Identification of Household Members

- Part II – Subpart A - Employment and Outside Positions
- Part II – Subpart B – Outside Position

- Part III – Substantial Financial Interests or Duties
 - Subpart A – Ownership Interest in Parties or Properties
 - Subpart B – Income from Parties or Properties
 - Subpart C – Pledges and Sureties
 - Subpart D – Loans or Debts
 - Subpart E – Fiduciary Positions

As follows:

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

Board of Directors Disclosure Update Form

Reporting Individual's Name:

Certification and Signature

I CERTIFY that the statements I have made on this form are true, complete, and correct updates to my disclosures to the best of my knowledge. I further acknowledge my continuing obligation to report any changes in the above information to the Board Secretary or Ethics Officer in writing within 10 days of such change.

Signature of Reporting Individual	Date
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Received by Board Secretary

Signature	Date
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Part V - Review By Ethics Officer

I have examined this statement and any attachments, and

_____ I find no conflict

_____ I recommend Ethics Committee review of the following:

_____ I find a conflict, actual or apparent, for which the Board Members:

_____ Other, explain:

Signature: _____

Date: _____

PLEASE SUBMIT COMPLETED FORM TO THE BOARD SECRETARY

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

Board of Directors

Acknowledgement of Fiduciary Duties & Responsibilities

Last	First	Middle
Jurisdiction:		

I acknowledge by my signature below that I understand and agree to be bound by the fiduciary duties stated in the Code of Ethics for members of WMATA Board of Directors. Specifically, I acknowledge that I:

- Must act in the best interests of WMATA and my Jurisdiction(s) in carrying out my duties as a member of the Board;
- Must keep confidential all matters involving the Authority that have not been disclosed to the public except as described in the Code of Ethics;
- Will liaise continuously and comprehensively with my Jurisdiction(s) with regard to plans, policies and actions requiring consideration in the planning for transit and in the development of planned transit facilities;
- Will be diligent, attentive and prudent in making decisions in the interest of WMATA and the public;
- Will avoid conflicts of interests or appearances thereof, whether or not specifically prohibited by the Code of Ethics;
- Will place ethical principles and compliance with law above private gain and personal interests inconsistent with my responsibility to WMATA and my Jurisdiction(s);
- Will refrain from using my position with WMATA for personal profit or gain, or for any other personal advantage;
- Will refrain from the appearance of favored treatment to any person or entity;
- Will not compromise my independence or impartiality;
- Will avoid any action that is likely to adversely affect the confidence of the public in the integrity of the Board or of WMATA;
- Will refrain from making WMATA decisions outside of official channels; and
- Will support the decisions made by the Board by working collaboratively to implement such decisions when final voting is complete.

Signature _____

Date: _____

PLEASE SUBMIT COMPLETED FORM TO THE BOARD SECRETARY

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

Board of Directors

Notice of Recusal

Reporting Individual's Identification

Last	First	Middle
Jurisdiction:		

Reason for Recusal

Matter	
Description of Conflict of Interest	

Notice of Recusal

In accordance with Article V.A.4. of the WMATA Board of Directors Code of Ethics, I officially notify the Board and/or the Committee Chair of the decision to recuse myself from the above matter under consideration by the Board.

Reason for Recusal (check all that apply)	<p><input type="checkbox"/> I have an Actual Conflict of Interest in the above matter.</p> <p><input type="checkbox"/> I have an Apparent Conflict of Interest in the above matter under Article IV.B.</p> <p><input type="checkbox"/> I have an Apparent Conflict of Interest in the above matter under Article IV.C.</p> <p><input type="checkbox"/> The matter involves the hiring, appointment, employment or promotion, or a Financial Transaction with a Relative.</p> <p><input type="checkbox"/> Other, explain. _____ _____ _____</p>
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SUBMIT COMPLETED FORM TO THE BOARD CHAIR AND APPROPRIATE COMMITTEE CHAIR

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

Board of Directors

Notice of Recusal

Reporting Individual's Name

Acknowledgement and Affirmation

I acknowledge by my signature below that my recusal, including the nature of the conflict and the reason for recusal will be reflected in the official minutes of the WMATA Board of Directors, and that my recusal shall be publicly announced at any meeting of the Board or Committee at which the matter is considered.

I affirm that my recusal means I will not at any time, Participate in, attempt to Participate in, or discuss with other Members or WMATA personnel, the above matter. If I choose to remain present for any public portion of the meeting where said matter is to be discussed, I understand that I must leave the Board or Committee table or dais during the discussion, and that I will not be permitted to attend any executive session closed to the public at which the matter is considered.

With the exception of any Compact-required participation on the above matter as outlined in Article V.D., this recusal remains in effect until such time as I divest myself of the Actual or Apparent Conflict of Interest or the matter is no longer before the Board.

Signature _____

Date _____

Received by: _____

Date: _____

SUBMIT COMPLETED FORM TO THE BOARD CHAIR AND APPROPRIATE COMMITTEE CHAIR

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

Board of Directors Gift Disclosure and Resolution

Complete this form as soon as possible after you, a Household Member or another party designated by you solicit or accept a gift from a Prohibited Source.

Last	First	Middle
Jurisdiction:		

Gift means any gratuity, favor, discount, entertainment, hospitality, loan, forbearance, other item having monetary value or similar consideration for which the recipient did not pay market value or that is not offered to the public generally. This includes, but is not limited to:

- Cash
- Meals
- Merchandise
- Services
- Admission to a sporting event, a theatrical, musical or other spectator event
- Admission to an event or activity in which persons are participants
- Travel, transportation and lodging

Prohibited Source means an Interested Party or other Party whose interests may be substantially affected by the performance or non-performance of the Member’s duty, and a Party offering a Gift because of the Member’s position on the WMATA Board of Directors. For the purposes of this definition, “Party” also includes the officers, employees and agents of a Party.

Party Offering the Gift:	
Description of the Gift:	
Date of Gift:	Actual or Estimated Value:
Purpose of the Gift (Why was it given to you?)	

Signature

Date

PLEASE SUBMIT COMPLETED FORM TO THE BOARD SECRETARY

Board of Directors Gift Disclosure and Resolution

Reporting Individual's Name:

Received By _____

Date _____

For Ethics Officer's Use Only

____ Gift meets 'Exception' provision in Appendix 1 of the Code of Ethics

____ Gift Returned
By Member

____ Gift Surrendered By Member
to Ethics Officer. If so, describe final
disposition

____ Market Value Paid By Member

____ Other, explain:

Ethics Officer Signature:

Date:

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

Interested Party Disclosure and Resolution

This form must be completed by an Interested Party prior to bidding on, proposing on, or entering into a Financial Transaction with the Authority.

- You are an Interested Party if you have decided to seek to enter into, are seeking to enter into, or that has actual or prospective interest in a contract or agreement with WMATA or that has interest that can be directly affected by decisions or actions of WMATA.
- Financial Transaction means any arrangement from which a Party anticipates receiving or transferring money or any other thing of value including, but not limited to, arrangements for purchase, sale, lease or other transfer or conveyance of any interest in real or personal property; construction or improvement of any facility or property; and procurement of services, both personal and consulting.

Company Name:	Phone:
Company Address	Email Address:
Name and Title of Company Representative Completing this Disclosure	

Identify each WMATA Board Member, Household Member or Business Associate who to the best of your knowledge, information or belief has any interest in your firm, or in a Financial Transaction with the Authority to which your firm is a Party or prospective Party.

NAME OF BOARD MEMBER	NATURE OF INTEREST

Signature

Date

PLEASE SUBMIT COMPLETED FORM TO THE BOARD SECRETARY

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

Interested Party Disclosure and Resolution

Interested Party's Name

Received By _____

Date _____

For Ethics Officer Use Only	
Signature _____	Date: _____

PLEASE SUBMIT COMPLETED FORM TO THE BOARD SECRETARY