

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

Action Information

MEAD Number:
201666

Resolution:
 Yes No

TITLE:

Board Ethics Training

PRESENTATION SUMMARY:

Under the Board's Code of Ethics, the Ethics Officer will arrange for all members to receive in-person ethics training within four weeks of the start of their term and thereafter on an annual basis. This session would address the annual ethics training requirement for all Board members able to attend.

PURPOSE:

At a public session of the Governance Committee, Metro's Ethics Officer will provide all Board members present with ethics training. This training would fulfill Board members' requirement to receive annual, in-person ethics training as outlined in the Board's adopted Code of Ethics.

DESCRIPTION:

Key Highlights:

The Board's adopted Code of Ethics requires annual, in-person ethics training. This session will fulfill this requirement and will cover Board member responsibilities under the Code, including (but not limited to):

- Identifying and resolving actual and apparent conflicts;
- Making disclosures and acknowledgments; and
- Rules regarding acceptance of gifts.

Background and History:

In January 2014, the Board requested staff review and recommendations of its existing Code of Ethics. In October 2014 the Board adopted an updated Code of Ethics, which incorporated several elements from the Code of Ethics adopted by the Metropolitan Washington Airports Authority (MWAA). MWAA's Code of Ethics was cited by the US Department of Transportation's Inspector General as an example to follow. The October 2014 revision also incorporated comments from jurisdictional attorneys general.

Discussion:

The October 2014 approved Code of Ethics requires Board members to complete several actions on an annual basis:

- Annual submission of an Acknowledgement of Fiduciary Duties and Responsibilities (by April 30);
- Annual submission of Financial Disclosure forms;
- Annual in-person ethics training.

This training would review Board members' responsibilities under the Code of Ethics, including:

- Identifying and resolving actual and apparent conflicts;
- Making disclosures and acknowledgments; and
- Rules regarding acceptance of gifts.

FUNDING IMPACT:

Ethics Training will be conducted on-site during regularly scheduled Board activities. No impact on funding.

Define current or potential funding impact, including source of reimbursable funds.	
Project Manager:	Jennifer Ellison/Phill Staub
Project Department/Office:	SECT/COUN

TIMELINE:

Previous Actions	October 2014 - Approval of revisions to Board Code of Ethics. March - July 2015 - Board member submission of annual disclosure forms.
Anticipated actions after presentation	April 2016 – Annual Board member submissions of financial disclosure forms and Acknowledgement of Fiduciary Duty

RECOMMENDATION:

Complete Code of Ethics-required training for Board members at the October 22, 2015 Governance Committee meeting.



Washington Metropolitan Area Transit Authority

Ethics Training for Board Members

Governance Committee

November 19, 2015



Ethics Training for Board Members

Purpose

- Provide ethics training required by Board Code of Ethics

Background

- Board adopted new Code of Ethics in October 2014
- Modeled on MWAA, favorably cited by U.S. DOT
- Incorporated comments from attorneys general



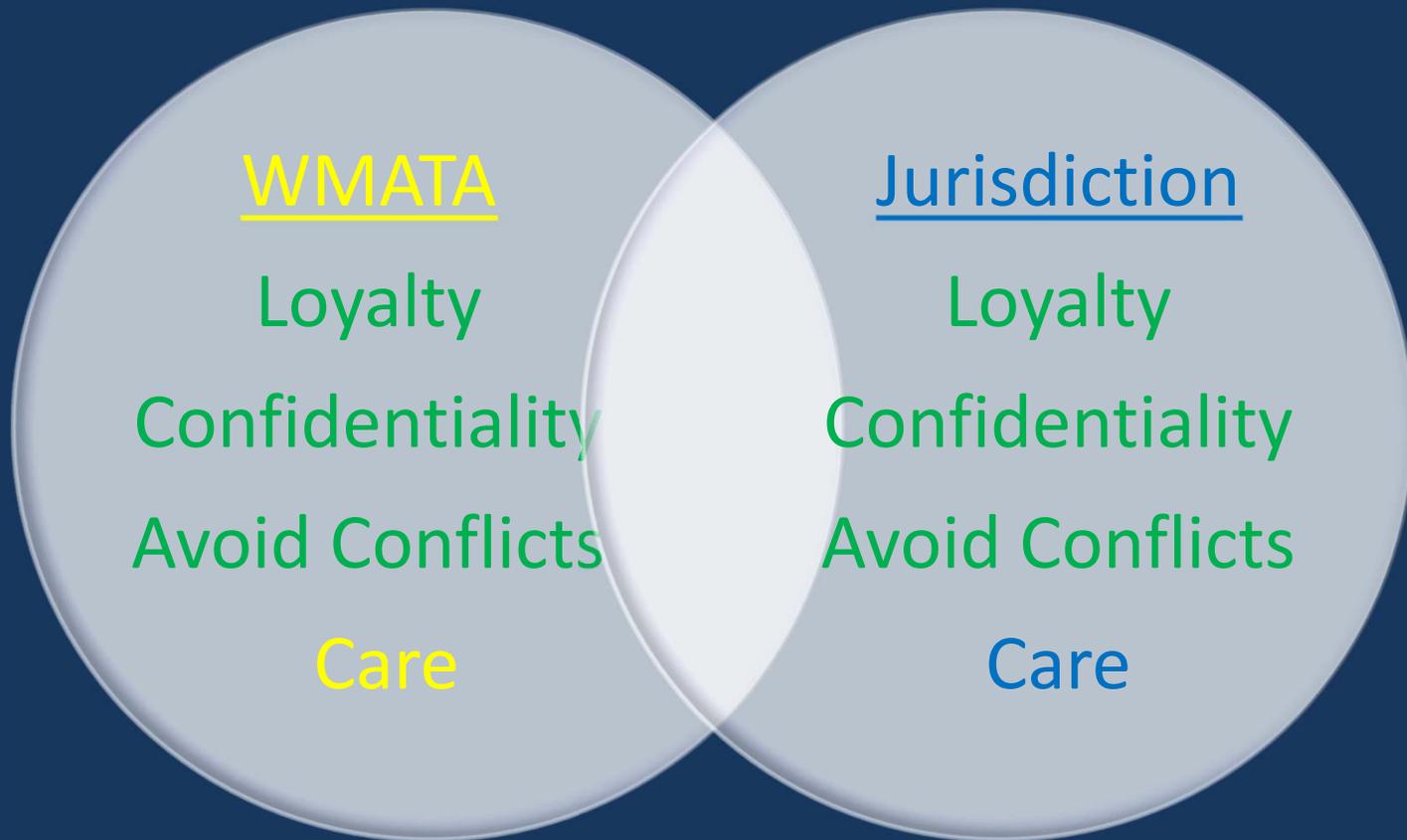
Compact

Compact Prohibits

- Financial interest in a contract or sale of property to which WMATA is a party
- Soliciting or accepting benefit in addition to expenses paid by WMATA
- Offering benefit for appointment or privilege with WMATA



Fiduciary Duties





Use of Official Position

Code Prohibits

- Using position for gain or endorsement
- Disclosing non-public information to further interest
- Disclosing non-public information other than in accordance with Duty of Confidentiality
- Misusing WMATA property or personnel
- Offering money for position (Compact)
- Receiving compensation from WMATA other than reasonable expenses



Actual Conflicts

- Substantial Interest or Duty in Interested Party or Party/Property that may benefit from Board action
 - Nine enumerated Substantial Interests or Duties
 - Interested Party includes considering contracting with WMATA; interests may be affected by Board
- Must recuse





Actual Conflicts

- Not Substantial Interest or Duty:
 - Checking, savings accounts; CDs
 - Government bonds
 - Diversified mutual funds
 - Pension
 - Government Employment
 - Others include debts on usual commercial terms like auto loan or mortgage secured by personal residence
- Identify conflicts through disclosures





Apparent Conflicts

- “Reasonable person” standard
- Not fairly or objectively performing duties or may benefit
- Board member must know or reasonably should know
- Options: recuse; make a declaration





Household Members

- Close family; resides in home; legal or actual control
 - Interests are imputed to Member
 - May not be employed by WMATA
 - May not be party to a WMATA contract
- Different rule for Relatives





Resolving Conflicts

Conflict Type	Action	Approval	Participate
Actual	Recusal	None; inform Chair	No
Apparent	Recusal	None; inform Chair	No
Apparent	Declaration	Ethics Committee Chair	Yes
Apparent (contributions)	Divest	Ethics Committee	Yes



Gifts

- General rule against soliciting or accepting gifts from Prohibited Sources
- Prohibited Sources
 - Interested Parties
 - Interests may be substantially affected by member
 - Offering gift due to member's position on Board
- Applies to Household Members





Acceptable Gifts

- Must disclose
- Eight exceptions
- In addition, Ethics Committee may approve specific gift in open session
- Options for inadvertently received improper gifts
 - Return
 - Pay fair market value
 - Deliver to Ethics Officer





Disclosures

- By Board Members
 - Fiduciary Duties: Upon being sworn in, then annually
 - Acknowledgment of Ethics Obligations: Within 30 days
 - Disclosure Statement: Within 30 days, then annually
 - Update changes within 10 calendar days
 - Gifts
- By Interested Parties



Post Service Restrictions

- For two years
- Member cannot accept employment to work on a matter in which Board member Participated (private parties only)
- Member, Household Members and parties substantially owned or controlled by either cannot be party to WMATA contract





Ethics Officer

- Established October 23, 2014, to
 - Help interpret and apply
 - Provide formal opinions
 - Review disclosures
 - Provide training
 - Support Ethics Committee





Ethics Committee

- Considers ethics matters that cannot be resolved with member
- Same membership as Executive Committee
- Substitution if conflicted
- Recommendation to Board
- Open resolution by Board if still not resolved
- Sanctions for knowingly violating code