



Executive Committee

Information Item III-A

December 12, 2019

2019 Board Member Ethics Training

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

☐ Action ☒ Information

MEAD Number:
202140

Resolution:
☐ Yes ☒ No

TITLE:

2019 Board Member Ethics Training

PRESENTATION SUMMARY:

This presentation satisfies the annual ethics training requirement in the Board's Code of Ethics.

PURPOSE:

To fulfill the requirement to provide annual, in-person ethics training for Board members.

DESCRIPTION:

The Board's Code of Ethics requires annual, in-person ethics training.

Key Highlights:

This session will fulfill the training requirement and will cover Board member responsibilities under the Code, including fiduciary duties; identifying and resolving conflicts of interest; and making annual, continuing and gift disclosures.

Background and History:

On September 26, 2019, the Board adopted an updated Code of Ethics.

Discussion:

The approved Code of Ethics requires Board members to complete annual, in-person ethics training.

FUNDING IMPACT:

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

TIMELINE:

Previous Actions	September 2019 - Board approved revised Code of Ethics
Anticipated actions after presentation	Ongoing - Ethics training for newly-appointed Board members 2020 - Board annual ethics training for 2020

RECOMMENDATION:

Complete Code of Ethics-required training for Board members at the December 12, 2019 Executive Committee meeting.

Board Code of Ethics

2019 Annual Board Ethics Training

Patricia Y. Lee
Phillip T. Staub
December 2019



Purpose

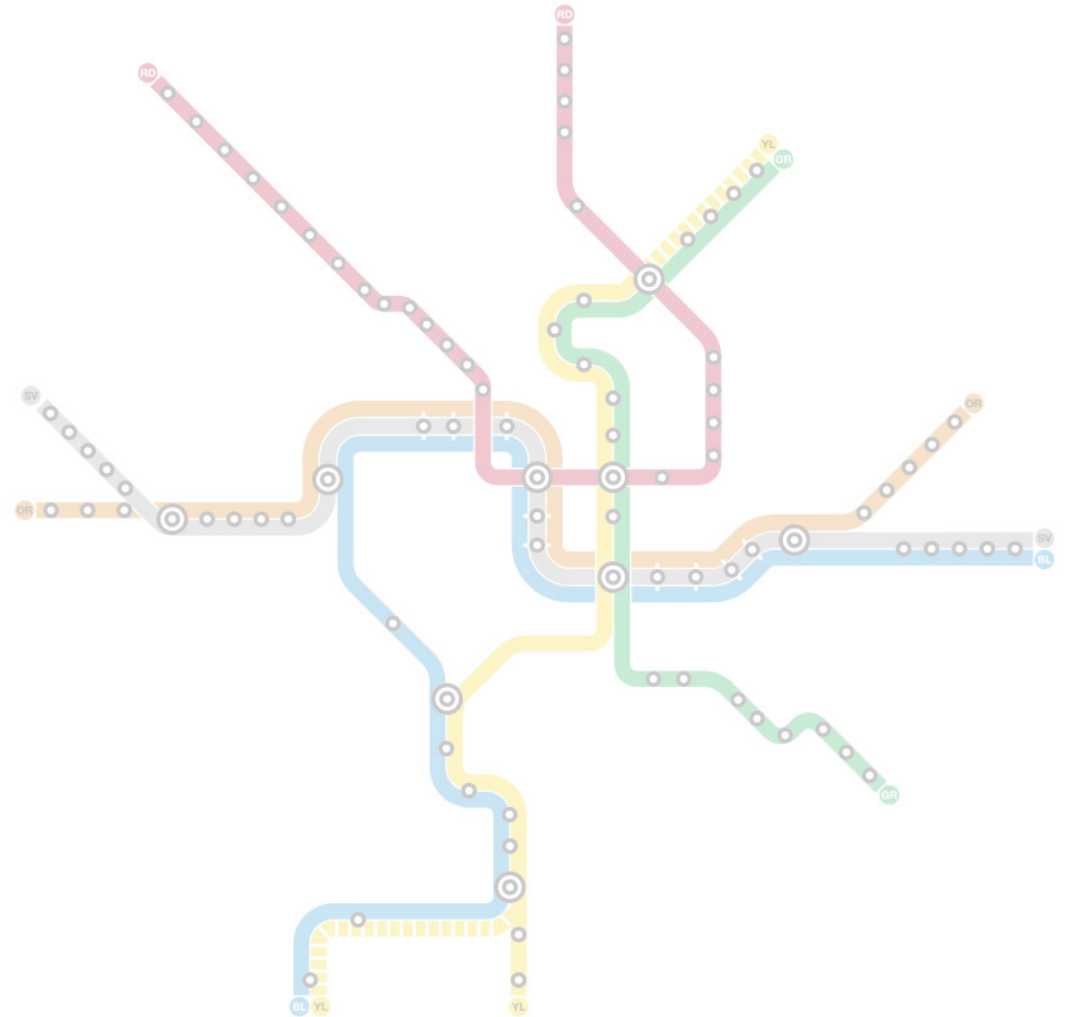
- Annual ethics training as required by the Code of Ethics
- Regularly review Code of Ethics
- Agenda:
 - Fiduciary Duties
 - Conflicts of Interest
 - Disclosures
 - No Personal Liability & Official Immunity
 - Scenarios

To whom do Board Members owe their Fiduciary Duties?

- WMATA is “an instrumentality and agency of each of the signatory parties” and a “body corporate and politic.” Compact, Art. III, Sec. 4
- “As a result, Board Members owe fiduciary duties to WMATA and their respective Jurisdiction.” Code of Ethics, Art. II

Fiduciary Duties

- Duty of Loyalty
- Duty of Confidentiality
- Duty of Care
- Duty to Avoid Conflicts of Interest



Duty of Loyalty

- Act in the best interest of WMATA and of your Jurisdiction, in good faith, and do so objectively and independently
- Example:
 - Actions should not be in the interest of yourself, another person, or another organization

Duty of Confidentiality

- Keep confidential all non-public information involving WMATA learned through your Board service
- Example:
 - Disclosure to third parties or your Jurisdiction could result in statutory violations (e.g., privacy laws) or loss of attorney-client privilege

Duty of Care

- Act with appropriate attention and be fully apprised of all reasonably available information
- Examples:
 - Attend Board meetings
 - Ask questions
 - Gather information to make an informed decision

Duty to Avoid Conflicts of Interest

- Avoid any action that would diminish the public's confidence in the integrity of the Board or WMATA
- Examples:
 - Do not use your Board position for favored treatment of any person or entity
 - Do not use your Board position for personal gain
 - Do not solicit or accept gifts, money or any other thing of value in connection with your service as a Board member

What is a Conflict of Interest?

- A Conflict of Interest is when a Board Member's ability to perform his or her duties fairly and objectively would be compromised
- Conflicts of Interest include but are not limited to when a Board Member has a Substantial Interest or Duty in an Interested Party

Resolving Conflicts of Interest

Action

- Recusal
- Declaration

Approval

- None; Notify Chair(s)
- Ethics Officer
Recommendation &
Board Approval

Participate in Board action

- No
- Yes

Disclosures

- Annual Disclosure Statement
- Continuing Disclosure Obligation
- Gift Disclosures

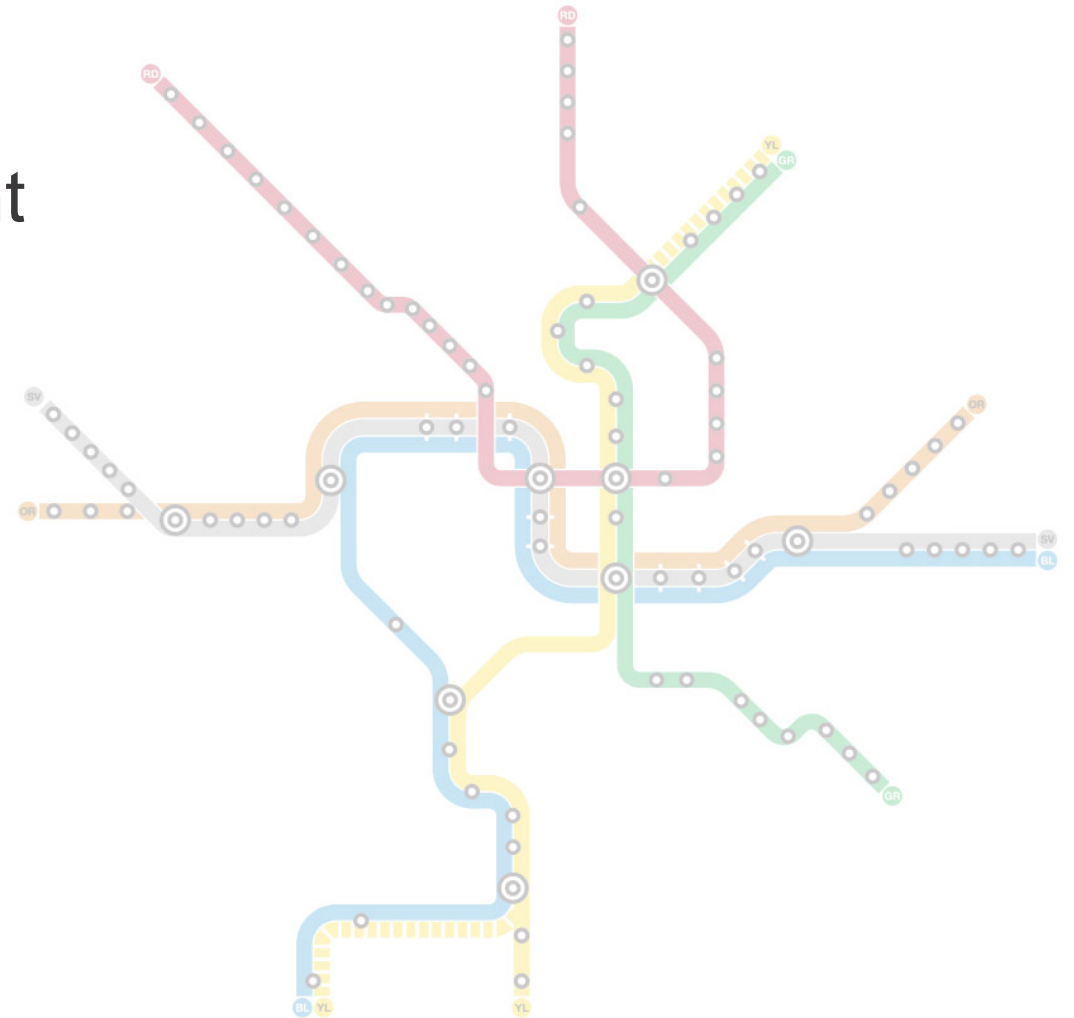
No Personal Liability & Official Immunity

- Board Members are not personally liable for breaches of contracts or torts
- Exclusive remedy is suit against the Authority
- Board Members enjoy official immunity for discretionary conduct within the scope of his/her official duties
- Immunity protection may be lost where a Board Member acts in manner that is “manifestly or palpably beyond [his/her] authority”



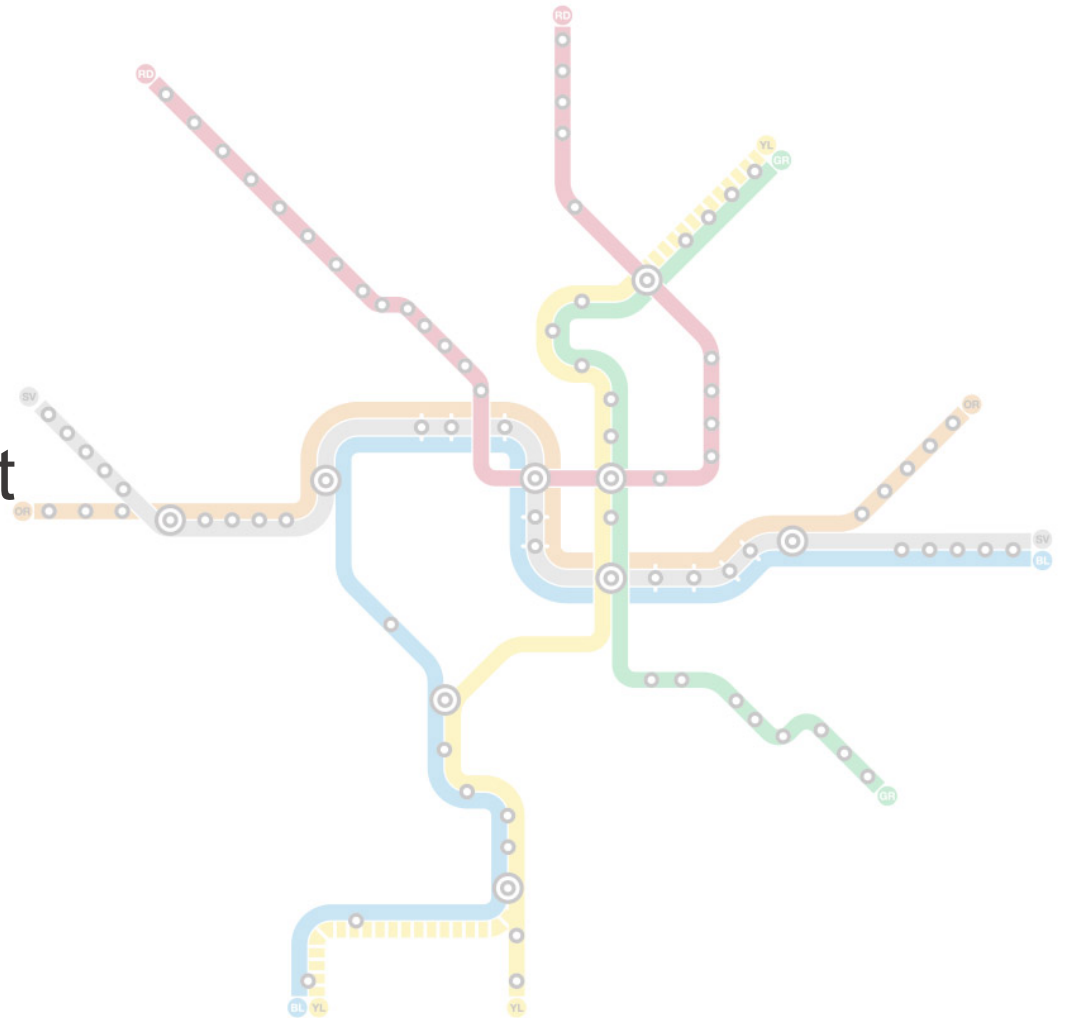
Scenario 1

My adult son, who is not my dependent and is financially independent, works for a WMATA vendor. He has no ownership interest in the vendor, his income does not vary based on the vendor's profits, and his position will not be affected by the vendor's business with WMATA. Do I need to recuse myself from a matter being considered by the Board that would affect the interests of the vendor?



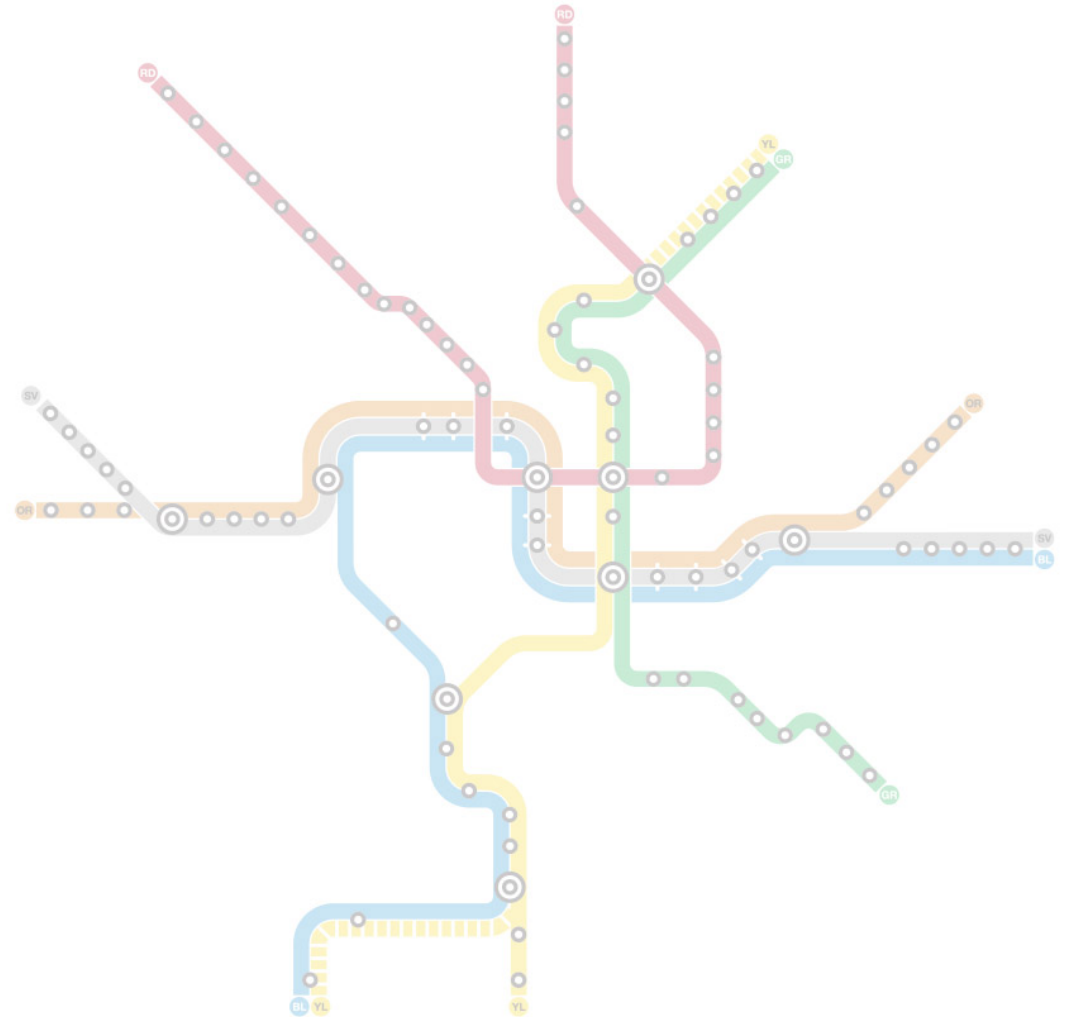
Scenario 2

Can my partner accept ballet tickets from the CEO of a property developer that does business in the Washington Metropolitan region, but has not sought business with Metro?



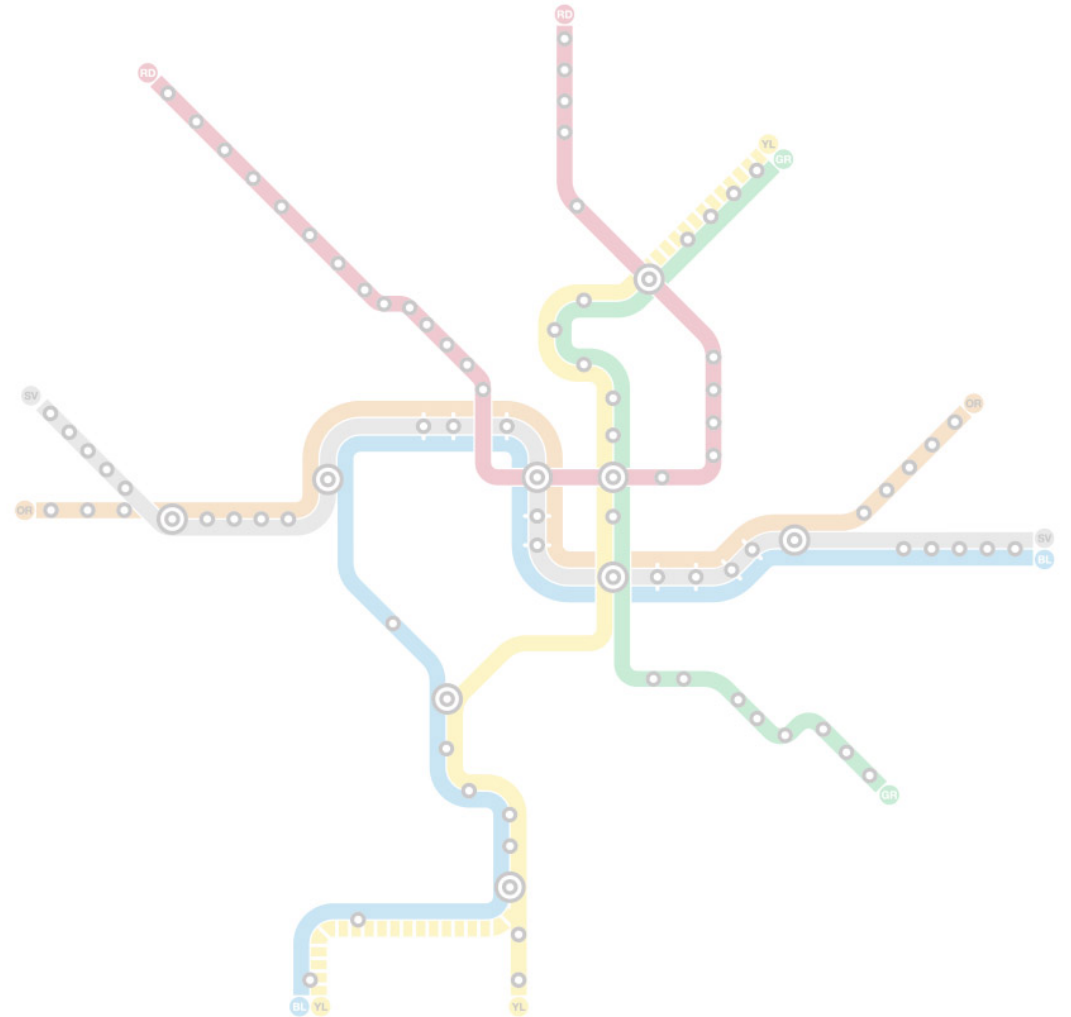
Scenario 3

I am a board member of a non-profit that currently has no business or interaction with Metro. What are my obligations under the Code of Ethics?



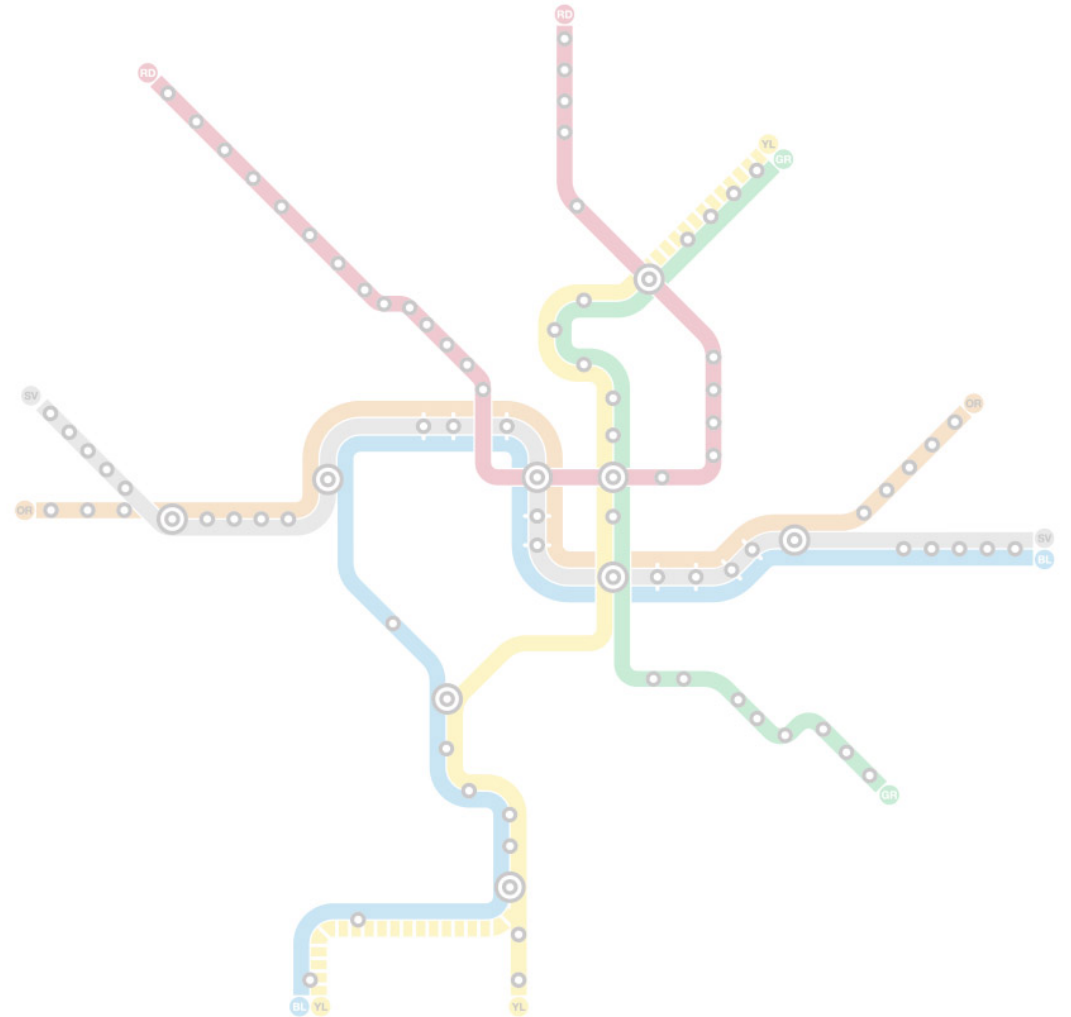
Scenario 4

I provide consulting services to several businesses. At the time of my annual disclosure, none of those businesses were Interested Parties. Since that time, however, one of the businesses submitted a bid on a Metro contract. It was not successful. Do I need to disclose my consulting services?



Scenario 5

Can I attend a dinner that is hosted by a railcar manufacturer during the American Public Transportation Association annual conference?



THANK YOU

- REVIEW THE CODE OF ETHICS
- SEEK ADVICE
- DISCLOSE, DISCLOSE, DISCLOSE

