



Executive Committee

Board Information Item III-A

December 8, 2022

Annual Board Member Ethics Training

Washington Metropolitan Area Transit Authority

Board Action/Information Summary

☐ Action ☒ Information

MEAD Number:
203409

Resolution:
☐ Yes ☒ No

TITLE:

2022 Annual Board Ethics Training

PRESENTATION SUMMARY:

Annual Board ethics training.

PURPOSE:

This presentation provides the annual ethics training required by Article XIV of the Board's Code of Ethics.

DESCRIPTION:

Annual Board ethics training. There are no Interested Parties in this matter.

Key Highlights:

This session will provide the Board with its annual ethics training and cover topics including fiduciary duties, conflicts of interest, gifts, and disclosure obligations.

Background and History:

On September 26, 2019, the Board adopted an updated Code of Ethics. The last annual ethics training for the Board was on November 18, 2021.

Discussion:

Article XIV of the Code of Ethics requires Board members to complete annual 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:	Law Department/Office of the Board Secretary

TIMELINE:

Previous Actions	September 2019 - Board approved revised Code of Ethics November 2021 - Board received annual ethics training
Anticipated actions after presentation	Ongoing - Ethics training for newly-appointed Board members 2023 - Board annual ethics training for 2023

RECOMMENDATION:

Complete annual ethics training for Board members at the December 8, 2022 Executive Committee meeting.

2022 Annual Board Ethics Training

Executive Committee
December 8, 2022



Purpose

Annual ethics training as required by the Code of Ethics

Regularly review Code of Ethics

Agenda: Fiduciary Duties / Conflicts of Interest / Gifts / Disclosures /
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 to 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

Definition

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

Definition

Keep confidential all non-public information 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

Definition

Act with appropriate attention and be fully apprised of all reasonably available information

Examples

- Attend Board Meetings
- Review Board materials
- Ask questions
- Gather information to make an informed decision

Duty to Avoid Conflicts of Interest

Definition

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 their 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

Gifts

General rule against soliciting or accepting gifts from Prohibited Source

Prohibited Source – includes “because of the Board Member’s position”

Limited exceptions to accepting gifts (Appendix 1)

Household Members

Disclosure

Disclosures

Annual Disclosure Statement

Continuing Disclosure Obligation

Gift Disclosure

Scenario 1

My spouse's business has been a subcontractor to a WMATA vendor, ABC Corp. Currently, my spouse's business has no active work with ABC. May I participate in matters affecting the interests of ABC?

Scenario 2

The Union of Concerned Engineers advocates for infrastructure investment. The Union has invited me to a meeting to discuss WMATA's capital planning through 2035. Do I need to disclose that I plan to attend?

Scenario 3

I am an elected official and have accepted campaign contributions. I report contributions as required by state and local law. Do I need to report the contributions to WMATA?

Scenario 4

During the APTA annual conference may I visit a hospitality suite hosted by a WMATA vendor, which is open to all attendees?

Best Practices:



Review Code of Ethics



Seek Advice



Disclose, Disclose, Disclose

Thank You

