



Executive Committee

Information Item III-A

November 2, 2023

Annual Board Member Ethics Training

Washington Metropolitan Area Transit Authority

Board Action/Information Summary

☐ Action ☒ Information

Document
Number:
205626

Resolution:
☐ Yes ☒ No

Presentation Name:

Annual Board Ethics Training

Project Manager:

Patricia Lee/Phillip Staub/Jennifer Ellison

Project Department:

Law Department

Purpose/Key Highlights:

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

Interested Parties:

None.

Background:

On September 26, 2019, the Board adopted an updated Code of Ethics. Article XIV of the Code of Ethics requires Board members to complete annual ethics training.

Discussion:

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

Funding Impact:

There is no funding impact.

Previous Actions:

The last annual ethics training for the Board was on December 8, 2022.

Next Steps:

Ongoing - Ethics training for newly-appointed Board members

2024 - Board annual ethics training for 2024

Recommendation:

Information Only

2023 Annual Board Ethics Training

Executive Committee
November 2, 2023



Purpose

- Board Code of Ethics required annual ethics training
- 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 exists 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 (Code of Ethics, Appendix 1)

Household Members

Disclosure

Disclosures

Annual Disclosure Statement

Continuing Disclosure Obligation

Gift Disclosure

Scenario 1

The Tunnel Construction Association has invited me to a meeting to discuss the alternatives for improving Blue/Orange/Silver Line capacity and reliability. Do I need to disclose that I plan to attend?

Scenario 2

In addition to his regular employment as a tax lawyer, my spouse provides charities with guidance on maintaining their tax-exempt status. Could this be a Conflict of Interest?

Scenario 3

I was invited to a cocktail hour after the first day of the APTA annual conference. The cocktail hour is hosted by an electric bus manufacturer that is not doing business with Metro. Is this a gift from a Prohibited Source?

Best Practices:



Review Board Code of Ethics



Seek Advice



Disclose, Disclose, Disclose