



Executive Committee

Information Item III-A

October 11, 2018

2018 Board Member Ethics Training

Washington Metropolitan Area Transit Authority

Board Action/Information Summary

☐ Action ☒ Information

MEAD Number:
202025

Resolution:
☐ Yes ☒ No

TITLE:

2018 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 use of official position; fiduciary duties; identifying and resolving conflicts of interest; rules regarding acceptance of gifts; and disclosures.

Background and History:

In November 2016, 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:

This project is a training using existing staff resources; no funding impact.

Define current or potential funding impact, including source of reimbursable funds.	
Project Manager:	Phillip Staub/Jennifer Ellison

Project Department/Office:	COUN/SECT
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TIMELINE:

Previous Actions	November 2016 - Board approval of revised Code of Ethics
Anticipated actions after presentation	Ongoing - Ethics training for newly-appointed Board members 2019 - Board annual ethics training for 2019

RECOMMENDATION:

Complete Code of Ethics-required training for Board members at the October 11, 2018 Executive Committee meeting.

Ethics Training for Board Members

Phillip Staub
October 11, 2018



Purpose

- Provide ethics training required by Board Code of Ethics



Use of Official Position

The San Diego Union-Tribune

Report: Camp Pendleton general reprimanded for inappropriate use of aide in Iraq

By **Andrew Dyer**

JULY 17, 2018

Use of Official Position

Compact Prohibits

- Financial interests in a contract or transfer of property
- Soliciting or accepting benefits in connection with services performed
- Offering benefit for appointment or privilege with WMATA

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 METRO property or personnel
- Offering money for position(Compact)
- Receiving compensation from METRO other than reasonable expenses.

Compact §10; Art. IX

Fiduciary Duties

THE
NATIONAL LAW REVIEW

NYU v. Sacerdote – Thoughts for Plan Fiduciaries

Thursday, September 13, 2018

ARTICLE BY

Monica A. Novak
Allison Sumi Crowe

*Drinker Biddle & Reath LLP
Publications*

Fiduciary Duties

Metro

- Loyalty
- Confidentiality
- Avoid Conflicts
- Care

Jurisdiction

- Loyalty
- Confidentiality
- Avoid Conflicts
- Care



Actual Conflicts

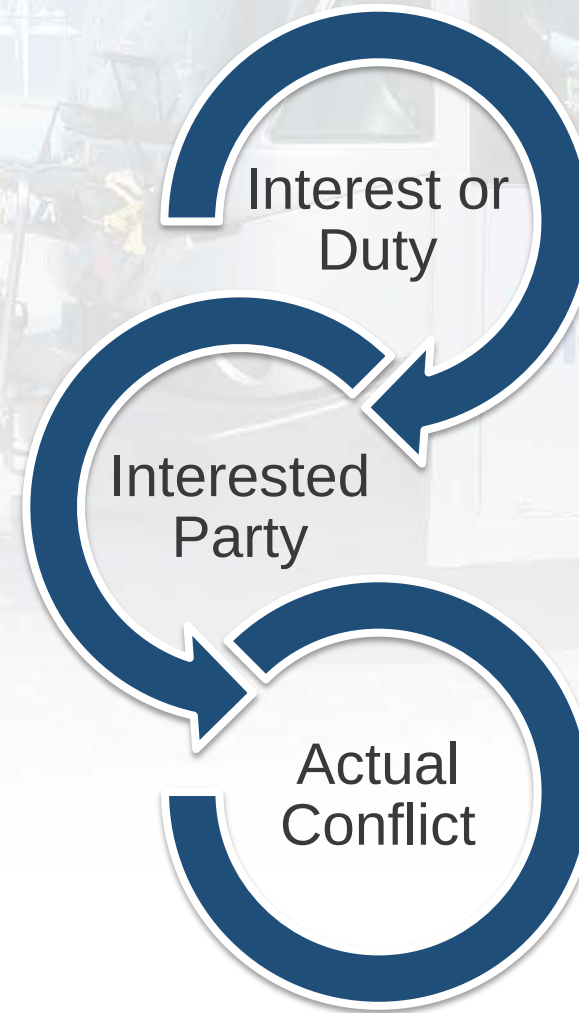
THE
NATIONAL LAW REVIEW

SEC Settles Charges for Failure to Disclose Conflicts of Interest

Monday, September 24, 2018

Actual Conflicts

- Substantial Interest or Duty in Interested Party, Business or Property that may benefit or be harmed by Board action (Art. IV)
- Nine enumerated Substantial Interests or Duties (Art. III.L)



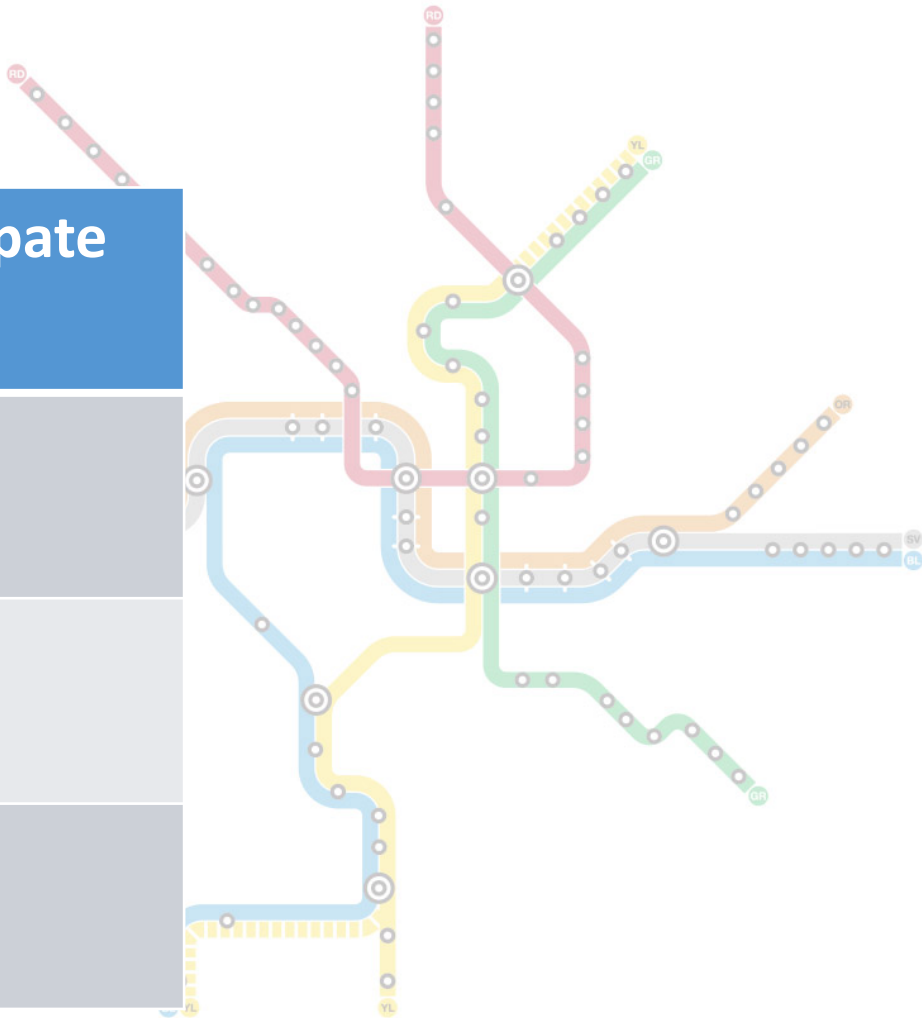
Household Members

- “*Any dependent child*” within the meaning of IRS Code living in the Member’s household (Art. III)
- Household members
 - Interests are imputed to Member (Art.III)
 - May not be employed by METRO or party to a METRO contract (Art.IX)



Resolving Conflicts

Conflict Type	Action	Approval	Participate
Actual	Recusal	None: inform Chair	No
Apparent	Recusal	None; inform Chair	No
Apparent	Declaration	None; inform Chair	Yes



Gifts

THE WALL STREET JOURNAL.

United Technologies to Pay \$13.9 Million to Settle SEC Bribery Case

By *Samuel Rubinfeld* and *Micah Maidenberg*

Sept. 12, 2018 2:17 p.m. ET

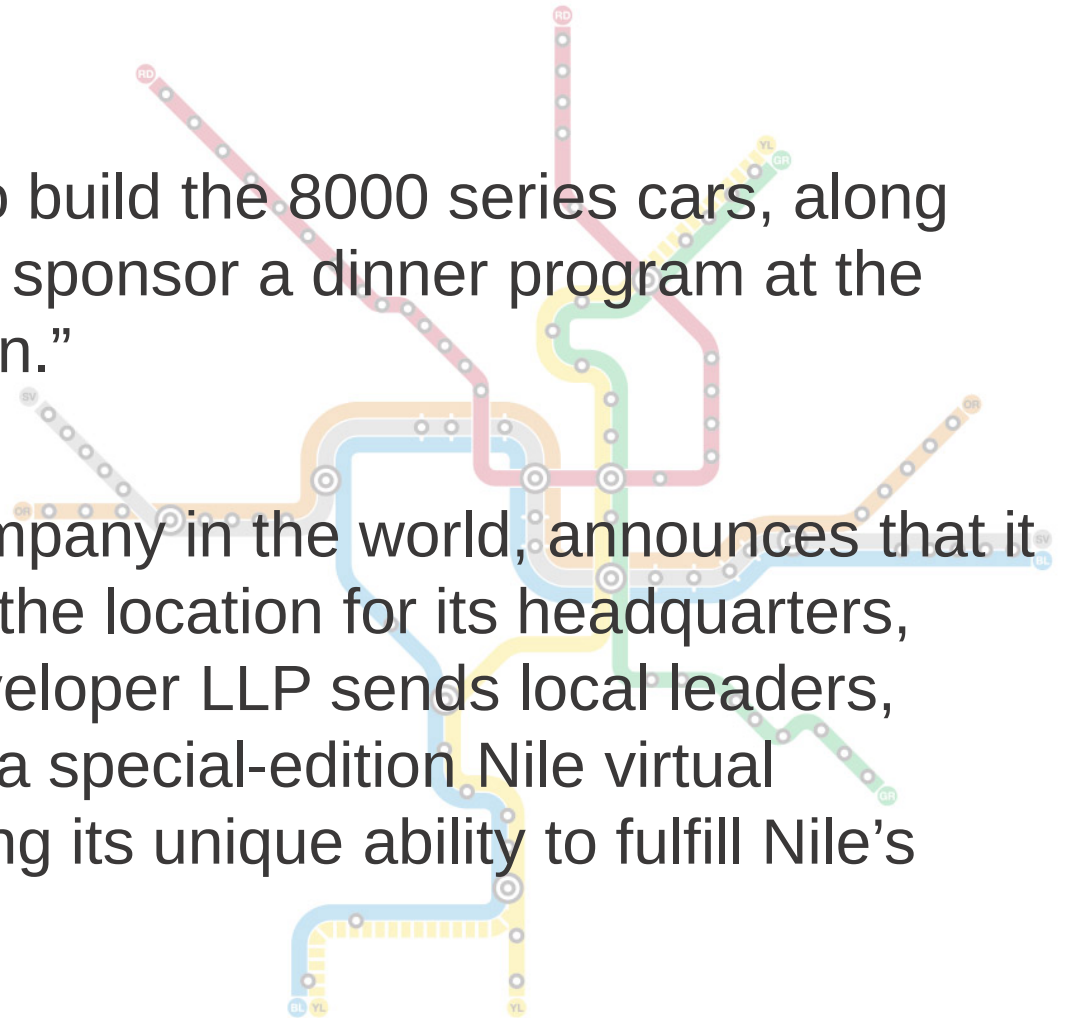
Gifts

- General rules against soliciting or accepting gifts from Prohibited Sources (Art. VII)
- Prohibited Sources (Art III)
 - Interested parties
 - Interests may be substantially affected by Member
 - Offering gift due to Member's position on Board
- Applies to Household Members



Gift Scenarios

- RailCar Inc. of Kentucky submits a proposal to build the 8000 series cars, along with Kawasaki, Alstom and Bombardier. They sponsor a dinner program at the APTA conference with the topic, “Buy American.”
- Nile.com, the largest electronic commerce company in the world, announces that it has selected the Washington Metro region as the location for its headquarters, which will be in a transit-friendly location. Developer LLP sends local leaders, including Metro officials and Board members, a special-edition Nile virtual assistant with other promotional material touting its unique ability to fulfill Nile’s needs.



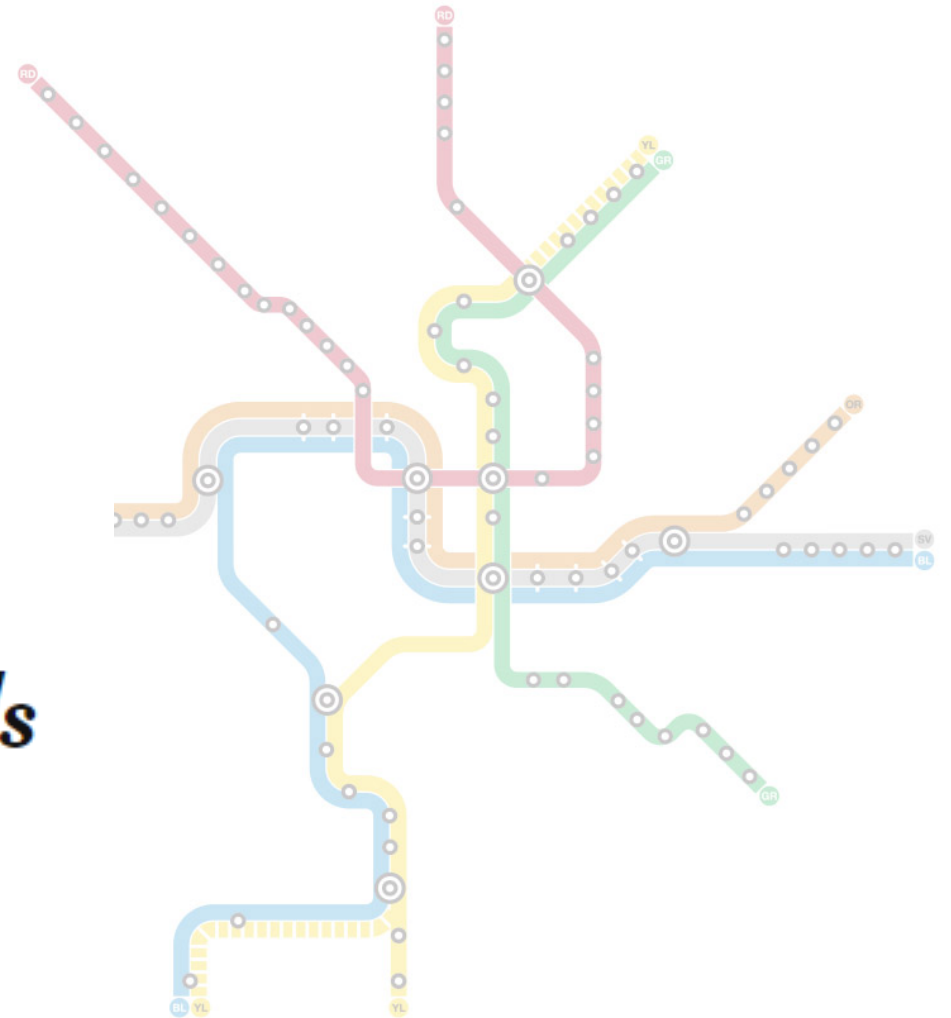
Disclosures

The New York Times

Top Cancer Researcher Fails to Disclose Corporate Financial Ties in Major Research Journals

By Charles Ornstein and Katie Thomas

Sept. 8, 2018



Ethics Officer

- Help interpret and apply
- Provide formal opinions
- Review disclosures
- Review ethics matters
- Provide training
- Support Ethics Committee

