

## **FIDUCIARY AND ETHICAL CONSIDERATIONS FOR LOCAL GOVERNMENT OFFICIALS**

Members of the PCCLD Board of Trustees are “Local Government Officials.”

It is a breach of the public trust and fiduciary duty for any local governmental official to:

- Disclose or use confidential information acquired in the course of his official duties to further substantially his personal financial interests; or
- Accept a gift of substantial value or substantial economic benefit tantamount to a gift of substantial value (i) which would tend improperly to influence a reasonable person in his position to depart from the faithful and impartial discharge of his public duties; (ii) which he knows or which a reasonable person in his position should know under the circumstances is primarily for the purpose of rewarding him for official action he has taken.
- Engage in a substantial financial transaction for private business purposes with a person whom he supervises in the course of his official duties.
- Perform any official act affecting to its economic benefit an undertaking in which he has a substantial financial interest or is engaged as counsel, consultant or representative.

The foregoing must be established by proof beyond a reasonable doubt.

Ethical principles for Local Government Officials:

- Should not acquire or hold an interest in any undertaking which may be directly or substantially affected to its economic benefit by official action by the agency over which he has substantive authority.
- Should not, within six months following the termination of his office obtain employment in which he will take direct advantage, unavailable to others, of matters with which he was directly involved during his holding office.
- Should not perform an official act directly and substantially affecting a business or other undertaking to its economic detriment when he has a substantial financial interest in a competitor.

A Local Government Official who has a personal or private interest in any matter proposed or pending shall disclose such interest to the governing body and shall not vote thereon and shall refrain from attempting to influence the decision of the other members of the body in voting on the matter.

- A member may vote if his vote is necessary for the body to act if he disclosed the private interest in a filing to the Secretary of State.

In November of 2006, the voters approved Proposition 41, a Constitutional Amendment that makes it unlawful for a Local Government Official to accept any gift with a value exceeding \$50 from any persons who is not related and makes it unlawful to accept anything of value from a Professional Lobbyist, regardless of value.