
Item 5

Action

Proposed Stipulation

Executive Summary: This item presents a proposed stipulation in Case No. 2016-13, *In the Matter of Marie Rumsey*.

Recommended Action: Approve the proposed stipulation as presented.

Presenters: Sergio Perez, Director of Enforcement.
Michael Louthian, Investigator.

Proposed Stipulation

In the Matter of Marie Rumsey (Case No. 2016-13)

A. Introduction

This case involves alleged violations of City post-employment laws. Former City employee Marie Rumsey (Rumsey) admits to receiving compensation for attempting to influence City action within 12 months after departing City service.

Rumsey, who is represented by counsel in this matter, has agreed to a proposed stipulation admitting these violations, and we recommend that the stipulation be approved. A copy of the stipulation, which provides additional details and represents the agreement between the parties, is provided in Attachment A.

B. Law

City law imposes revolving door restrictions on former City officials and agency employees to help ensure fair, equitable, and transparent government. For one year after leaving City service, City officials are prohibited from receiving compensation for attempting to influence City action on behalf of a person other than a City agency. For most former City officials, the one-year ban applies to attempts to influence City agencies in which they served during the 24 months prior to leaving City service. Los Angeles Municipal Code (LAMC) § 49.5.13(C)(2). However, the one-year ban applies to attempts to influence any City agency if the former City official held a specific high-level position, including Council Aide VII, during the 24 months prior to the official's departure from City service. LAMC § 49.5.13(C)(1).

An "agency" is a City department, bureau, office, board, or commission that is required to adopt a conflict of interests code subject to City Council approval. LAMC § 49.5.2(A). A "City official" is an individual who is required to file a statement of economic interests pursuant to an agency conflict of interests code. LAMC § 49.5.2(C).

C. Facts

Rumsey was employed by the City from 2001 to 2014. She was required to file statements of economic interests during that entire period and was, therefore, a City official.

Rumsey served in the office of then-Councilmember Jan Perry from 2001 to 2013, in various positions including legislative deputy and senior legislative deputy. From late 2013 through 2014, she was a Council Aide VII in Councilmember Mitch O'Farrell's office. In that position, Rumsey acted as the Councilmember's planning director. She oversaw all planning issues in the council district and served as the Councilmember's liaison between constituents, City developers, and other interests. Rumsey left City service on December 31, 2014.

The next day, January 1, 2015, Rumsey became the Director of Legislative Affairs for the Central City Association (CCA), a membership organization representing the business interests of the Central Los Angeles area. In her capacity as CCA's Director of Legislative Affairs, Rumsey communicated with City officials and advocated on behalf of CCA's membership on various issues, including homelessness, street vending, planning, and jobs in downtown Los Angeles. Rumsey received inaccurate legal advice from CCA's former legal counsel and mistakenly believed that she could attempt to influence any City agency except Councilmember O'Farrell's office.

Rumsey registered as a lobbyist with the City on February 10, 2015, for the period of January 1 to December 31, 2015, and identified CCA as her employer. Rumsey filed quarterly reports properly disclosing her lobbying activities. Through a review of these reports and other records, staff determined that Rumsey appeared at public hearings, attended meetings, and exchanged written and telephonic communications with City officials in June and July 2015 in attempts to influence City agencies, including the City Council and the Planning Department, on matters that directly and indirectly affected CCA and its members. CCA paid Rumsey \$4,750 for her attempts to influence City action during that time period.

D. Penalty

The maximum administrative penalty for a violation of the City's post-employment laws is the greater of \$5,000 or three times the amount of compensation that was improperly received. Los Angeles City Charter § 706(c)(3). In this case, the two counts against Rumsey result in a maximum penalty of \$14,250.

We recommend a penalty of \$7,125, which is equal to 50 percent of the maximum in this case. We believe the recommended penalty is appropriate, because it takes into consideration the serious nature of the violations while also encouraging cooperation with Ethics Commission investigations and the early resolution of violations.

Attachment:

A Proposed stipulation in Case No. 2016-13 (Marie Rumsey)

NOV 16 2016

RECEIVED

SERGIO PEREZ
Director of Enforcement
Los Angeles City Ethics Commission
200 North Spring Street
City Hall, 24th Floor
Los Angeles CA 90012
(213) 978-1960

Complainant

BEFORE THE LOS ANGELES CITY ETHICS COMMISSION

In the Matter of:

Case No. 2016-13

MARIE RUMSEY;

STIPULATION AND ORDER

Respondent.

The complainant, Sergio Perez, Director of Enforcement of the Los Angeles City Ethics Commission (the Ethics Commission), and Marie Rumsey (the Respondent) agree to the following:

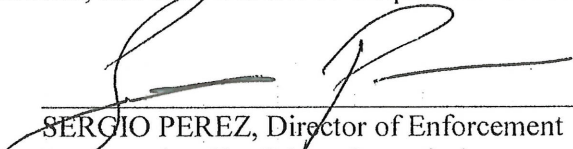
1. This stipulation will be submitted to the members of the Ethics Commission for consideration at their next meeting.
2. If approved by the Ethics Commission members, this stipulation and the accompanying order will be the final disposition of this matter with respect to the Respondent.
3. The Respondent understands and knowingly and voluntarily waives all procedural rights under Los Angeles City Charter (Charter) §§ 706 and 709 and Los Angeles Administrative Code §§ 24.26 and 24.27. These rights include but are not limited to receiving an accusation, having the Ethics Commission members or an impartial administrative law judge hear the matter, personally appearing at an administrative hearing, confronting and cross-examining witnesses testifying at a hearing, and subpoenaing witnesses to testify at a hearing.
4. The Respondent understands and knowingly and voluntarily waives all rights to seek judicial review of any action by the Ethics Commission on this matter.
5. The exhibit that is attached and incorporated by reference is a true and accurate summary of the facts in this matter. The Respondent the Los Angeles Municipal Code as described in the Exhibit.
6. The Respondent will pay a total penalty in the amount of **\$7,125** in the form of a cashier's check payable to the "General Fund of the City of Los Angeles." The payment will be

held by the Ethics Commission staff until the Ethics Commission members issue the order in this matter.

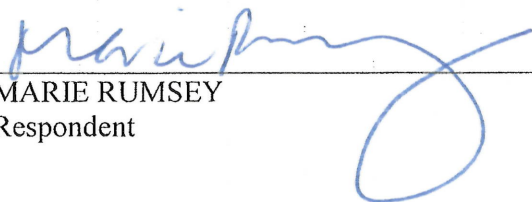
7. If the Ethics Commission members refuse to accept this stipulation, it will become null and void. Within ten business days after the Ethics Commission meeting at which the stipulation is rejected, the Ethics Commission staff will return all payments tendered by the Respondent in connection with this stipulation.

8. If the Ethics Commission members reject the stipulation and a full evidentiary hearing becomes necessary, the stipulation and all references to it are inadmissible, and the Ethics Commission members, executive director, and staff will not be disqualified because of prior consideration of this stipulation.

DATED: 11-16-16


SERGIO PEREZ, Director of Enforcement
Los Angeles City Ethics Commission
Complainant

DATED: 11-15-16


MARIE RUMSEY
Respondent

ORDER

The Los Angeles City Ethics Commission considered the stipulation in Case No. 2016-13 at its meeting on _____. The members of the Ethics Commission approved the stipulation and order Marie Rumsey to pay a fine of **\$7,125** to the City of Los Angeles in accordance with the terms of the stipulation.

DATED: _____

Jessica A. Levinson, President
Los Angeles City Ethics Commission

EXHIBIT

I. INTRODUCTION

Marie Rumsey (Rumsey) admits that she violated post-City employment restrictions. Rumsey received compensation from Central City Association (CCA) for a broad set of duties, including attempting to influence City action on behalf of another person within the 12 months after she left City service.

II. APPLICABLE LAW

To help ensure that government decisions are fair, equitable, and transparent, both current and former City officials and agency employees are subject to laws set forth in the Governmental Ethics Ordinance (GEO). Los Angeles Municipal Code (LAMC) §§ 49.5.1 *et seq.* For example, the GEO contains time-based restrictions on the activities of certain former City officials.

Former high-level City officials are barred, for one year after they leave City service, from receiving compensation for the purpose of attempting to influence City action on any matter pending before any agency on behalf of any person other than an agency. LAMC § 49.5.13(C)(1). This restriction applies to an individual who held a specific position, including Council Aide VII, during the 24 months preceding the official's departure from City service. *Id.*

An "agency" is any City department, bureau, office, board, or commission that is required to adopt a conflict of interests code subject to City Council approval. LAMC § 49.5.2(A). For City Council staff members, their agency is the City Council. *Id.*

III. FACTS

Rumsey is a former City official who served the City in various positions from 2001 to 2014. She was required to file statements of economic interests pursuant to California's Political Reform Act throughout her tenure with the City. *See* Cal. Gov't Code §§ 87200-87210.

From 2001 to 2013, Rumsey served in the office of then-Councilmember Jan Perry, holding numerous positions, including legislative deputy and senior legislative deputy. Her final position before departing City service was Council Aide VII in Councilmember O'Farrell's office. She served in that position from late 2013 through 2014, acting as the Councilmember's Planning Director. In that role, she oversaw all planning issues within the district represented by Councilmember O'Farrell and served as his liaison between the City, developers, constituents, and other interests. She left City service on December 31, 2014.

On January 1, 2015, Rumsey joined CCA as the Director of Legislative Affairs. CCA is a membership organization representing the business interests of the Central Los Angeles area. As part of her new position, Rumsey registered as a lobbyist with the City on February 10, 2015, for the period of January 1 to December 31, 2015, and identified CCA as her employer. For each

of her quarterly filings in 2015, Rumsey disclosed that she lobbied various City agencies, including the City Council and the Planning Department.

In her role as Director of Legislative Affairs, Rumsey communicated with City officials and advocated for CCA's positions on various issues, including but not limited to homelessness, street vending, trees, planning, and jobs in downtown Los Angeles.

Acting upon inaccurate advice from CCA's former legal counsel, Rumsey mistakenly believed she could attempt to influence any City agency except Councilmember O'Farrell's office.

In June and July of 2015, as indicated in her quarterly lobbying filings and her personal calendaring records, Rumsey appeared at public hearings, attended meetings, and exchanged written and telephonic correspondence with City officials, in attempts to influence the City Council and the Planning Department on matters that directly and indirectly affected CCA and its members. These activities were properly disclosed on CCA's quarterly lobbying reports. During each of these quarters, Rumsey was compensated for a broad range of duties. Based on information reviewed by staff, Rumsey was compensated \$4,750 by CCA for personally attempting to influence City action on any matter pending before any agency during June and July of 2015.

These attempts to influence took place within 12 months of Rumsey's departure from City service.

III. VIOLATIONS

Rumsey admits that she violated City law as follows:

COUNTS 1-2:

RECEIVING COMPENSATION TO ATTEMPT TO INFLUENCE CITY ACTION WITHIN 12 MONTHS OF LEAVING CITY SERVICE

COUNT 1: Rumsey violated LAMC § 49.5.13(C)(1) on June 16, 2015, by receiving compensation for attempting to influence City Council action on behalf of CCA less than 12 months after leaving City service.

COUNT 2: Rumsey violated LAMC § 49.5.13(C)(1) on July 16, 2015, by receiving compensation for attempting to influence Planning Department action on behalf of CCA less than 12 months after leaving City service.

IV. PENALTY

Charter § 706(c)(3) establishes the penalty formula for administrative actions taken by the Ethics Commission. The maximum penalty is the greater of \$5,000 per violation or three

times the amount that was improperly reported, contributed, spent, given, or received. In this case, the maximum penalty is \$14,250 (3 x \$ 4,750), the amount improperly received).

The Ethics Commission is required to consider all relevant circumstances before assessing penalties. Los Angeles Administrative Code § 24.27(f)(3)(A). In proposing the penalty in this case, staff noted the following mitigating circumstances: (1) Rumsey cooperated with Ethics Commission staff; (2) Rumsey saved Ethics Commission resources by entering into this stipulated settlement prior to a probable cause determination; (3) Rumsey has no prior enforcement history with the Ethics Commission; and (4) Rumsey's filings accurately disclosed all agencies lobbied.

Based on the specific facts and mitigating factors in this case, staff proposes a \$7,125.00 penalty. This penalty equals 50 percent of the maximum and is intended to reflect the serious nature of the violations while fostering cooperation with Ethics Commission investigations and the early resolution of violations.