

GIFTS

A summary of the gift restrictions contained in Louisiana's Code of Governmental Ethics



Louisiana Board of Ethics
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Information Sheet #2

The provisions restricting the receipt of gifts by public servants are found in §1115 of Louisiana's Code of Governmental Ethics. (LSA-R.S. 42:1115) In addition to these restrictions, §1111A of the Code also applies to restrict the receipt of gifts in certain situations. (LSA-R.S. 42:1111A). Section §1115.1 contains specific limitations concerning public servants receiving food and drink. The purpose of this information sheet is to outline these restrictions and to highlight some common misconceptions and related issues regarding each of these provisions.

GENERAL PROVISIONS OF §1115

- **No PUBLIC SERVANT shall solicit or accept, directly or indirectly, any thing of economic value as a gift or gratuity from any person who has or is seeking a contractual, business, or financial relationship with the public servant's agency.**
 - **Who is a "public servant?"** Anyone, whether compensated or not, who is a public employee, appointed or elected official (except judges), or anyone in the performance of a governmental function.
 - **What is a "thing of economic value?"** Money or any other thing having economic value. The exceptions to the definition of "thing of economic value" include
 - 1) promotional items having no substantial resale value such as calendars, pens, hats, and t-shirts which bear a company's name or logo, and
 - 2) food and drink consumed while the personal guest of the giver. In order for this second exception to apply, the giver or a representative of the giver must be present when the food and drink are consumed. Reasonable transportation and entertainment which are incidental to the food and drink are also allowed. (Section 1115.1, below, limits the value of the food and drink to \$79)
 - 3) complimentary admission to a civic, non-profit, educational or political event. This exception applies only when the public servant is giving a speech at the event, is on a panel for discussion during the event, or is a program honoree. Tickets to collegiate, professional, and semi-professional sporting events are not included within the exception.
 - 4) flowers or a donation in connection with the death of an immediate family member of the public servant, if the value does not exceed \$100. §1123(26).

EXAMPLE 1

Q: You are an employee for the Louisiana State Employees' Retirement System (LASERS). A vendor of LASERS invites you and your co-workers to a pre-game tailgate party hosted by the vendor. May you and your co-workers attend?

A: Yes, as long as a representative of the vendor is present at the pre-game party. In contrast, you could not accept a gift certificate to a restaurant for dinner.

EXAMPLE 2



Q: At the pre-game party, the vendor offers you tickets to the LSU game. May you accept the tickets?

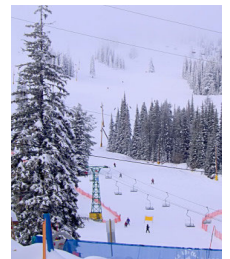
A: No. The vendor has a business relationship with your agency, therefore you may not solicit or accept any thing of economic value from them.

No PUBLIC SERVANT shall solicit or accept, directly or indirectly, any thing of economic value as a gift or gratuity from a person who is seeking, for compensation, to influence the passage or defeat of legislation by the public servant's agency.

What is "legislation?" Any laws, rules, ordinances, etc. which are considered by the public servant's agency.

EXAMPLE 3

Q: You are a member of the metro council. A friend of yours offers you the use of his condominium in Colorado. He is also the attorney who represents a business that wishes to have an area in your district re-zoned for commercial use. This item is on the agenda for the next metro council meeting, and your friend is appearing on the business' behalf. May you accept the invitation to use the condo?



A: No. Even though this attorney is a friend, he is seeking, for compensation, to influence the passage of an ordinance before your agency, and use of the condo is a thing of economic value.

No PUBLIC EMPLOYEE shall solicit or accept, directly or indirectly, any thing of economic value as a gift or gratuity from any person who conducts operations or activities which are regulated by the public employee's agency.

This restriction applies **only** to public employees and pertains to regulatory relationships such as permits or licenses.

EXAMPLE 4

Q: You are an inspector for the Department of Health and Hospitals. You inspect restaurants within a certain area to make sure they comply with certain health requirements. A restaurant owner in your area sends you concert tickets. May you accept the tickets?

A: **No.** A concert ticket is a thing of economic value and does not fall under one of the exceptions. Since the restaurant is regulated by your agency, you are prohibited from receiving such a gift from the owner. You would also be prohibited from receiving concert tickets or any other thing of economic value from the restaurant owner's employees.

No PUBLIC EMPLOYEE shall solicit or accept, directly or indirectly, any thing of economic value as a gift or gratuity from a person who has substantial economic interests which may be substantially affected by the performance or nonperformance of the public employee's official job duty(ies).

Again, this restriction applies **only** to public employees. It is intended to cover situations which are not covered by the other restrictions above. In other words, although the public employee does not regulate the gift giver, nor does the giver have any type of contractual, business, or financial relationship with the public employee's agency, the public employee is still in a position to affect the economic interest of the giver, and the gift is prohibited.

EXAMPLE 5

Q: You are employed with the Department of Revenue and Taxation. One of your official duties is to determine whether individual taxpayers are entitled to certain deductions. An issue comes before you in which a taxpayer may be entitled to a substantial deduction. After meeting with the individual to collect pertinent information, he sends a potted plant to your office. May you keep the plant?

A: **No.** Since one of your official duties at the department is to determine whether the taxpayer is entitled to a deduction, the taxpayer has a substantial economic interest which may be affected by the performance of one of your official duties.



GENERAL PROVISIONS OF §1115.1

- No person from whom a PUBLIC SERVANT or a PUBLIC EMPLOYEE is prohibited by §1115 or §1111A from receiving any thing of economic value shall provide the public servant with more than \$79 in food, drink, or refreshment at single event. The amount given at a single event shall not exceed \$79, regardless of the number of persons providing the food, drink, or refreshments.
 - ◇ What is an “event?” A single activity, occasion, reception, meal or meeting at a given time and place.
- Where a group of PUBLIC SERVANTS are invited to an event, the \$79 limit is calculated by dividing the total cost of the food, drink, and refreshments by the number of persons invited to the event.
- The limitation of \$79 does not apply to a gathering held in conjunction with a meeting related to a national or regional organization, or to a meeting of a statewide organization of governmental officials or employ-

EXAMPLE 6

Several contractors and vendors of the Department of Transportation and Development (DOTD) volunteer to provide food and beverages for an employee appreciation day. Representatives from the participating companies will be in attendance. 50 employees of DOTD are invited to the event. The total cost of the food and drink is \$1250. Is this permissible?

Q:

A:

Yes. Dividing the total value of the food and drink (\$1250) by the number of persons invited (50), the amount of food and drink does not exceed \$79 at the event.

GENERAL PROVISIONS OF §1111A

- No PUBLIC SERVANT shall receive any thing of economic value, other than the compensation and benefits to which he is entitled from his governmental employer, for the performance of the duties and responsibilities of his office or position.

If a public servant is given an item because of the office he holds, then it is probably prohibited by §1111A.

EXAMPLE 7

Q:

You are a Workers' Compensation judge. During the month of December, many law firms and attorneys who appeared before you during the year send turkeys, hams and other baked goods to your agency in the spirit of the holiday season. May you accept these items?

A:

No. The firms and attorneys are sending you these items because of your position as a workers' compensation judge and the performance of your duties as a judge. The hams and cookies are all considered things of economic value, even if they are homemade. The exception for food and drink only applies when the giver is present.

COMMON MISCONCEPTIONS AND RELATED ISSUES

- **I can receive the gift or gratuity if it is worth less than \$25.**

A common misconception concerning §1115 is that the dollar value of the gift determines whether or not a public servant can receive it. **However, the law does not set a monetary threshold.** If the gift does not fall under one of the exceptions, then it is a prohibited gift regardless of its price. Where the exception for food and drink applies, it is limited to \$79.

- **Teachers and other school employees may accept gifts valued at \$25 or less and \$75 as a total in one cal-**

Section §1123(26)(b) created an exception for school employees to receive gifts from students or former students. This exception is **only available if** you are employed by a pre-kindergarten, kindergarten, elementary, or secondary school. The maximum value an accepted gift can have is \$25.00. The total value of gifts you can receive from any one student or former student in a calendar year is \$75.00. **Exceeding the value limits is a violation.**

- **I can receive this gift or gratuity because it came from a friend of mine.**

Another misconception is that a public servant may receive gifts from friends even if they fall into one of the cate-

EXAMPLE 8

Q: A school food service supervisor has a neighbor who sells food products to her school. The supervisor receives a wedding gift from the neighbor. May she accept the gift?

A: **No.** The gift must be returned because the neighbor has a business relationship with the public servant's agency by virtue of the neighbor selling food products to the school.

The application of the "directly or indirectly" language of §1115 presents another tricky issue. If a public servant is prohibited from directly accepting a gift from a person, then the public servant is also prohibited from indirectly accepting any gift from this person. How does a public servant indirectly receive a gift? The most common way is through his spouse or minor child.

EXAMPLE 9

Q: An employee in the Department of Transportation and Development has a minor son who participates in high school rodeos. A trucking company which is regulated by the employee's agency wants to sponsor the employee's son in one of these rodeos. Is the sponsorship permitted under §1115?

A: No. Since the son is a minor, the mother would be indirectly receiving the benefit of the company sponsoring her son, she would have to pay for his participation. Therefore, the sponsorship is prohibited.

- **No PUBLIC SERVANT or OTHER PERSON shall give, pay, loan, transfer, or deliver or offer to give, pay, loan, transfer, or deliver, directly or indirectly, to any public servant or other person any thing of economic value which such public servant or other person would be prohibited from receiving by any provision of the Ethics Code.**

Persons who **give** prohibited gifts to public servants violate §1117 of the Code and are subject to the enforcement proceedings and penalties for their violation.

IMPORTANT NOTICE

The Board encourages public servants to seek advice from the Board as to how the law applies to their own situations by writing for an advisory opinion. Advisory opinions are not issued as to past conduct, but can provide crucial advice on how to avoid problems in the future. If you wish to obtain an advisory opinion, please send your request to the above address. In addition, our staff is available for informal advice at (225) 219-5600 or toll free 1-800-842-6630.

The Board has a web site located at: ethics.la.gov



This information sheet is only a summary of the gift provisions contained in §1115, §1111A and §1117 of the Code of Governmental Ethics. If interpretations of this information sheet conflict with the provisions of the Code, the Code will control.