



California Fair Political Practices Commission

May 2, 1991

Suzanne Wilson
Mullen & Filippi
50 Fremont Street, 19th Floor
San Francisco, CA 94105-2230

Re: Your Request for Advice
Our File No. A-91-217

Dear Ms. Wilson:

You have requested advice concerning the conflict of interest disclosure provisions of the Political Reform Act (the "Act").^{1/}

The following advice is based upon the facts provided in your letter of March 27, 1991, and telephone conversations on April 11, 1991 and April 18, 1991.

QUESTION

Are the attorneys employed by the law firm of Mullen and Filippi required to complete Form 730 as designated employees for Madera/Mariposa County Schools' Self-Insurance Authority (the "Authority")?

CONCLUSION

The attorneys who perform legal services for the Authority are designated employees and must complete the Form 730.

^{1/}Government Code Sections 81000-91015. All statutory references are to the Government Code unless otherwise indicated. Commission regulations appear at 2 California Code of Regulations Section 18000, et seq. All references to regulations are to Title 2, Division 6 of the California Code of Regulations.

FACTS

The law firm of Mullen and Filippi contracts with the Madera/Mariposa County Schools' Self-Insurance Authority to provide legal services regarding workers' compensation claims. The Authority's conflict of interest code requires designated employees, including consultants, to complete the Statement of Economic Interests Form 730.

ANALYSIS

The Political Reform Act requires each governmental agency to adopt a conflict of interest code. In the conflict of interest code, each agency must designate those positions that involve the making or participation in the making of decisions which may foreseeably have a material financial effect on a financial interest of the designated employee holding the position. (Section 87302.) The terms "designated employee" and "public official" are defined in the Act to include any consultant to an agency who makes or participates in agency decisions. (Sections 82019 and 82048.)

Regulation 18700(a)(2) (copy enclosed) defines "consultant" as any natural person who provides, under contract, information, advice, recommendation or counsel to a state or local government agency. This term does not include, however, a person who:

- (A) Conducts research and arrives at conclusions with respect to his or her rendition of information, advice, recommendation or counsel independent of the control and direction of the agency or of any agency official, other than normal contract monitoring; and
- (B) Possesses no authority with respect to any agency decision beyond the rendition of information, advice, recommendation or counsel.

When a law firm is retained under contract to provide legal services to an agency on an on-going basis as opposed to being hired for a specific matter (e.g., a particular piece of litigation), the attorneys of the law firm who provide those services are "consultants" within the meaning of the Act. As such, the attorneys must file the appropriate statements of economic interests. (Frederick Advice Letter, No. I-86-047 (copy enclosed).) Because of the continuous nature of the services your firm provides to the Authority, the attorneys who provide those services must file Form 730 pursuant to the Authority's conflict of interest code.

Suzanne Wilson
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If you have any questions or need further assistance, please contact me at (916) 322-5662.

Sincerely,

Scott Hallabrin
Acting General Counsel

A handwritten signature in cursive script that reads "Colleen McGee".

by: Colleen McGee
Political Reform Consultant
Technical Assistance and
Analysis Division

Enclosures

W. MULLEN (1967)
FRANK J. FILIPPI (RET. 1958)
PHILIP R. ANDERLINI
ROBERT N. SILVERMAN
STEPHEN P. BIERSTOCK
PAVLO COSTA
WILLIAM J. ARMSTRONG
ROBERT J. CAVALLERO
JEROME D. YOUNG
GREGORY T. DALE
ALEX W. MCKENZIE
KENNETH J. CHRISTOPHER
JAMES T. PONZIO
LAWRENCE P. JOHNSON
H. DONALD HUEGEL

SAMUEL J. SMITH*
BARRY F. THORNTON
ROBERT R. SHERMAN
KAREN M. LAND
JERRY R. WELLS
BARBARA L. TURNER
MAUREEN A. HEATH
THOMAS J. HESLIN
NEIL ROBINSON
BARBARA L. KIELY
TIMOTHY G. KELLER
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SARAH ALCORN SHARP

*PRACTICE LIMITED TO
FEDERAL COURTS
& AGENCIES, ADMITTED
COLORADO & WEST VIRGINIA

PPC
APR 01 1991

March 27, 1991

Mr. Wayne Imberi
Fair Political Practices Commission
P.O. Box 807
Sacramento, CA 95804-0807

RE: STATEMENT OF ECONOMIC INTERESTS FOR DESIGNATED EMPLOYEES
FORM 730

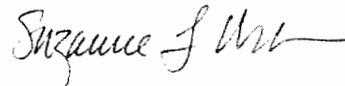
Dear Mr. Imberi:

I spoke with you briefly over the phone, earlier this week. As I mentioned to you, we received the Form 730 last year and prepared a letter to your office at that time, that outlined our basis for exemption. We feel that the services Mullen & Filippi provide for the Madera/Mariposa County Schools' Self-Insured Authority fall outside of the scope of this Act.

Mullen & Filippi defends the Madera/Mariposa County Schools' Self-Insured Authority in the area of Workers' Compensation Claims. While the Firm does attempt to resolve each case in the most beneficial and equitable manner for our client, we do not advise them with respect to reserve requirements or any other internal financial matters.

Please advise me if you require additional information.

Sincerely,
MULLEN & FILIPPI



By: Suzanne L. Wilson
Director of Administration

cc: Ms. Cheryl Lara

SLW:vas