



## FAIR POLITICAL PRACTICES COMMISSION

428 J Street • Suite 620 • Sacramento, CA 95814-2329  
(916) 322-5660 • Fax (916) 322-0886

June 20, 2012

Mr. Terree A. Bowers  
Arent Fox

**REDACTED**

**RE: Closure Letter  
FPPC No. 10/723; Joya De Foor**

Dear Mr. Bowers:

The Fair Political Practices Commission ("Commission") enforces the provisions of the Political Reform Act. As you are aware, the Commission received a complaint against your client, Joya De Foor, alleging violations of the conflict of interest provisions of the Act. Specifically, the complaint alleges that your client made governmental decisions, including a decision to extend a lock box services contract with US Bank in 2007, which had a reasonably foreseeable material financial effect on a source of income while serving as the Los Angeles City Treasurer. The Commission has decided to close this case without further action.

Under the Act, no public official at any level of state or local government may make, participate in making, or in any way use or attempt to use his or her official position to influence a governmental decision in which the official knows or has reason to know he or she has a disqualifying conflict of interest. (Section 87100.) To determine whether an individual has a disqualifying conflict of interest, the Commission generally employs the following sequenced analysis: (1) is the individual a public official; (2) did the official make, participate in making, or use or attempt to use the official position to influence a governmental decision; (3) what are the official's economic interests, (4) are the official's economic interests directly or indirectly involved in the governmental decision; (5) what is the applicable materiality standard for each economic interest involved; and (6) is it reasonably foreseeable that the governmental decision will have a material financial effect on the official's economic interest.<sup>1</sup> (See Regulation 18700.)

Under Section 87100, a conflict of interest exists when your client, as a public official, makes, participates in making, or attempt to use her official position to influence a

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<sup>1</sup> The additional two steps of the analysis - whether the public generally exception applies and whether the individual is legally required to participate in the governmental decision - are inapplicable to this matter.

governmental decision in which your client knows or has reason to know she has a "financial interest." Your client has a "financial interest" in a decision, within the meaning of Section 87100, if it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally, on any source of income aggregating \$500 or more which your client received within 12 months of the decision. (Section 87103, subdivision (c).) US Bank was a source of \$8,000 in income to Ms. De Foor in 2007, thus, she has a financial interest in this business entity.

A source of income is directly involved in a decision before an official's agency when that person, either directly or by an agent is a named party in, or is the subject of, the proceeding concerning the decision before the official or the official's agency. A person is the subject of a proceeding if, among other things, a decision involves the issuance, renewal, approval, denial or revocation of a contract. (See Regulation 18704.1(a)(2).)

Section 18705.3(a) delineates the materiality standard for economic interests on sources of income. Any reasonably foreseeable financial effect on a source of income to a public official is deemed material. The financial effect is reasonably foreseeable if it is substantially likely that one or more of the materiality standards applicable to that economic interest will be met as a result of the governmental decision.

Our investigation revealed that US Bank was a source of income to your client; however, the decision which created a conflict of interest was made outside the statute of limitations, thus precluding prosecution. Therefore, we have closed our file in this matter.

If you have any questions regarding this matter, please feel free to contact me at 916-322-5660.

Sincerely,

**REDACTED** —

Zachary W. Norton  
Commission Counsel  
Enforcement Division