



# California Fair Political Practices Commission

September 29, 1987

Steven L. Dorsey, Attorney at Law  
Richards, Watson and Gershon  
333 South Hope Street  
Los Angeles, CA 90071-1469

Re: Your Request for Advice  
Our File No. A-87-176

Dear Mr. Dorsey:

You have written seeking advice on behalf of Carson Redevelopment Agency member Vera Robles De Witt regarding application of the conflict of interest provisions of the Political Reform Act (the "Act")<sup>1/</sup> to a particular set of facts.

## QUESTION

Ms. De Witt is assigned by a temporary employment agency to work for a corporation which is involved in a proceeding before the redevelopment agency. Is Ms. De Witt prohibited from voting on a sale of property which will financially benefit the corporation?

## CONCLUSION

Because the corporation is a source of income to Ms. De Witt, she is prohibited from voting on a sale of property which will have a material financial effect on the corporation.

## FACTS

The Carson Redevelopment Agency has been engaged in negotiations for the sale of a parcel of property to Ibis-Carson, Ltd. for development of a portion of the Carson Civic Plaza. Ibis-Carson, Ltd. has contracted with Carson Civic Plaza Associates to develop an office building on a part of the property. Ibis-Carson has engaged Seeley Company (Seeley), a real estate firm with seven offices in Southern California, to act as leasing agent for the office building, and to find an additional developer to join in the venture.

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<sup>1/</sup> Government Code Sections 81000-91015. All statutory references are to the Government Code unless otherwise indicated.

Steven L. Dorsey  
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Currently the agency is considering whether to enter into an escrow for sale to one or both developers. Should the agency approve the transaction, Seeley would receive approximately \$85,000 in commission, plus the income for acting as leasing agent.

Redevelopment agency member Vera De Witt is employed by Adia Personnel Services (Adia) as a temporary assignment employee. Ms. De Witt has filled several temporary positions for Adia. Recently, Adia referred Ms. De Witt for a temporary position with Seeley.

Adia refers its employees to temporary assignments at clients' locations. Adia sets the hourly rate of pay, withholds all statutorily required taxes, and provides workers' compensation coverage and a variety of benefits to its employees. Clients are billed the hourly rate plus an added fee based on the number of hours worked by the employee.

Adia supplies Seeley with all of its temporary help needs. Adia and Seeley do not have a written contract, although Adia requires that an authorized client representative sign off on time cards which include a "customer agreement" specifying a variety of contractual provisions. Among these provisions is payment of settlement fees should the temporary employee be hired on a permanent basis by the client.

Ms. De Witt's assignment with Seeley was for a period of four months to replace a permanent employee on maternity leave. Seeley did not specifically request Ms. De Witt. She was not interviewed or screened by Seeley. Ms. De Witt was the second person assigned to this position by Adia; the first resigned because she found the job too stressful.

Adia allows the temporary employee or the client to end an assignment for any reason. The employee is not guaranteed another assignment from Adia. Whenever possible, Adia will provide the client with another temporary employee. The client also has the option to extend the placement period for the temporary employee, or, as was noted above, to hire the employee on a permanent basis.

In May 1987, Ms. De Witt noticed a sign on the property which is the subject of negotiations. The sign said that Seeley Company would be the agent for lease of proposed office space. This was the first time she knew that Seeley was involved with the civic plaza project.

ANALYSIS

The conflict of interest provisions of the Act prohibit a public official from participating in a governmental decision in which she knows, or has reason to know, she has a financial interest. (Section 87100.) Ms. De Witt is a public official by virtue of her status as a member of the redevelopment agency. (Section 82048.) Ms. De Witt's "financial interest" is determined by application of Section 87103, which defines "financial interest" as follows:

An official 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 the official or a member of his or her immediate family or on:

\* \* \*

(c) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating two hundred fifty dollars (\$250) or more in value provided to, received by or promised to the public official within 12 months prior to the time when the decision is made.

Ms. De Witt has a conflict of interest if it is reasonably foreseeable that the sale of the property will have a unique and material financial effect on a source of income to her. There is no dispute that Adia is, in fact, a source of income to Ms. De Witt.<sup>2/</sup> However, based on the facts you have provided, it is not reasonably foreseeable that the decisions in question will have a material financial effect on Adia. The question here is whether Seeley is a source of income as well.

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<sup>2/</sup> You have stated in your letter, and we agree, that Adia is Ms. De Witt's employer, and clearly a source of income to her. Adia is a multi-million dollar temporary help agency with over 700 offices in fifteen nations. Adia's revenues were \$293.5 million last year and \$84 million for the first quarter of this year.

Source of Income

The Commission has provided guidance in the past regarding sources of income in multi-party economic relationships. Each case presented a unique set of circumstances. The Commission's Carey Opinion (1977) 3 FPPC Ops. 99 (copy enclosed), involved a real estate brokerage firm's commissions on sales of real property. While Ms. De Witt's salary is not commission income, the commission-income situation provides a useful analogy since it also involves a multi-party economic relationship. The holdings in Carey, therefore, are helpful in our analysis.

The question posed in Carey was whether the public official/owner of the firm was required to report all of the firm's commission income as "income" pursuant to the reporting requirements of the Act. The Commission held that the real estate commission fees which were owed to the sales agent should be excluded from income to the public official:

...the proper characterization of the transaction in question is that there are, in effect, two separate payments subsumed in one negotiable instrument used by the buyer to pay the real estate commission, one payment to the firm of Cornish and Carey and another to the salesperson who brokered the sale.

Although the firm of Cornish and Carey may be the payee designated on the instrument used by the purchaser to pay the commission, this is only done to facilitate payment and avoid the necessity of having the purchaser write two checks. The firm, in fact, has no rights in the salesperson's portion of the commission.

We note, moreover, that the payment to the salesperson is inseparable from the transaction that produces it.

(Carey, supra, at pages  
101-102.)

The amount paid by Seeley to Adia combines in one check Ms. De Witt's hourly pay and the fee charged by the agency. Ms. De Witt is guaranteed an hourly rate set by Adia, multiplied by the number of hours, as determined by Seeley. Adia has no right to Ms. De Witt's portion of the payment from Seeley. Following the analysis in Carey, the payment made to

Adia by Seeley is inseparable from the services performed by Ms. De Witt for Seeley.

In a multi-party economic relationship which did not involve commission income, the Kaldor Advice Letter (No. 77-244) dealt with a public official/physician. The physician contracted with a hospital to provide services to hospital patients. The question brought to us was whether the hospital or the patients were the source of the physician's income. The payment made to the physician was for services rendered to the patients, not consideration for the contract with the hospital. We found that both the hospital and the patients were sources of income to the physician:

...it is clear that the patients are hospital patients, that the facilities used to provide the services are hospital facilities, and that absent the physician's contractual relationship with the hospital, the physician would have other or no facilities to use, other or no patients to serve and would receive income via other sources. Thus, the physician clearly is dependent for his or her income on the operation of the hospital.

(Kaldor, supra, at page 2.)

Ms. De Witt's situation is somewhat similar in a number of respects. Although her income is received from Adia, Seeley provides the facility and all necessary equipment, establishes the work schedule, determines the tasks to be completed, and has primary control over her work day. Ms. De Witt is dependent for her income on continuation of the placement with Seeley.

We have reached a different conclusion concerning another type of multi-party economic relationship: That of a developer who hires a contractor who, in turn, contracts work out to a subcontractor. (See Hart Advice Letter, No. 83-264, and Schechtman Advice Letter, No. 87-031, copies enclosed.) Typically the subcontractor is a public official who is concerned about a possible conflict of interest when the developer comes before the public agency. Normally, the contractor unilaterally selects and contracts with the subcontractor to do a portion of the work required. The developer usually has no involvement in the decision to hire the subcontractor, was not a party to the contract with the subcontractor, and has no authority over the subcontractor.

The developer, if unsatisfied with the work of the subcontractor, does not have the right to terminate the subcontractor. It is the contractor's responsibility to ensure that the terms of the contract are met by whatever means he or she finds necessary. In Schechtman and Hart, we found that the contractor was the single source of income to the subcontractor/public official.

Applying these examples to the situation at hand, we find that Adia initiated the economic relationship between Seeley and Ms. De Witt, and Adia has the authority to terminate the relationship but not to extend it without the consent of Seeley. Seeley, on the other hand, has the authority to continue or to terminate the relationship for any reason. Seeley also has sole authority to extend the relationship beyond the original contract for services. Therefore, Schechtman and Hart are easily distinguishable from Ms. De Witt's circumstance.

In the case before us, Seeley has control over continuation of the economic relationship. Ms. De Witt has a right to her fee as included in the payment, and the payment made to Adia is inseparable from the services performed by Ms. De Witt. We conclude, based on these facts, that Seeley is also a source of income to Ms. De Witt.

#### Material Financial Effect

Having established that Seeley is a source of income to Ms. De Witt, we must next ask whether the sale of the property in question will have a reasonably foreseeable material financial effect on Seeley, which is distinguishable from the effect on the public generally.

As was noted previously, Seeley is a real estate firm with seven offices in Southern California. The test of materiality would be whether the governmental decision would result in an increase or decrease in gross revenues of at least \$10,000. (Regulation 18702.2(g)(1).)<sup>3/</sup>

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<sup>3/</sup> Although we have no information regarding Seeley's assets and income, we assume they are not so great as to qualify Seeley under subsections (c) through (f) of Section 18702.2 (copy enclosed). If this is not the case, the calculations regarding material financial effect would have to be redone and our advice re-examined.

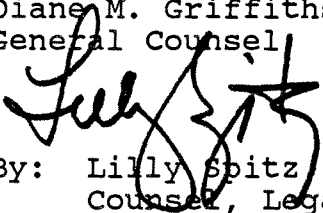
Steven L. Dorsey  
September 29, 1987  
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Upon approval of the sale by the redevelopment agency, Seeley would benefit in the amount of \$85,000 in commission from the buyers of the property. Seeley would also receive a commission for acting as leasing agent for the Carson Civic Plaza Associates. In light of the exclusive nature of the contract between Seeley and the purchasers of the property, the decision would have a material financial effect distinguishable from the effect on the public generally. Thus, Ms. De Witt is required to disqualify herself from any action regarding sale of the property to Ibis-Carson, Ltd.

If you have further questions regarding this matter, please feel free to contact me at (916) 322-5901.

Sincerely

Diane M. Griffiths  
General Counsel

  
By: Lilly Spitz  
Counsel, Legal Division

DMG:LS:jaj  
Enclosures



# California Fair Political Practices Commission

August 21, 1987

Doreen Penfield  
Vice President Administration  
Adia Personnel Services  
P.O. Box 2768  
Menlo Park, CA 94026

Dear Ms. Penfield:

Thank you for taking the time to help clarify for me the contractual relationship between Adia, its clients and its temporary employees. To further explain our need for specific information, let me outline for you the issues with which we are faced.

The Fair Political Practices Commission enforces California law as relates to conflicts of interest for public officials. We have a situation where an Adia temporary employee, who is a city councilmember, was placed, for a period of two months, with a corporation which has an item before the city council. The question before us now is whether Adia is the sole "source of income" for the city councilmember, or whether both Adia and the corporation are "sources of income" as defined by the Political Reform Act. This is a legal question which we must answer based on particular facts, including the contractual relationship between Adia and its temporary employees, and Adia and its clients.

Any materials you could send to me which shed light on these contractual relationships, such as the employee hand book, the "terms and conditions" statement, and the relevant portions of the time cards, would be greatly appreciated.

I trust that this brief explanation answers any questions you might have. If you need to be in touch with me for further clarification, please contact me at (916) 322-5901.

Very truly yours,

Lilly Spitz  
Counsel, Legal Division

LS:plh

RICHARD RICHARDS  
GLENN R. WATSON  
ROBERT G. BEVERLY  
HARRY L. GERSHON  
DOUGLAS W. ARGUE  
MARK L. LAMKEN  
ARNOLD SIMON  
LEE T. PATERSON  
RICHARD H. DINEL  
ERWIN E. ADLER  
DAROLD D. PIEPER  
FRED A. FENSTER  
ALLEN E. RENNETT  
STEVEN L. DORSEY  
WILLIAM L. STRAUZ  
ROBERT M. GOLDFRIED  
ANTHONY B. DREWRY  
MITCHELL E. ABBOTT  
TIMOTHY L. NEUFELD  
STEVEN A. BROILES  
GREGORY W. STEPANICICH  
ROCHELLE BROWNE  
DONALD STERN  
MICHAEL JENKINS  
WILLIAM B. RUDELL  
DAVID L. COHEN  
TERESA R. TRACY  
QUINN M. BARROW  
COLEMAN J. WALSH, JR.  
CAROL W. LYNCH  
JOHN A. BELCHER  
SUSAN R. SCHWARTZ  
JEFFREY A. RABIN  
MARSHA JONES MOUTRIE  
CRISTINA L. SIERRA  
MICHELE BEAL BAGNERIS  
MICHAEL B. TANNATT  
ROBERT G. SOPER  
GINA M. DE GENNARO

RICHARDS, WATSON & GERSHON  
ATTORNEYS AT LAW  
A PROFESSIONAL CORPORATION

AUG 20 3 15 PM '87

August 18, 1987

THIRTY-EIGHTH FLOOR  
333 SOUTH HOPE STREET  
LOS ANGELES, CALIFORNIA 90071-1469  
(213) 626-8484

CABLE ADDRESS  
RICHWAT  
TELECOPIER (213) 626-0078

OF COUNSEL  
JAMES K. HERBERT  
PATRICK C. COUGHLAN

Lillie Spitz, Esq.  
Staff Counsel  
Fair Political Practices Commission  
428 J Street  
Sacramento, California 95814

Re: Carson Redevelopment Agency  
Member, Vera Robles De Witt

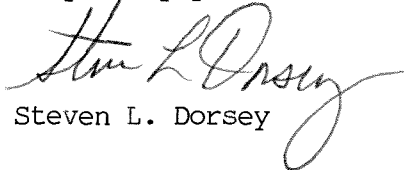
Dear Ms. Spitz:

I have received and am forwarding to you two documents from ADIA containing the contractual provisions applicable to their customers, including Seeley Company. The first document concerns the categories of persons ADIA supplies out of their Torrance office. ADIA has removed the billing rates as they consider that information proprietary.

The second document is a timesheet to be filled out by each ADIA employee on a weekly basis. On the back of the timesheet is a "Customer Agreement." ADIA informs me that this is the only contractual arrangement with Seeley and the majority, if not all, of their customers. By signing and approving the timesheet, ADIA's customers agree to the terms of the "Customer Agreement."

Please call me if you have any further questions.

Very truly yours,

  
Steven L. Dorsey

SLD:rp  
Enclosures



The Employment People

BILL RATES - 1987

RECEIVED  
AUG 11 1987  
STEVEN L. DORSEY

Adia Personnel Services  
162 Del Amo Fashion Square  
Torrance, California 90503  
213/371-4606

CLASSIFICATION

BILL RATES

Accounting

Figure Clerk  
Calculator/10 Key Operator  
Payroll Clerk  
Jr. Accounting Clerk  
Sr. Accounting Clerk  
Bookkeeper  
Bookkeeper, Full Charge  
Accounting Assistant

Data Processing

Data Control Clerk  
Data Entry Operator  
CRT Operator  
Jr. Key punch  
Key punch Operator  
Key to Tape/Disc. Op.  
Jr. Computer Operator  
Computer Operator  
Programmer

Word Processing

W.P. Trainee  
W.P. Proofreader  
W.P. Operator  
W.P. Secretary  
W.P. Transcript Secretary  
W.P. Technical Operator  
W.P. Technical Secretary

Light Industrial

Assembler-Unskilled  
Assembler-Electronic  
Expeditor  
Inspector

Factory/Warehouse

Packer  
Packager/Sealer  
Materials Handler  
Stock Clerk  
Janitor  
Shipping/Receiving Clerk  
Forklift Operator  
General Labor

CLASSIFICATION

BILL RATES

Clerical

General Clerk  
File/Batching Clerk  
Mail Clerk  
Posting Clerk  
Messenger/Supply Clerk  
Duplication Clerk  
Inventory Clerk  
Records Clerk  
Senior Clerk

Communications

Receptionist  
Receptionist/Typist  
Call Director  
Switchboard Operator  
Telex/TWX/Telegraph Operator

Typing

Clerk Typist  
Intermediate Typist  
Forms Typist  
Senior Typist  
Reproduction Typist  
Statistical Typist  
Transcription Typist  
Manuscript Typist  
Specialized Typist  
Specialized Trans. Typist

Secretarial

Junior Secretary  
General Secretary  
Transcription Secretary  
Shorthand Secretary  
Executive Secretary  
Specialized Secretary

RICHARD RICHARDS  
GLENN R. WATSON  
ROBERT G. BEVERLY  
HARRY L. GERSHON  
DOUGLAS W. ARGUE  
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KEVIN G. ENNIS  
JANETH H. BREYER  
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July 27, 1987

JUL 28 8 42 AM '87  
F P P C

Ms. Dianne Griffiths  
General Counsel  
Fair Political Practices Commission  
428 J Street  
Sacramento, California 95814

Re: Carson Redevelopment Agency  
Member, Vera Robles De Witt

Dear Ms. Griffiths:

Carson Redevelopment Agency member Vera Robles De Witt has asked me to request formal written advice concerning whether she may vote on a sale of property by the Agency to Carson Civic Plaza Associates. This letter will supplement discussions last week between Ms. Lillie Spitz and Ms. Kathryn Donovan of the Fair Political Practices Commission and Agency member De Witt and myself.

Agency member De Witt is employed by Adia. Adia is a multimillion dollar temporary help agency with over 700 offices in 15 nations. Adia's revenues were \$293.5 million last year and \$84 million for the first quarter of this year. Adia supplies help to companies needing persons to fill temporary staffing needs.

Agency member De Witt has filled several temporary positions in the South Bay area while she has been working for Adia. I have been informed by a representative of Adia that Adia has a great need for persons with Agency member De Witt's skills due to the calls on Adia for persons with such qualifications.

Ms. Dianne Griffiths  
July 27, 1987  
Page Two

Adia pays its employees directly and charges the contracting company for the employee's services. The employee is never compensated by the company utilizing Adia's services.

Adia decides which employee to assign to which position. The employee can decline a position, but the employee might not be assigned to other positions if he or she declines too many positions. The company utilizing Adia's employees does not interview or screen the person assigned by Adia.

In March, 1987, Adia assigned Agency member De Witt to work at the Torrance office of Seeley Company, a real estate firm with 7 offices in Southern California. The assignment was for a period of four months to replace a permanent employee on maternity leave. This assignment will terminate this week. Agency member De Witt had never heard of Seeley Company prior to receiving her assignment.

Ms. De Witt was not interviewed or screened by Seeley. Agency member De Witt was the second person assigned to this particular position. The first person had resigned because she found the job too stressful. Seeley Company did not know Ms. De Witt and did not request Ms. De Witt be assigned to their firm.

Adia and Seeley have not entered into a written contract, although Adia supplies Seeley with all of its limited temporary help needs. Seeley constitutes a miniscule portion of Adia's business.

In early 1986 the Carson Redevelopment Agency was engaged in negotiations for the sale of a parcel of property to Ibis-Carson, Ltd. for development of a hotel. Ibis-Carson, Ltd. brought in Carson Civic Plaza Associates to develop an office building on a part of the property, and in February, 1986, the Agency entered into an agreement to sell the property to Ibis-Carson, Ltd. and Carson Civic Plaza Associates.

While the Agency was in no way connected with it and had no knowledge of it at that time, Ibis-Carson had engaged Seeley Company to find an office building developer to join with it and the two developers had an agreement between themselves to share the brokerage commission. The Seeley Company was not involved in any way with the negotiations between the Carson

Ms. Dianne Griffiths  
July 27, 1987  
Page Three

Redevelopment Agency and the developers, but only in the transactions between the developers. The February, 1986 agreement has expired, but a current proposal is pending before the Agency which is considering whether to enter into an escrow for sale to one or both developers.

In May, 1987, Agency member De Witt noticed a sign on the property indicating that Seeley Company would be the agent for the lease of proposed office space. This was the first time she or anyone else associated with the Carson Redevelopment Agency knew that Seeley was in any way involved with the project.

Agency member De Witt has also just learned that Seeley Company will receive a commission from the buyers of the property in the sum of approximately \$85,000. This transaction was handled entirely by Seeley's Los Angeles office, although one agent from the Torrance office will be involved with the leases.

Agency member De Witt requested an opinion from the City Attorney concerning whether she had a conflict as a result of her temporary assignment by her employer to Seeley Company's Torrance office. In two opinions which are attached hereto, the City Attorney determined that there was no conflict.

The basis for the City Attorney's opinions was that Seeley Company did not constitute a source of income to Agency member De Witt. Ms. De Witt is not paid by Seeley, the relationship between Seeley and Adia existed before Ms. De Witt was assigned to Seeley, and neither Ms. De Witt nor Seeley was involved in the decision to assign Agency member De Witt to Seeley. The City attorney also determined that 2 Cal. Administrative Code Section 18704.3 did not cover the existing situation because Ms. De Witt is not compensated on a commission basis. Ms. De Witt's compensation by Adia for services she provides to Seeley is not contingent upon Seeley's payment to Adia, unlike the case in a commission relationship.

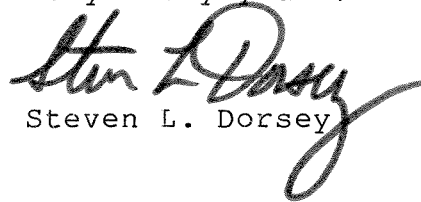
Agency member De Witt also contacted Ms. Candace Beeson of the Los Angeles County District Attorney's office. Ms. Beeson indicated there was no conflict under Government Code Section 1090, but that Ms. De Witt should contact the F.P.P.C. for an evaluation of the applicability of the Political

Ms. Dianne Griffiths  
July 27, 1987  
Page Four

Reform Act of 1974. This conversation prompted Ms. De Witt's call last week to your office.

Your prompt response to this request will be greatly appreciated, as Agency member De Witt has abstained from acting on this matter pending a determination from your office. Please feel free to contact Agency member De Witt or myself if you have any questions.

Very truly yours,

  
Steven L. Dorsey

SLD:rp  
Enclosures

TO: MAYOR PRO TEM DE WITT

FROM: CITY ATTORNEY

SUBJECT: Conflict of Interest Question

DATE: MAY 18, 1987

You have asked for my opinion as City Attorney on the following:

Question: Would a conflict of interest be presented by the proposed transaction between the Carson Redevelopment Agency and Ibis-Carson, Ltd. and Carson Civic Plaza Associates for a hotel-office building development (seven or eight story) by reason of your current private employment?

Answer: No, based on the facts stated below.

DISCUSSION

A. The Facts. You have informed me that you work for Adia on an hourly rate basis; that Adia employs hundreds of people on a similar basis; that its business operation is to provide temporary employees to various customers of Adia who need part-time, interim, temporary or supplementary help with a variety of qualifications, such as secretary, typist, bookkeeper, receptionist, or other types of office work (similar to the "Kelly girls" operation); that Adia is paid by its customers for the services of the Adia supplied personnel and that there is no employer-employee relationship between the Adia customer and the person furnished to the customer by Adia.

You have further informed me that Adia has sent you to fill an executive-secretary position assisting a real estate salesman at the Seeley Company's Torrance office and that you have provided services there for several weeks. Seeley pays Adia for your services and you are paid by Adia, under the arrangement described above.

You state that you have seen a Seeley sign on the proposed hotel-office building site, indicating that Seeley is the leasing agent for office space in the office building proposed for the Carson Civic Plaza; that Seeley's Torrance office phone number is listed on the sign along with a Los Angeles number; that you have heard the proposed leasing mentioned in the Seeley office and have seen papers concerning it but your duties do not concern it. You state that you do not receive a commission or any other form of remuneration from Seeley and that your compensation from Adia is unrelated to the hotel-office building project. Seeley is a large, multi-office real estate firm with numerous employees in Los Angeles and elsewhere.

B. Analysis. The Political Reform Act of 1974, as amended to date, provides:

"No public official at any level of state or local government shall make, participate in making or in any way attempt to use his official position to influence a governmental decision in which he knows or has reason to know he has a financial interest." (Government Code Section 87100)

The PRA also defines financial interest:

"An official 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 the official or a member of his or her immediate family or on:

. . .

(c) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating two hundred fifty dollars (\$250) or more in value provided to, received by or promised to the public official within 12 months prior to the time when the decision is made." (Government Code Section 87103, in material part.)

Government Code Section 1090 provides insofar as pertinent:

"[C]ity officers or employees shall not be financially interested in any contract made by them in their official capacity, or by any body or board of which they are members . . . ."

A contract may be presented to the Agency for execution between the Agency and Ibis-Carson, Ltd. and Carson Civic Plaza Associates as parties. You state that neither you nor a member of your immediate family has any proprietary interest in either of the proposed contracting parties with the Agency. Under the facts outlined to me, neither of the parties proposing to contract with the Agency is or will be a source of income to you. However, we must still address the question whether a decision of the Agency to contract with Ibis-Carson, Ltd. or Carson Civic Plaza Associates is a decision in which you otherwise would have a financial interest. The key question is whether such an Agency decision would have a material financial effect on a source of income to you. On the above facts I conclude that it would not. Your source of income is your employer, Adia. It is not reasonably foreseeable that it would have a material financial effect

TO: MAYOR PRO TEM DE WITT

FROM: CITY ATTORNEY

SUBJECT:

Conflict of Interest Opinion, Supplement To

DATE: JULY 23, 1987

Since additional facts have developed since my memorandum opinion dated May 18, 1987, you have asked the following:

Question: Do the additional facts indicate that a conflict of interest would be presented by the proposed sale of the site to Ibis-Carson, Ltd. and Carson Civic Plaza Associates, or of a one-half interest to Carson Civic Plaza Associates if the transaction should take that form?

Answer: No, based on the facts stated below and in the May 18, 1987 memorandum.

Background and Facts.

My opinion memorandum to you dated May 18, 1987 expressed the opinion, based on the facts stated in that memorandum, that no conflict of interest would be presented by the proposed transaction between the Carson Redevelopment Agency and Ibis-Carson, Ltd. and Carson Civic Plaza Associates. The memorandum also stated that if "the facts should change or other facts should develop" we should review the new facts for such impact as they may have on our opinion. A copy of the May 18, 1987 memorandum is attached and incorporated in this memorandum.

A fact new to me came to light on July 20, 1987, a few hours before the Agency meeting scheduled for 6:30 p.m. on that date. I was presented with a copy of a written agreement dated January 27, 1986 between Carson Civic Plaza Associates ("Carson") and Ibis-Carson, Ltd., Christian Frere and Gestec Properties, Inc., which provides:

"Carson and Ibis-Carson, Ltd. shall each pay fifty percent (50%) of the brokers commission to be paid to the Seeley Company regarding the purchase of the Property from the Carson Redevelopment Agency."

This document appeared to be significant and one which could impact my opinion of May 18, 1987 for several reasons: (1) it disclosed that a commission is to be paid to the Seeley Company on the sale-purchase transaction itself, thus giving rise to a financial interest on the part of the Seeley Company in the sale transaction to which the Agency is a party (a possible Government Code Section 1090 concern); (2) since the commission on a \$3,500,000 transaction might be substantial, the commission, coupled with the proposed leasing commissions to be derived from

on Adia, if Carson Civic Plaza Associates did or did not build the proposed 7-story building, and therefore did or did not employ Seeley as leasing agent, considering the size and scope of the business operations of Adia and Seeley. On the facts stated the relationship is too remote and attenuated for there to be a financial effect on a source of income to you.

If the facts should change or other facts should develop that would tend to suggest a closer relationship or a possible material financial effect on Adia, (which is a source of income to you) you should review the new facts with me as my opinion may not then be the same as above stated.

*GRYL*

Carson Civic Plaza Associates, might well result in a "material financial effect" on Seeley Company; and (3) the fact that a commission would accrue on the sale had not been previously disclosed to me, and, insofar as we were aware, to the Agency.

For these reasons, it was apparent that (1) you should be informed immediately before acting on the matter, (2) the facts regarding the commission should be ascertained and (3) the May 18, 1987 opinion should be reviewed in the light of the new information. Accordingly, I brought the matter to your attention on July 20, 1987 before the Agency meeting, in order to protect you and the other Agency members in the event that a conflict problem should be presented. Also, as you are aware, a contract entered into in violation of Section 1090 would be invalid. You deferred taking action on the sale pending receipt of an opinion which considers the new facts.

I have made inquiry of the Carson Civic Plaza Associates' counsel, Mr. John Bertero of Allen, Matkins, Leck, Gamble & Mallory, regarding the facts. He informs me that: Mr. Frere of Gestec Properties, Ltd. became aware of the availability of the site for a hotel without engaging a real estate broker; that Mr. Frere then engaged Seeley Company to find another developer to acquire a one-half interest in the site, and agreed on a commission of 5% of the purchase price of the one-half interest; that this arrangement was made with the Los Angeles office of the Seeley Company, Mr. Randy Woods being the broker concerned; Carson Civic Plaza Associates then agreed that each would pay 1/2 of the commission. Due to the fact that Mr. Frere is in France, I have not been able to obtain a copy of the listing or employment agreement between Gestec Properties and Seeley Company. However, the above stated facts are consistent with the January 27, 1986 agreement. A 5% commission on a one-half interest in a \$3,340,000 purchase (\$1,670,000) would be \$83,500.

You have informed me that: your first employment by Adia was sometime in 1986; that Adia first assigned you to fill the temporary Administrative Assistant or Executive Secretary position at Seeley on March 18, 1987; that your current assignment to Seeley expires July 31, 1987; that you did not know, until I presented a copy of the January 27, 1986 agreement to you on July 20, 1987, that there was to be a commission paid on the purchase, and that you have no business or financial relationship whatsoever with Carson Civic Plaza Associates. I understand that you assumed that the fact that a Seeley Company broker was in attendance at the subcommittee meeting on June 30, 1987 was due to their interest as leasing agent for the office building. That was also Mr. Rabin's and my assumption, since we knew of no other involvement of Seeley Co. in the project. You have also informed me that your employment and compensation by Adia would not be affected in any way by the closing or not

closing of the proposed sale, and that you can envision no financial effect on Adia as a result of the making, or failure to make, the sale. I am informed by the Manager of the Los Angeles office of Adia that they are one or the two largest agencies of their type in the United States; that they have 700 offices in 15 countries, are publicly held and traded over the counter. I note from the "yellow pages" that they have 9 offices in the Los Angeles metropolitan area.

Discussion.

Looking first at Government Code Section 1090, the question is whether you are "financially interested" in the proposed contract of sale between the Agency and Carson Civic Plaza Associates. Under the facts stated above it seems clear that you are not. Any relationship between the contract and your financial interest is far too remote, attenuated and speculative. You are an employee of Adia, which on occasion provides services (through Adia's employees, including you) to Seeley Company, which may receive commissions from the developers who are contracting with the Agency. The linkage is even too remote to fall within the remote interests described in Government Code Section 1091.

Turning to the Political Reform Act of 1974, the potential commissions to be derived from the purchase of a one-half interest in the site plus potential leasing commissions on the office building may be sufficient to constitute a "material financial effect" on the Seeley Company. However, under the facts, the Seeley Company is not a "source of income" to you. Your "source of income" is Adia, which the facts stated above indicate would not be materially affected by closing, or failure to close, of the purchase by Carson Civic Plaza Associates, or by whether Carson Civic Plaza Associates does or does not then pay commissions to Seeley Co., which may or may not in the future use the services of Adia, which may or may not provide you or some other Adia employee to perform services in Seeley's office.

As in the case of my May 18, 1987 opinion memorandum, if the facts stated above should change or other facts should develop that are relevant, you should review the facts with me, as my opinion may not then be the same as stated above.





California  
Fair Political  
Practices Commission

July 29, 1987

Steven L. Dorsey  
Richards, Watson & Gershon  
333 South Hope Street, 38th Floor  
Los Angeles, CA 90071-1469

Re: 87-176

Dear Mr. Dorsey:

Your letter requesting advice under the Political Reform Act was received on July 28, 1987 by the Fair Political Practices Commission. If you have any questions about your advice request, you may contact Lilly Spitz, an attorney in the Legal Division, directly at (916) 322-5901.

We try to answer all advice requests promptly. Therefore, unless your request poses particularly complex legal questions, or more information is needed, you should expect a response within 21 working days if your request seeks formal written advice. If more information is needed, the person assigned to prepare a response to your request will contact you shortly to advise you as to information needed. If your request is for informal assistance, we will answer it as quickly as we can. (See Commission Regulation 18329 (2 Cal. Adm. Code Sec. 18329).)

You also should be aware that your letter and our response are public records which may be disclosed to the public upon receipt of a proper request for disclosure.

Very truly yours,

A handwritten signature in cursive script that reads "Diane M. Griffiths".

Diane M. Griffiths  
General Counsel

DMG:plh  
Vera Robles De Witt

RICHARD RICHARDS  
GLENN R. WATSON  
ROBERT G. BEVERLY  
HARRY L. GERSHON  
DOUGLAS W. ARGUE  
MARK L. LAMKEN  
ARNOLD SIMON  
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RICHARD H. DINEL  
ERWIN E. ADLER  
DAROLD D. PIEPER  
FRED A. FENSTER  
ALLEN E. RENNETT  
STEVEN L. DORSEY  
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MARSHA JONES MOUTRIE  
CHARLES F. TIMMS, JR.  
G. RAYMOND F. GROSS  
SCOTT WEIBLE  
MICHELE BEAL BAGNERIS  
MICHAEL B. TANNATT  
ROBERT G. SOPER  
GINA M. DE GENNARO  
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JANET H. BREYER  
ROBIN D. HARRIS

RICHARDS, WATSON & GERSHON  
ATTORNEYS AT LAW  
A PROFESSIONAL CORPORATION

July 27, 1987

THIRTY-EIGHTH FLOOR  
336 SOUTH HOPE STREET  
LOS ANGELES, CALIFORNIA 90071-1469  
(213) 626-8484

CABLE ADDRESS  
RICHWAT  
TELECOPIER (213) 626-0078

Jul 23 6 42 AM '87

Ms. Dianne Griffiths  
General Counsel  
Fair Political Practices Commission  
428 J Street  
Sacramento, California 95814

Re: Carson Redevelopment Agency  
Member, Vera Robles De Witt

Dear Ms. Griffiths:

Carson Redevelopment Agency member Vera Robles De Witt has asked me to request formal written advice concerning whether she may vote on a sale of property by the Agency to Carson Civic Plaza Associates. This letter will supplement discussions last week between Ms. Lillie Spitz and Ms. Kathryn Donovan of the Fair Political Practices Commission and Agency member De Witt and myself.

Agency member De Witt is employed by Adia. Adia is a multimillion dollar temporary help agency with over 700 offices in 15 nations. Adia's revenues were \$293.5 million last year and \$84 million for the first quarter of this year. Adia supplies help to companies needing persons to fill temporary staffing needs.

Agency member De Witt has filled several temporary positions in the South Bay area while she has been working for Adia. I have been informed by a representative of Adia that Adia has a great need for persons with Agency member De Witt's skills due to the calls on Adia for persons with such qualifications.

Ms. Dianne Griffiths  
July 27, 1987  
Page Two

Adia pays its employees directly and charges the contracting company for the employee's services. The employee is never compensated by the company utilizing Adia's services.

Adia decides which employee to assign to which position. The employee can decline a position, but the employee might not be assigned to other positions if he or she declines too many positions. The company utilizing Adia's employees does not interview or screen the person assigned by Adia.

In March, 1987, Adia assigned Agency member De Witt to work at the Torrance office of Seeley Company, a real estate firm with 7 offices in Southern California. The assignment was for a period of four months to replace a permanent employee on maternity leave. This assignment will terminate this week. Agency member De Witt had never heard of Seeley Company prior to receiving her assignment.

Ms. De Witt was not interviewed or screened by Seeley. Agency member De Witt was the second person assigned to this particular position. The first person had resigned because she found the job too stressful. Seeley Company did not know Ms. De Witt and did not request Ms. De Witt be assigned to their firm.

Adia and Seeley have not entered into a written contract, although Adia supplies Seeley with all of its limited temporary help needs. Seeley constitutes a miniscule portion of Adia's business.

In early 1986 the Carson Redevelopment Agency was engaged in negotiations for the sale of a parcel of property to Ibis-Carson, Ltd. for development of a hotel. Ibis-Carson, Ltd. brought in Carson Civic Plaza Associates to develop an office building on a part of the property, and in February, 1986, the Agency entered into an agreement to sell the property to Ibis-Carson, Ltd. and Carson Civic Plaza Associates.

While the Agency was in no way connected with it and had no knowledge of it at that time, Ibis-Carson had engaged Seeley Company to find an office building developer to join with it and the two developers had an agreement between themselves to share the brokerage commission. The Seeley Company was not involved in any way with the negotiations between the Carson

Ms. Dianne Griffiths  
July 27, 1987  
Page Three

Redevelopment Agency and the developers, but only in the transactions between the developers. The February, 1986 agreement has expired, but a current proposal is pending before the Agency which is considering whether to enter into an escrow for sale to one or both developers.

In May, 1987, Agency member De Witt noticed a sign on the property indicating that Seeley Company would be the agent for the lease of proposed office space. This was the first time she or anyone else associated with the Carson Redevelopment Agency knew that Seeley was in any way involved with the project.

Agency member De Witt has also just learned that Seeley Company will receive a commission from the buyers of the property in the sum of approximately \$85,000. This transaction was handled entirely by Seeley's Los Angeles office, although one agent from the Torrance office will be involved with the leases.

Agency member De Witt requested an opinion from the City Attorney concerning whether she had a conflict as a result of her temporary assignment by her employer to Seeley Company's Torrance office. In two opinions which are attached hereto, the City Attorney determined that there was no conflict.

The basis for the City Attorney's opinions was that Seeley Company did not constitute a source of income to Agency member De Witt. Ms. De Witt is not paid by Seeley, the relationship between Seeley and Adia existed before Ms. De Witt was assigned to Seeley, and neither Ms. De Witt nor Seeley was involved in the decision to assign Agency member De Witt to Seeley. The City attorney also determined that 2 Cal. Administrative Code Section 18704.3 did not cover the existing situation because Ms. De Witt is not compensated on a commission basis. Ms. De Witt's compensation by Adia for services she provides to Seeley is not contingent upon Seeley's payment to Adia, unlike the case in a commission relationship.

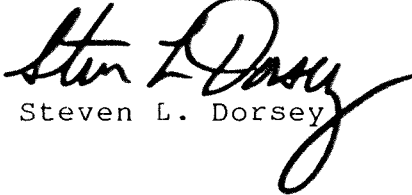
Agency member De Witt also contacted Ms. Candace Beeson of the Los Angeles County District Attorney's office. Ms. Beeson indicated there was no conflict under Government Code Section 1090, but that Ms. De Witt should contact the F.P.P.C. for an evaluation of the applicability of the Political

Ms. Dianne Griffiths  
July 27, 1987  
Page Four

Reform Act of 1974. This conversation prompted Ms. De Witt's call last week to your office.

Your prompt response to this request will be greatly appreciated, as Agency member De Witt has abstained from acting on this matter pending a determination from your office. Please feel free to contact Agency member De Witt or myself if you have any questions.

Very truly yours,

  
Steven L. Dorsey

SLD:rp  
Enclosures

TO: MAYOR PRO TEM DE WITT

FROM: CITY ATTORNEY

SUBJECT: Conflict of Interest Question

DATE: MAY 18, 1987

You have asked for my opinion as City Attorney on the following:

Question: Would a conflict of interest be presented by the proposed transaction between the Carson Redevelopment Agency and Ibis-Carson, Ltd. and Carson Civic Plaza Associates for a hotel-office building development (seven or eight story) by reason of your current private employment?

Answer: No, based on the facts stated below.

#### DISCUSSION

A. The Facts. You have informed me that you work for Adia on an hourly rate basis; that Adia employs hundreds of people on a similar basis; that its business operation is to provide temporary employees to various customers of Adia who need part-time, interim, temporary or supplementary help with a variety of qualifications, such as secretary, typist, bookkeeper, receptionist, or other types of office work (similar to the "Kelly girls" operation); that Adia is paid by its customers for the services of the Adia supplied personnel and that there is no employer-employee relationship between the Adia customer and the person furnished to the customer by Adia.

You have further informed me that Adia has sent you to fill an executive-secretary position assisting a real estate salesman at the Seeley Company's Torrance office and that you have provided services there for several weeks. Seeley pays Adia for your services and you are paid by Adia, under the arrangement described above.

You state that you have seen a Seeley sign on the proposed hotel-office building site, indicating that Seeley is the leasing agent for office space in the office building proposed for the Carson Civic Plaza; that Seeley's Torrance office phone number is listed on the sign along with a Los Angeles number; that you have heard the proposed leasing mentioned in the Seeley office and have seen papers concerning it but your duties do not concern it. You state that you do not receive a commission or any other form of remuneration from Seeley and that your compensation from Adia is unrelated to the hotel-office building project. Seeley is a large, multi-office real estate firm with numerous employees in Los Angeles and elsewhere.

B. Analysis. The Political Reform Act of 1974, as amended to date, provides:

"No public official at any level of state or local government shall make, participate in making or in any way attempt to use his official position to influence a governmental decision in which he knows or has reason to know he has a financial interest." (Government Code Section 87100)

The PRA also defines financial interest:

"An official 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 the official or a member of his or her immediate family or on:

. . .

(c) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating two hundred fifty dollars (\$250) or more in value provided to, received by or promised to the public official within 12 months prior to the time when the decision is made." (Government Code Section 87103, in material part.)

Government Code Section 1090 provides insofar as pertinent:

"[C]ity officers or employees shall not be financially interested in any contract made by them in their official capacity, or by any body or board of which they are members . . . ."

A contract may be presented to the Agency for execution between the Agency and Ibis-Carson, Ltd. and Carson Civic Plaza Associates as parties. You state that neither you nor a member of your immediate family has any proprietary interest in either of the proposed contracting parties with the Agency. Under the facts outlined to me, neither of the parties proposing to contract with the Agency is or will be a source of income to you. However, we must still address the question whether a decision of the Agency to contract with Ibis-Carson, Ltd. or Carson Civic Plaza Associates is a decision in which you otherwise would have a financial interest. The key question is whether such an Agency decision would have a material financial effect on a source of income to you. On the above facts I conclude that it would not. Your source of income is your employer, Adia. It is not reasonably foreseeable that it would have a material financial effect

on Adia, if Carson Civic Plaza Associates did or did not build the proposed 7-story building, and therefore did or did not employ Seeley as leasing agent, considering the size and scope of the business operations of Adia and Seeley. On the facts stated the relationship is too remote and attenuated for there to be a financial effect on a source of income to you.

If the facts should change or other facts should develop that would tend to suggest a closer relationship or a possible material financial effect on Adia, (which is a source of income to you) you should review the new facts with me as my opinion may not then be the same as above stated.

*GRY*

<b>TO:</b> MAYOR PRO TEM DE WITT	<b>FROM:</b> CITY ATTORNEY
-------------------------------------	-------------------------------

**SUBJECT:**Conflict of Interest Opinion, Supplement To**DATE:** JULY 23, 1987

Since additional facts have developed since my memorandum opinion dated May 18, 1987, you have asked the following:

Question: Do the additional facts indicate that a conflict of interest would be presented by the proposed sale of the site to Ibis-Carson, Ltd. and Carson Civic Plaza Associates, or of a one-half interest to Carson Civic Plaza Associates if the transaction should take that form?

Answer: No, based on the facts stated below and in the May 18, 1987 memorandum.

Background and Facts.

My opinion memorandum to you dated May 18, 1987 expressed the opinion, based on the facts stated in that memorandum, that no conflict of interest would be presented by the proposed transaction between the Carson Redevelopment Agency and Ibis-Carson, Ltd. and Carson Civic Plaza Associates. The memorandum also stated that if "the facts should change or other facts should develop" we should review the new facts for such impact as they may have on our opinion. A copy of the May 18, 1987 memorandum is attached and incorporated in this memorandum.

A fact new to me came to light on July 20, 1987, a few hours before the Agency meeting scheduled for 6:30 p.m. on that date. I was presented with a copy of a written agreement dated January 27, 1986 between Carson Civic Plaza Associates ("Carson") and Ibis-Carson, Ltd., Christian Frere and Gestec Properties, Inc., which provides:

"Carson and Ibis-Carson, Ltd. shall each pay fifty percent (50%) of the brokers commission to be paid to the Seeley Company regarding the purchase of the Property from the Carson Redevelopment Agency."

This document appeared to be significant and one which could impact my opinion of May 18, 1987 for several reasons: (1) it disclosed that a commission is to be paid to the Seeley Company on the sale-purchase transaction itself, thus giving rise to a financial interest on the part of the Seeley Company in the sale transaction to which the Agency is a party (a possible Government Code Section 1090 concern); (2) since the commission on a \$3,500,000 transaction might be substantial, the commission, coupled with the proposed leasing commissions to be derived from

Carson Civic Plaza Associates, might well result in a "material financial effect" on Seeley Company; and (3) the fact that a commission would accrue on the sale had not been previously disclosed to me, and, insofar as we were aware, to the Agency.

For these reasons, it was apparent that (1) you should be informed immediately before acting on the matter, (2) the facts regarding the commission should be ascertained and (3) the May 18, 1987 opinion should be reviewed in the light of the new information. Accordingly, I brought the matter to your attention on July 20, 1987 before the Agency meeting, in order to protect you and the other Agency members in the event that a conflict problem should be presented. Also, as you are aware, a contract entered into in violation of Section 1090 would be invalid. You deferred taking action on the sale pending receipt of an opinion which considers the new facts.

I have made inquiry of the Carson Civic Plaza Associates' counsel, Mr. John Bertero of Allen, Matkins, Leck, Gamble & Mallory, regarding the facts. He informs me that: Mr. Frere of Gestec Properties, Ltd. became aware of the availability of the site for a hotel without engaging a real estate broker; that Mr. Frere then engaged Seeley Company to find another developer to acquire a one-half interest in the site, and agreed on a commission of 5% of the purchase price of the one-half interest; that this arrangement was made with the Los Angeles office of the Seeley Company, Mr. Randy Woods being the broker concerned; Carson Civic Plaza Associates then agreed that each would pay 1/2 of the commission. Due to the fact that Mr. Frere is in France, I have not been able to obtain a copy of the listing or employment agreement between Gestec Properties and Seeley Company. However, the above stated facts are consistent with the January 27, 1986 agreement. A 5% commission on a one-half interest in a \$3,340,000 purchase (\$1,670,000) would be \$83,500.

You have informed me that: your first employment by Adia was sometime in 1986; that Adia first assigned you to fill the temporary Administrative Assistant or Executive Secretary position at Seeley on March 18, 1987; that your current assignment to Seeley expires July 31, 1987; that you did not know, until I presented a copy of the January 27, 1986 agreement to you on July 20, 1987, that there was to be a commission paid on the purchase, and that you have no business or financial relationship whatsoever with Carson Civic Plaza Associates. I understand that you assumed that the fact that a Seeley Company broker was in attendance at the subcommittee meeting on June 30, 1987 was due to their interest as leasing agent for the office building. That was also Mr. Rabin's and my assumption, since we knew of no other involvement of Seeley Co. in the project. You have also informed me that your employment and compensation by Adia would not be affected in any way by the closing or not

closing of the proposed sale, and that you can envision no financial effect on Adia as a result of the making, or failure to make, the sale. I am informed by the Manager of the Los Angeles office of Adia that they are one or the two largest agencies of their type in the United States; that they have 700 offices in 15 countries, are publicly held and traded over the counter. I note from the "yellow pages" that they have 9 offices in the Los Angeles metropolitan area.

Discussion.

Looking first at Government Code Section 1090, the question is whether you are "financially interested" in the proposed contract of sale between the Agency and Carson Civic Plaza Associates. Under the facts stated above it seems clear that you are not. Any relationship between the contract and your financial interest is far too remote, attenuated and speculative. You are an employee of Adia, which on occasion provides services (through Adia's employees, including you) to Seeley Company, which may receive commissions from the developers who are contracting with the Agency. The linkage is even too remote to fall within the remote interests described in Government Code Section 1091.

Turning to the Political Reform Act of 1974, the potential commissions to be derived from the purchase of a one-half interest in the site plus potential leasing commissions on the office building may be sufficient to constitute a "material financial effect" on the Seeley Company. However, under the facts, the Seeley Company is not a "source of income" to you. Your "source of income" is Adia, which the facts stated above indicate would not be materially affected by closing, or failure to close, of the purchase by Carson Civic Plaza Associates, or by whether Carson Civic Plaza Associates does or does not then pay commissions to Seeley Co., which may or may not in the future use the services of Adia, which may or may not provide you or some other Adia employee to perform services in Seeley's office.

As in the case of my May 18, 1987 opinion memorandum, if the facts stated above should change or other facts should develop that are relevant, you should review the facts with me, as my opinion may not then be the same as stated above.



RICHARD RICHARDS  
GLENN R. WATSON  
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AUG 10 3 32 PM '87

August 7, 1987

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JAMES K. HERBERT  
PATRICK C. COUGHLAN

Lillie Spitz, Esq.  
Staff Counsel  
Fair Political Practices Commission  
428 J Street  
Sacramento, California 95814

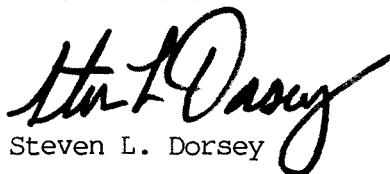
Re: Carson Redevelopment Agency  
Member, Vera Robles De Witt

Dear Ms. Spitz:

I am enclosing herewith copies of two pages from Agency Member Vera De Witt's Employee Manual prepared by Adia. As we discussed by telephone, the list does not include workers' compensation benefits, but Ms. De Witt is covered by Adia for workers' compensation.

I have not yet received any written information on Adia indicating their contract terms. I will send them to you as soon as they arrive.

Very truly yours,

  
Steven L. Dorsey

SLD:rp  
Enclosures

RECEIVED  
AUG 7 1987  
STEVEN L. DORSEY

## BENEFITS

Now that you're an Adia Temporary, we want you to take full advantage of one of the most comprehensive and attainable benefit packages in the industry!

### 7 Paid Holidays

Adia offers 7 paid holidays to our temporary employees. To qualify for holiday pay, you must:

- Accrue 440 hours within the 13-week period prior to the holiday (period ends the Sunday prior to the holiday).
- Work the day before and the day after the holiday. If the client's company is open for business the day of the holiday, you must work the day before and the day of the holiday.
- Hours are accrued on the basis of straight time only and you will be paid at your current salary rate.
- Included are the following holidays:
  - President's Day
  - Good Friday
  - Memorial Day
  - Fourth of July
  - Labor Day
  - Thanksgiving Day
  - Christmas Day or New Year's Day

### Regular Pay Increases

Based on your tenure and work performance, you can qualify for regular pay increases! Your Adia Representative will be happy to discuss the details of how and when you can receive an increase in your hourly pay.

### Tuition Reimbursement

If you want to learn new skills or brush up on old ones that are in high demand, Adia will help pay for your courses! You are eligible as soon as you go to work for us. Ask your Adia Representative for a list of schools and courses available locally and for more details on our tuition reimbursement plan.

### 3 Ways to Earn Cash Bonuses

We're confident that the people who work for us are the best. And when you've done a good job we want you to know it. We recognize you with \$ bonuses. See the reverse side for details.

The above fringe benefit package does not apply to Payroll Service Employees.

## MEDICAL/LIFE INSURANCE

As an Adia temporary, you can receive benefits comparable to those enjoyed by permanent employees! Adia offers the most comprehensive medical/life insurance plan within our industry nationwide. Adia pays a substantial portion of the premium for insurance coverage.

### Comprehensive Major Medical Coverage

Eligible Charges:

Hospital room and board up to the semi-private room rate.

Hospital services and supplies.

Physician, Surgeon and R.N. fees.

X-rays, lab tests and ambulance fees.

Benefit Payments:

After satisfying the \$150.00 annual deductible, the plan pays:

80% of eligible charges up to \$3,000.

100% of eligible charges after \$3,000.

Dependent Coverage:

Optional dependent coverage available.

\$450 annual family deductible maximum.

\$1,000,000 lifetime maximum.

### Life Insurance

Employee will be insured for \$5,000.

Benefits are doubled if death is accidental.

### Enrollment

If you decide to enroll in Adia's insurance program, just sign up with your local Adia office. Once you become eligible, an Insurance Plan Booklet and identification card will be mailed to you. Call your Adia office for more details.

This summary only highlights aspects of the available plan covering non-occupational accidents and illness. Specific details of coverage are contained in the Insurance Plan Booklet.

The above fringe benefit package does not apply to Payroll Service Employees.

**ADIA**

The Employment People

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Adia Personnel Services  
64 Willow Place  
Menlo Park, California 94025  
415/324-0696

August 28, 1987

Ms. Lilly Spitz  
Counsel, Legal Division  
California Fair Political Practices Commission  
P.O. Box 807  
Sacramento, California 95804-0807

Dear Ms. Spitz:

In reply to your August 21 letter, we are a temporary help service. We assign our employees to temporary assignments at our clients' locations. We pay our employees for all hours worked, withhold all statutory required taxes, and provide workers' compensation coverage in addition to other benefits. We bill our clients for services rendered.


I have enclosed pertinent sections of our Employee Handbook, timecard, and Client Terms and Conditions.

Our temporary employees may be registered with several other temporary help companies or have other sources of income of which we would have no knowledge.

I hope this information will help you resolve the problem before you. If you need further clarification, please let me know.

Sincerely,

ADIA PERSONNEL SERVICES

  
Doreen R. Penfield  
Vice President of Administration

DRP/clb

Enclosure

## WELCOME TO ADIA

You're now part of one of the fastest growing companies in the temporary help industry. Founded in Lausanne, Switzerland in 1957, Adia came to the U.S. in 1972. With over 550 offices worldwide, Adia is one of the largest temporary help services.

Now that you've decided to become an Adia temporary, we want you to take full advantage of one of the most comprehensive and attainable benefit packages in the industry. This guide outlines your benefits and responsibilities. Please keep it for handy reference.

Again, welcome to Adia and much success in your new career!



WALTER W. MACAULEY  
President and CEO

## PERSONNEL POLICIES

We are pleased you have chosen Adia for your new career. When you accept an assignment from Adia, you agree to represent us to our clients. That's why your attitude and performance are so important.

### Working for Adia

- Your timecard and paycheck are processed by Adia. We are your employer; all questions should be directed to us. Please do not call the client.
- When your assignment is completed, notify us of your availability so we can place you on a new assignment as soon as possible.
- We are an Equal Opportunity Employer.

### On Assignment

Call us!

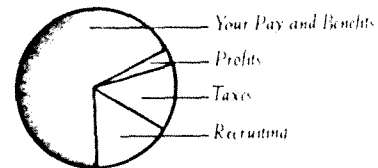
- If a client asks you to return for another assignment or offers you a permanent position with their company.
- If you cannot be punctual, begin or complete an assignment, call your Adia office immediately. All of our offices have a phone answering machine.
- If you are requested to perform duties other than ones described to you.
- If you are injured while on your assignment.
- If you are unsure how to handle a sensitive situation while on assignment.
- If you change your name, telephone number or address.
- If the client requests that you work overtime.

## PROFESSIONAL'S PAY

At Adia, we realize the key to our success is the quality of our temporary personnel. So we strive to offer our temporaries the best pay rates, because we know top pay attracts and retains top personnel.

### Your Salary

- You are paid weekly based on the hours worked and the agreed upon pay rate for each assignment.
- There is never a cost to you for any of your assignments. The only deductions are Social Security and legally required withholding taxes and a deduction for health insurance if you decide to participate.
- Adia pays Unemployment Insurance Tax as well as covers you by Workers' Compensation Insurance.
- Adia will mail you a completed W-2 form at the end of every year.
- In order to cover our various expenses, we charge our clients a higher rate than your salary. The following illustration explains how these costs are allocated.



### Your choice... Temporary or Permanent

Should one of our clients offer you a permanent position, remind them you are employed by Adia. You are certainly free to work for the employer of your choice. However, our clients do have an obligation to compensate us for the investment we have made in you as our employee. If this situation should arise, call your Adia Representative immediately. Many Adia offices offer permanent placement services, they'll be happy to help you!

# PERMANENT AND TEMPORARY TERMS AND CONDITIONS



## POLICY STATEMENT

Adia Personnel Services is an equal opportunity employer and refers all applicants regardless of their sex, race, color, religious creed, ancestry, national origin, physical handicap, medical condition, age or marital status.

## CONFIDENTIALITY

Personal data submitted by Adia Personnel Services of its permanent placement candidates or temporaries is highly confidential and for the client's personnel use only.

## PERMANENT PLACEMENT

1% Per \$1,000 of Annual Salary, Maximum 25%, Minimum \$750

### SCHEDULE OF FEES

Annual Salary	1% per \$1,000 of Annual Salary Maximum 25%	Fee
\$10,000	10%	\$1,000
\$11,000	11%	\$1,210
\$12,000	12%	\$1,440
\$13,000	13%	\$1,690
\$14,000	14%	\$1,960
\$15,000	15%	\$2,250
\$16,000	16%	\$2,560
\$17,000	17%	\$2,890
\$18,000	18%	\$3,240
\$19,000	19%	\$3,610
\$20,000	20%	\$4,000
\$21,000	21%	\$4,410
\$22,000	22%	\$4,840
\$23,000	23%	\$5,290
\$24,000	24%	\$5,760
\$25,000	25%	\$6,250
\$26,000	25%	\$6,500
\$27,000 or more	25%	\$6,750

**FEES** All fees are employer paid and non-negotiable. There is no fee obligation unless and until the applicant actually begins employment.

**TERMS** Fees are due within fifteen (15) calendar days of the employee's start date.

**GUARANTEE** Our Adia 100-day guarantee goes into effect the first day of employment and continues for one hundred calendar days. If within 30 days, an Adia candidate proves unsatisfactory, we will refund your fee in full, or will replace the employee at no charge. After 30 days, we will charge 1/100th of your fee for each calendar day you have kept the employee and will refund the remainder to you. No refund will be made when the scope of the duties has changed substantially or has been misrepresented to Adia Personnel Services. If the permanent placement fee is not paid within fifteen (15) days, the guarantee is null and void.

**LATE DATE FEE** If an applicant accepts a position with an employer (or its affiliate) within 180 calendar days of referral by Adia Personnel Services, the full fee for that position is due and payable to Adia.

## TEMPORARY SERVICES

Adia Personnel Services also provides temporaries which are Adia's employees. Clients shall contact temporaries and schedule assignment extensions only through Adia Personnel Services.

Our approach sets us apart from the rest of the temporary help industry. Because we know our temporaries are the key to our success, we strive to recruit and retain the best. The result is that we are able to provide you with the highest caliber and most skilled temporary help in the community.

Adia Personnel Services warrants to its clients that all applicable state, local and federal taxes for its temporaries are deducted and reported and that all temporaries are covered by a Workers' Compensation Insurance Program.

**TEMPORARY TO PERMANENT REBATE** If a client elects to fill a permanent position with an Adia Temporary on assignment at the client company the client qualifies for our exclusive Temporary to Permanent rebate. The rebate, a percentage of the permanent placement fee determined by the number of working days in the temporary assignment, will be automatically deducted from the permanent placement fee. This rebate enables the client to witness the satisfactory performance of our temporary within the client company, therefore, the 100-Day Guarantee does not apply.

30 + days—25% rebate  
60 + days—50% rebate  
90 + days—75% rebate

The rebate applies to Settlement Fee. In no case will the Settlement Fee charged be less than \$750.00.

**SETTLEMENT FEE** Adia Personnel Services has incurred considerable time and expense in recruiting, screening, training and the development of its temporary staff and permanent employment candidates. In the event that a permanent candidate or an Adia temporary becomes employed by a client during his or her assignment or within six (6) months (180 days) thereafter, a non-refundable settlement fee equivalent to the permanent placement fee will be charged. The minimum Settlement Fee is \$750.00.

