



# California Fair Political Practices Commission

April 1, 1991

Steven L. Phillips, M.D.  
Chief of Medicine  
Veterans Home of California  
P.O. Box 1200  
Yountville, CA 94599-1297

Re: Your Request For Confirmation  
of Telephone Advice  
Our File No. A-91-137

Dear Dr. Phillips:

You have requested confirmation of telephone advice I gave you on February 25, 1991, concerning the honorarium prohibitions of the Political Reform Act (the "Act").<sup>1</sup>

### QUESTION

Is money you receive for lectures related to your field of practice and research prohibited honoraria under the Act?

### CONCLUSION

The money you receive for lectures related to your field of specialty, practice and research are not prohibited honoraria under the Act.

### FACTS

You are currently chief of medicine at the Veterans Home of California in Yountville. You give lectures to health care professionals including physicians, nurses and pharmacists. The

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<sup>1</sup> 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.

lectures are related to the areas of medicine that you specialize, practice, and do research in. The fees for the lectures are paid by pharmaceutical companies.

#### ANALYSIS

Under Section 89503(a):

[N]o designated employee of a state agency, shall accept an honorarium from any source, if the . . . employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interest.

Because you are chief of medicine at the Veterans Home of California, we assume that you are a designated employee of the Department of Veterans Affairs requiring full disclosure of all income. Under this assumption, all income you receive is to be reported on your statement of economic interests. (Section 87302(b).)

The question is whether the money you receive for your lectures constitutes an "honorarium." As defined by the Act,

"Honorarium" means . . . any payment made in consideration for any speech given, article published, or attendance at any public or private conference, convention, meeting, social event, meal, or like gathering.

Section 89502(b).

However "honorarium" does not include:

. . . earned income for personal services which are customarily provided in connection with the individual's business or practice of a bona fide business, trade, or profession, such as teaching, practicing law, medicine, insurance, real estate, banking, or building contracting, unless the sole or predominant activity of the business, trade, or profession is making speeches. . . .

Section 89502(c), emphasis added.

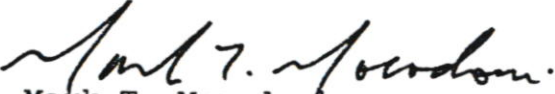
Medicine is a bona fide business, trade or profession specifically exempted from the scope of the honoraria prohibitions. (Section 89502(c).) Under the facts you have presented, it appears that your lectures fall within this exception. Your lectures are given to health care professionals related to areas of medicine in which you practice and do research. Under these circumstances the money you receive for

your lectures falls within the exception of Section 89502(c) and is not a prohibited honorarium.<sup>2</sup>

If you have any further questions regarding this matter please contact me at (916) 322-5901.

Sincerely,

Scott Hallabrin  
Acting General Counsel

  
By: Mark T. Morodomi  
Counsel, Legal Division

SH:MM:dg

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<sup>2</sup> Please note, however, that the pharmaceutical companies that pay you for your lectures are sources of income to you. As such, you may have a conflict of interest if you make, participate in making or otherwise use your official position to influence a governmental decision that will foreseeably and materially affect the pharmaceutical companies. (Section 87100, 87103.) For example, you may have a conflict of interest when you participate in hospital decisions concerning the pharmaceutical companies that have made payments to you.