



Los Angeles City Ethics Commission

September 20, 2013

The Honorable City Council
c/o Holly Wolcott, Interim City Clerk
200 North Spring Street
City Hall – 3rd Floor
Los Angeles CA 90012

**Re: Council File Number 13-1024
Appointment of Gabriel L. Eshaghian to the
Board of Airport Commissioners**

FOR COUNCIL CONSIDERATION

Dear Councilmembers:

On August 13, 2013, the Mayor transmitted to the City Clerk a letter indicating his appointment of Mr. Gabriel Eshaghian to the Board of Airport Commissioners. The City Council confirmed his appointment on August 27, 2013, and the Ethics Commission received his pre-confirmation statement of economic interests (SEI) on September 6, 2013. This letter is provided for inclusion in the City Council file. A copy of this letter is also being provided to Mr. Eshaghian to help him avoid potential conflicts of interests that may arise in the course of his tenure as a member of Board of Airport Commissioners.

Mr. Eshaghian reports on his SEI an ownership interest in Wilshire Coronado Development Corporation, which owns an interest in real property in the City and has received income of \$10,000 or more from Athena Parking. He also discloses an ownership interest in DSG Wilshire, LLC, which owns an interest in real property in the City. In addition, Mr. Eshaghian reports an investment interest in Somerset Group, LLC. If a matter involving any of these interests comes before the Board of Airport Commissioners, Mr. Eshaghian should, before acting, seek the advice of the City Attorney regarding whether he should disqualify himself. We are unable to assess if or how frequently Mr. Eshaghian would be in a position of having to recuse himself.

Interests disclosed on an SEI are not the only interests that can give rise to a conflict of interests. For example, state law may require recusal by a board or commission member due to certain business activities of the clients of that member's employer. Additionally, recusal may be required under City Charter § 222, which states that the City Attorney may provide a written opinion concerning the obligation of a City official to refrain from acting on a matter when it may violate state law or when action may not be in the public interest.

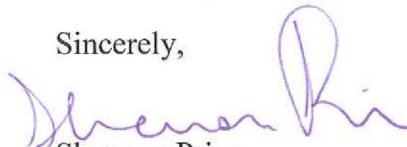
If a matter raises a potential conflict of interests, we encourage Mr. Eshaghian to seek the advice of the City Attorney before acting. If Mr. Eshaghian is required to disqualify himself from acting on a matter, Los Angeles Municipal Code § 49.5.6(J) and Executive Directive 2005-1 require him to file a Recusal Notification Form (CEC Form 51) with the Ethics Commission and the Mayor's office. If a board or commission member is disqualified from acting on three or

more agenda items in a year because of a conflict caused by the same interest, the Ethics Commission is required by City Charter § 707 to review the conflict. If the Ethics Commission determines that the member has a significant and continuing conflict of interests, it must order divestment of the interest that is causing the conflict.

In addition to filing SEIs, nominees also file Residence Verification Forms. We have received a completed form from Mr. Eshaghian, which states that he is registered to vote in the City.

If you have questions, please feel free to contact me at (213) 978-1960.

Sincerely,



Shannon Prior
Ethics Program Manager

cc: Mayor Eric Garcetti
Mr. Gabriel L. Eshaghian