



Los Angeles City Ethics Commission

February 11, 2014

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 14-0084
Appointment of George Hovaguimian to the
Board of the Building and Safety Commissioners**

FOR COUNCIL CONSIDERATION

Dear Councilmembers:

On January 8, 2014, the Mayor transmitted to the City Clerk a letter indicating his appointment of Mr. George Hovaguimian to the Board of Building and Safety Commissioners. The Ethics Commission received Mr. Hovaguimian's pre-confirmation statement of economic interests (SEI) on February 3, 2014, and this letter is provided for your consideration as part of the confirmation process. A copy of this letter is also being provided to Mr. Hovaguimian to help him avoid potential conflicts of interests that may arise in the course of his tenure as a member of the Board of Building and Safety Commissioners.

Mr. Hovaguimian reports on his SEI that he holds an ownership interest in Airplus Properties, LLC, which owns an interest in real property located in the City. He also reports an ownership interest in Airplus Engineering Consultants, Inc., and reports two other interests in real property located in the City. If a matter involving any of these interests comes before the Board of Building and Safety Commissioners, Mr. Hovaguimian 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. Hovaguimian 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.

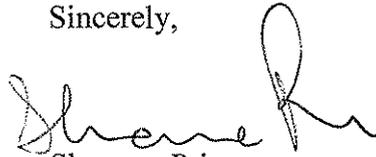
If a matter raises a potential conflict of interests, we encourage Mr. Hovaguimian to seek the advice of the City Attorney before acting. If Mr. Hovaguimian is required to disqualify himself from acting on a matter, Los Angeles Municipal Code § 49.5.6(J) and Executive Directive 2005-1 require him to 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. Hovaguimian, 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,

A handwritten signature in black ink, appearing to read "Shannon Prior". The signature is fluid and cursive, with a large loop at the end of the last name.

Shannon Prior
Ethics Program Manager

cc: Mayor Eric Garcetti
Mr. George Hovaguimian