



Campaign Finance and Ethics Commission

AGENDA STAFF REPORT

MEETING DATE: January 26, 2026

Agenda Item: Two

SUBJECT: Code of Ethics Update

RECOMMENDED ACTION: Receive and discuss Executive Director report pursuant to direction from Supervisor Sarmiento at the October 28, 2025, Board of Supervisors meeting.

Background:

On December 3, 2024, the Board of Supervisors (Board) directed the Office of Campaign Finance and Ethics (OCEthics) to research industry best practices for implementation of an expanded Code of Ethics for Supervisors with potential enforcement mechanisms and provide recommendations to the Board for adoption. The Board adopted the recommended actions at the August 12, 2025 meeting. Thereafter, at the October 28, 2025 Board meeting, Supervisor Sarmiento directed the Executive Director to provide the updated Ethics Code to this Commission for review and discussion as to enforcement mechanisms.

Discussion:

Attached as Exhibit A is the memorandum submitted to the Board at the August 12, 2025 meeting, related to the recommended changes to the Code of Ethics. Exhibit B is the red-lined version of the recommended changes to the Code of Ethics that were adopted by the Board during that August meeting. The following link will take you to the instructions from Supervisor Sarmiento during the October 28, 2025 meeting during which he requests the Executive Director to take this matter to the Commission. The relevant discussion begins at 41:30.

https://ocgov.granicus.com/player/clip/5526?view_id=8&redirect=true

In summary, Supervisor Sarmiento asks this Commission to review enforcement mechanisms for the Code of Ethics. Attached as Exhibit C is a spreadsheet of information related to other Ethics Commissions found in California. It provides information on counties with at least one million residents and several cities with well-known ethics commissions. It is our understating that a member of Supervisor Sarmiento's staff will be in attendance at the Commission meeting.



Office of Campaign Finance and Ethics Commission

Date: August 12, 2025

To: Chairman Doug Chaffee, 4th District Supervisor
Members, Board of Supervisors

From: Denah Hoard, Executive Director
Office of Campaign Finance and Ethics Commission

Subject: Response to Board Directive: 12/03/2024 item 37:

Direct the Office of Campaign Finance and Ethics Commission to research industry best practices for implementation of an expanded Code of Ethics for Supervisors with potential enforcement mechanisms and provide recommendations to the Board for adoption

On December 3, 2024, your Board directed the Office of Campaign Finance and Ethics (OCEEthics) to research industry best practices for implementation of an expanded Code of Ethics for Supervisors with potential enforcement mechanisms and provide recommendations to the Board for adoption.

BACKGROUND

In October of 1993, the Orange County Board of Supervisors first adopted a Code of Ethics and Commitment to Public Service (Code of Ethics) to establish “the standards of conduct required of County officials and employees for the proper operation of County government.” The Code of Ethics covers “expected behavior” such as “recognizing that the public interest is paramount” as well as “prohibited” behavior like conflicts of interest and discrimination.

In 2017, the Code of Ethics was amended in connection with the creation of the Orange County Campaign Finance and Ethics Commission (Commission). The Commission was given jurisdiction over two sections of prohibited conduct by Supervisors – personal use of County property and a one-year ban for certain former employees meeting with

Supervisors. The Commission was also charged with enforcement of the Orange County Gift Ban Ordinance and administration of the Lobbyist Registration and Reporting Ordinance. Violations of these provisions can bring about Commission enforcement and/or criminal prosecution. Copies of the Code of Ethics, the lobbyist ordinance, and the Gift Ban are attached hereto.

BEST PRACTICES

A. Key Elements of an Ethics Code

After a review of local government ordinances, policies, articles and speaking to other ethics professionals, the necessary elements found in government ethics codes can be summarized into seven categories. They are as follows: 1) conflict of interests; 2) gift limitations; 3) post-employment rules; 4) personal use of government property; 5) political activity restrictions; 6) special treatment based on personal relationships; and 7) protections for reporting violations. Moreover, many local agencies that lack a specific document entitled “ethics code” still have rules and regulations that govern the same categories of conduct.

The County’s Code of Ethics encompasses nearly all the above recommended categories and is similar in language to many of the codes found in California. Specifically, the Code of Ethics addresses conflict of interests and post-employment restrictions. It further prohibits personal use of County property, political activity that interferes with County business, and discrimination. Moreover, the Board established a policy in 2003 that regulates the employment and supervision of family members. One area not covered in the Code of Ethics – gift limitations – is addressed separately in the Orange County Codified Ordinances.

Though the Code of Ethics is consistent with most recommended guidelines, there are three areas for potential improvement. First, Section 4 – Nondiscrimination – could reference the policy related to employment and supervision of close family members. As currently drafted, Section 4 already prohibits special treatment, thus the reference would be minor and has not been included in the recommended changes. Second, a new separate provision could be added to clearly identify that individuals reporting alleged violations will not be subject to official action or influence to discourage reporting. Third, Supervisors should be required to sign an acknowledgment of receipt for the Code of Ethics. This acknowledgment is found in at least half of local jurisdictions. An alternative would be to include a statement in the Code of Ethics that Supervisors are expected to understand and abide by the subjects it covers.

Recommendations for the Code of Ethics:

1. Update “Section 4 – Nondiscrimination” to identify that the County has a rule about employment and supervision of close relatives;
2. Include an additional section intended to encourage the reporting of suspected violations; and
3. Consider requiring an acknowledgement of receipt for the Code of Ethics.

B. Ensuring the Code of Ethics Code is Successful

Importantly, “ethics codes” rarely stand alone. A significant number of jurisdictions have comprehensive programs all of which share similar elements. These elements are education, enforcement programs, and encouragement for reporting suspected violations.

Education Program

The Orange County Campaign Reform Ordinance already provides for elected official training. Under Orange County Codified Ordinance section 1-2-359(m), the Executive Director of the Commission is tasked with creating and presenting a training program related to Sections 6 and 9 of the Code of Ethics as well as the Gift Ban. However, to fully disseminate an ethics program, it is incumbent upon the County to introduce a training program with a broader scope of participants and topics. Ideally, a training program should be available to all employees covering the entire Code of Ethics and Gift Ban. Given the difficulty in delivering training to each of the County’s 19,000 employees, efforts could be made to present training at new employee orientations. Moreover, use of the County’s online training portal, Eureka, could efficiently deliver training to thousands of users. It is recommended that this Board task appropriate County departments with developing a broader training program available to elected officials, officers, and employees.

Enforcement

The Code of Ethics already provides that the Commission enforces violations related to “post-employment lobbying and improper use of County property.” Any expansion of the Commission’s jurisdiction would require a change in the law and is not necessary. As it relates to the remainder of the conduct prohibited in the Code of Ethics, the County’s Fraud Hotline is uniquely qualified to investigate and recommend appropriate action for violations. The Fraud Hotline allows for completely anonymous complaints and has the expertise to handle these investigations for elected officials and employees.

Encouragement for reporting violations

As discussed above in the Code of Ethics expansion recommendation, a definitive Board statement for protection of reporters is recommended. With an increased emphasis on protection and a system that allows anonymity, such as the Fraud Hotline, the County will

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provide an environment conducive to reporting of suspected violations and an effective ethics program.

CC: Michelle Aguirre, County Executive Officer
Robin Stieler, Clerk of the Board

RESOLUTION OF THE BOARD OF SUPERVISORS OF
ORANGE COUNTY, CALIFORNIA

June 28, 2016
TBD, 2025

WHEREAS, on October 5, 1993, the Board adopted a Code of Ethics and Commitment to Public Service (“Code of Ethics”); and

WHEREAS, on June 7, 2016, the voters of Orange County approved Measure A (“County Campaign Finance and Ethics Commission Ordinance”) establishing a Campaign Finance and Ethics Commission (“Commission”); and

WHEREAS, on June 28, 2016, the County Campaign Finance and Board amended the Code of Ethics to align with Measure A by providing that the Commission Ordinance provides that would administratively enforce certain violations of sections 6 and 9 of the Code of Ethics shall be administratively enforced by the Commission; and

WHEREAS, on December 3, 2024, the Board issued a directive to the Office of Campaign Finance and Ethics Commission to research best practices for implementation of an expanded Code of Ethics and provide recommendations to the Board for adoption.

NOW, THEREFORE, BE IT RESOLVED that this Board does hereby amend the County Code of Ethics to read as follows:

Section 1 – Purpose.

This ~~Code of Ethics~~ establishes the standards of conduct required of County officials and employees for the proper operation of County government. These standards are intended to strengthen County public service and to maintain and promote faith and confidence of the people in their government. All members of the Board of Supervisors shall review this Code promptly upon taking office and sign a copy attesting to its receipt.

Section 2 – Responsibilities of Public Office.

County officials and employees are agents of the public and serve for the benefit of the public. County officials and employees must demonstrate the highest standards of ethics consistent with the law and the requirements of their positions. In the performance of their duties, they shall not act for personal gain. They shall uphold the Constitution of the United States, the Constitution of the State of California, ~~the~~ rules, regulations, and ~~the~~ policies of the County, and shall carry out impartially the laws of the Nation, State, and County. In their official acts, they shall discharge faithfully their duties, recognizing that the public interest is paramount.

~~County public officials and employees must demonstrate the highest standards of morality and ethics consistent with the requirements of their position and consistent with law.~~

Section 3 – Dedicated Service.

In the performance of their duties, all County officials and employees shall support governmental objectives expressed by the electorate and interpreted by the Board of Supervisors and the County programs developed to attain these objectives. County officials and employees shall adhere to work rules and performance standards established for their positions by the appointing authority. The County requires all County officials and employees to use good manners, to be considerate, to be accurate in statement and to exercise sound judgment in the performance of their work. County officials and employees shall neither exceed their authority nor breach the law nor ask others to do so. They shall work in full cooperation with other public officials, employees and the public.

Section 4 – Nondiscrimination.

No County official or employee shall grant any special consideration, treatment, or advantage to any person beyond that which is available to every other person in similar circumstance. No person shall be favored or discriminated against with respect to any appointment in the County service because of family or social relationships, race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, military and veteran status, political opinion or political affiliation.

Section 5 – Oath of Allegiance.

All County officials and employees must execute an Oath of Allegiance as follows:

“I, _____, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the Constitution of the United States and the Constitution of the State of California; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter.”

Section 6 – Use of Public Property.

County officials and employees are prohibited from using County-owned equipment, materials, or property for personal benefit or profit unless specifically authorized by the Board of Supervisors as an element of compensation.

Section 7 – Conflict of Interest.

No County official or employee shall engage in any business, transaction or activity, or have a

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financial interest, which is in conflict with the proper discharge of official duties or would tend to impair independence of judgment or action in the performance of official duties. County officials and employees are also subject to the provisions of the California Government Code Sections 1090, 1126, 87100, and any other applicable provisions of State law as well as County conflict of interest codes and policies applicable to County employment.

Section 8 – Political Activity.

It is the intent of the Board of Supervisors that County officials and employees participate in the political process to the extent that such participation does not interfere with the proper performance of County duties and functions. The provisions of California Government Code Sections 3201-3209 and 3302 and any future amendments thereto are hereby incorporated as part of this rule.

Section 9 – Revolving door.

A County official or employee shall not meet or confer with a former County official or employee who is acting as a lobbyist within one year following termination of the former official or employee from County employment.

“Acting as a lobbyist” shall mean “acting as ‘County lobbyist’” as defined in section 1-1-80 (b) of the County Lobbyist Registration and Reporting Ordinance as may be amended from time to time.

Section 10 – Protection of Whistleblowers

County officials and employees shall not use or threaten to use any official authority or influence to discourage, restrain or interfere with, or effect a reprisal against any person, including, but not limited to, a County official or employee, for the purpose or with the intent of preventing such person from acting in good faith to report or otherwise bring to the attention of the County or other appropriate agency, office, or department, any information that, if true, would constitute a gross waste of County funds, a gross abuse of authority, a specified and substantial danger to public health or safety due to any act or omission of a County official or employee, or the use of a County office or position or of County resources for personal gain.

Section 11 – Enforcement.

Violations of sections 6 and 9 of this Code of Ethics by an Elective County Officer as defined in section 1-6-4 (b) of the Orange County Campaign Reform Ordinance, by a County officer as defined in section 1-3-22 (b) of the County Gift Ban Ordinance, and by a member of a board, commission, or committee under the jurisdiction of the Board of Supervisors shall be investigated and administratively enforced pursuant to section 1-2-112 of the County Campaign Finance and Ethics Commission Ordinance.

1-2-112 of the County Campaign Finance and Ethics Commission Ordinance.

Entities	Commission Authority / Jurisdiction	Rules Related to Ethics	Enforcement Mechanism	Penalties	Miscellaneous
City/County of San Francisco	has Commission and Ethics office	Detailed laws, more restrictive than state law in area of gifts	Commission has closed session to determine if PC exists for a violation then has public hearing to determine if violation occurred; DA/City Attorney can also criminally prosecute; Ethics Office has subpoena power	Up to \$5,000/violation (admin fine pursuant to Charter); can recommend suspension or removal of elected and appointed officers to Mayor and BOS	Ethics Office has multiple divisions including policy division that makes recommendations regarding new laws
County of San Bernardino	Office of Ethics, no commission	Similar to our code	Investigated/enforced by HR	Limited to personnel action	Code allows removal of non-board members
County of Riverside	No commission	Conduct code for employees and elected officials	Investigated/enforced by HR	Limited to personnel action	
County of Los Angeles	Commission & Ethics Office approved by voters but not formed (2026 deadline)	Rules on gifts, conflicts, etc.	No mechanism in place yet	Not specified	

Entities	Commission Authority / Jurisdiction	Rules Related to Ethics	Enforcement Mechanism	Penalties	Miscellaneous
County of San Diego	Office of Compliance, no commission	Nearly identical to our Code of Ethics	Investigated/enforced by HR	Limited to personnel action	
County of Santa Clara	Commission	Board rule re: ethical conduct but not enforced by Commission	Commission refines and creates governance rules, makes recommendations re: Ethics and Values program	Not applicable	
County of Alameda	No commission	None found	Not applicable	Not Applicable	
County of Sacramento	No commission	None found except AB1234 training	Not applicable	Not applicable	
County of Contra Costa	No commission	None found except AB1234 training	Not applicable	Not applicable	

Entities	Commission Authority / Jurisdiction	Rules Related to Ethics	Enforcement Mechanism	Penalties	Miscellaneous
County of Fresno	No commission	Admin policy for conduct (HR)	Enforced by HR, personnel action	Limited to personnel action	
City of Los Angeles	Commission & Ethics Office; wins awards for programs and work on regular basis	Ethics codes mirror state law	Admin process; Commission picks admin judge to make decisions on cases that are not settled	\$15,000/violation per code	Recently had additional independence granted with minimum budget; requirement that Council hear recommendations on policy within limited time frame
City of San Diego	Commission & Ethics Office	Monitors/enforces ethics laws	Commission can issue fines, provide education; office will settle matters via stipulations.	Up to \$5,000/occurrence per code can be issued by the Commission	Commission proposes new ethics laws; enforcement process involves going to the Commission up to 4 times. If ED decides in prelim investigation that a formal investigation is needed, must take that to a closed session with the Commission; then after formal investigation is approved if facts support further action, a probable cause hearing is heard by the Commission in closed session, then the final step is a public administrative hearing with the Commission or ad hoc group of members. During each stage, a settlement can be entered into and must get approved by the Commission.

Entities	Commission Authority / Jurisdiction	Rules Related to Ethics	Enforcement Mechanism	Penalties	Miscellaneous
City of Long Beach	Commission & 1 ethics officer	Advisory only related to ethics laws, no investigations	Guidance and education only	Not applicable	
City of Oakland	Compliance & Ethics Office	Commission conducts investigations, audits, hearings	Can impose fines, issue subpoenas	Up to \$5,000/occurrence	Law allows injunctive relief by 3rd parties
City of Sacramento	Commission reviews and considers complaint against elected and appointed officials re:laws and policies (run by City Clerk)	Independent evaluator investigates complaints	Commission decides on action (reprimand, corrective action, warning letter, or fine)	Not specified	