

REPORT OF THE
CHICAGO ETHICS REFORM
TASK FORCE:
PART I

Cynthia Canary, Chair

Sergio Acosta, Ald. Will Burns, & Dawn Clark Netsch

April 30, 2012

Mayor Emanuel,

On behalf of the Chicago Ethics Reform Task Force, we are pleased to submit the first part of our report detailing our initial recommendations for strengthening the City of Chicago ethics ordinance to ensure that all officials and employees of the City are held to the highest standard.

Over the course of our investigation, we conducted an in-depth review of Chicago's key ethics-related ordinances, their implementation, and their effectiveness. The Task Force held two public hearings, conducted focus groups with City employees, created a website to promote the Task Force's mission and activities, and established an email account to solicit feedback. We interviewed over 60 experts and civic leaders from Chicago and nationally. We also researched best practices in ethics administration, education, and enforcement from across the nation. In undertaking this assignment, we strove to be thoughtful, balanced, and fair. We sought to consider as many perspectives as possible and obtained input from community leaders, academics, elected officials, City employees, and residents.

We came to this assignment with the shared belief that the vast majority of elected officials and public employees in Chicago are decent, honorable, and hard-working people who strive to do the right thing for our City. We believe that these public servants should be celebrated for taking on a role of service to others and that they, in turn, deserve assurances that their colleagues and supervisors are living up to the same standard of honesty and integrity.

The Task Force believes that where there are ethics violations, they must be ferreted out and dealt with firmly and promptly. Abuse of the public trust cannot and must not be tolerated. However, it is equally important that the City implement strong preventative measures and endeavor to create an ethical culture built on leadership, education, and the implementation of best practices. To that end, our initial recommendations emphasize both positive ethical values and clear compliance-based rules.

In putting forward these recommendations we looked at ethics administration within the City from a holistic perspective. Our first set of recommendations primarily addresses prevention strategies and ethics education. Our second set of recommendations will further address complaints regarding ethics violations and how those complaints are investigated, adjudicated, and resolved. The second report will be issued in late July.

The Task Force believes that public trust in government is essential. We trust that your leadership in implementing serious and fair-minded ethics reforms that enhance transparency and emphasize prevention will serve Chicago and its residents for years to come.

Sincerely,



Chair

Member

Member

Member

ACKNOWLEDGEMENTS

The Task Force would like to thank the Mayor’s Office, all local and national ethics experts who so generously shared their experiences and insights with us, and all members of the public who sent us comments, attended the public hearings, and showed how deeply ethics matters to Chicago citizens.

We also wish to thank all of the City employees and officials who took the time to meet with us, offer suggestions, and listen to our ideas. Their suggestions were invaluable, and we greatly appreciate their commitment to ethics and the City.

We particularly wish to thank our pro bono partners, listed below, for all their help throughout this process.

PRO BONO PARTNERS

Jones Day

Daniel Reidy
Theodore Chung
Melissa Hirst
Michael Jacobsen
Thomas Rybarczyk

Civic Consulting Alliance

Gillian Darlow
Constance Kresge
Hannah Fine

TABLE OF CONTENTS

Cover Letter to Mayor Emanuel	i
Acknowledgements	ii
Table of Contents	iii
EXECUTIVE SUMMARY	1
LIST OF RECOMMENDATIONS FOR PART I	4
THE TASK FORCE: ITS CHARGE & APPROACH	7
INTRODUCTION	9
Why Does Ethics Matter?	9
The History of Chicago’s Ethics Code & Institutions	10
Our Current Code of Ethics	10
RECOMMENDATIONS	14
CODE OF PRINCIPLES	15
PREVENTION & EDUCATION	17
REGULATION	28
General	28
Reporting Misconduct & Whistleblower Protection	28
Conflicts of Interest & Improper Influence	30
Gifts	34
Financial Interest Statements	40
Prohibited Political Activities	43
Campaign Finance	46
Penalties	47
INVESTIGATION & ENFORCEMENT: A PREVIEW	51
CONCLUSION	55

APPENDICES	56
A. Persons interviewed by the Task Force	56
B. Resources reviewed by the Task Force	61
C. Written testimony received by the Task Force	70
D. Public comments received by the Task Force	71
GLOSSARY	73

EXECUTIVE SUMMARY

In December 2011, Mayor Emanuel charged the members of the Ethics Reform Task Force to “review the current ordinance, study best practices nationally, engage local experts, and recommend reforms to ensure that City officials and employees are held to the highest ethical standards.” Over the past four months, the Task Force has interviewed more than 60 local and national experts and civic leaders, researched best practices nationwide, held hearings with the public and focus groups with City employees, and reviewed input submitted via a public website, written testimony, and emails.

We began our deliberations with a common belief: that the vast majority of Chicago’s public employees and elected officials makes every effort to operate within the City’s ethics rules. To be successful in this regard, employees and officials need: 1) clear guidance regarding ethical behavior, 2) due process should they become the subjects of ethics probes, and 3) an understanding that they and their colleagues will be held accountable to high ethical standards, with penalties strictly enforced.

The challenge with respect to the City’s ethics regulations and supporting processes is to ensure that employees and officials have the tools with which to make good decisions, and that ethics infractions, when they do happen, are addressed decisively, fairly, and consistently. Achieving an effective balance between independence in investigations, public access to information, and the provision of due process is critical.

In the interest of releasing some of its findings quickly to encourage public discourse and early action, while taking the time necessary to reflect further on some of the more complex structural issues, the Task Force will be releasing its recommendations in two parts. In the following report, “Part I,” the Task Force makes 34 recommendations – some extensive and broad, others more targeted and specific – to raise the City’s ethical standards and practices. Together, the recommendations of Part I and Part II will help the City achieve four overarching objectives:

- Developing an ethical culture, modeled by top leaders, that permeates every level of city government and is transparent to the public.
- Revamping the education process to ensure that employees and officials are fully prepared to recognize and avoid potential ethical missteps.
- Clarifying and improving the ethics regulations to create straightforward and strict ethical guidelines and accountability measures.
- Reforming the investigative and adjudicative processes in the ethics enforcement system to create a clear, transparent balance of powers and to provide due process for officials and employees.

A full list of the Task Force’s Part I recommendations follows this section. We expect to complete Part II by late July.

Culture & Transparency: We recommend that the City of Chicago adopt an affirmative, principles-based code of conduct to proactively and clearly state the responsibilities of public employees and officials. In keeping with the Mayor’s emphasis on public data accessibility, we propose that the City require the Board of Ethics (the “Board”) to publish and publicize information regarding its activities in an easily accessible format, and that a broader set of relevant data and materials be made available to the public.

Education: Effective ethics education, especially when coupled with strong accountability and enforcement measures, can be a city’s strongest tool in preventing problems and ensuring ethical choices on the part of its employees and officials. Currently, the City has a number of ethics training requirements, yet we found that the training and assessment tools are not sufficiently thought-provoking, informative, and effective. The education and training procedures should be substantially overhauled to be more relevant and engaging, to emphasize fuller comprehension, and to include a broader range of individuals. The personalized guidance that the Board staff provides to inquiring City employees and officials plays a very valuable role and should be preserved, with one-on-one advice continuing as a significant component of the staff’s work. We also believe that the role of departmental ethics officers should be augmented and formalized to facilitate specially tailored training within departments and aldermanic offices.

Regulation: Today, the ethics ordinance addresses a number of substantive topics, including conflicts of interest, gifts, lobbying, financial disclosure requirements, prohibited political activity, and training requirements. (A separate part of the municipal code includes protection for whistleblowers, but the ethics ordinance includes no such protection, nor does it require employees to report wrongdoing.) Additionally, since taking office in May 2011, Mayor Emanuel has issued a number of executive orders on ethics topics. In general, our recommendations with respect to the ethics ordinance and related regulations focus on:

- Improving clarity where the existing language or structure is vague, such as the definition of “financial interest.”
- Revising disclosure requirements in financial interest statements and re-focusing these filing requirements to elicit more meaningful information from key personnel, such as high-ranking employees, officials, and those in departments that present heightened compliance risks.
- Codifying the Mayor’s executive order regarding mandatory reporting and adding whistleblower protection to the ethics ordinance.
- Bringing Chicago’s ethics ordinance to a point where it meets (and in many cases, exceeds) the standard imposed by Illinois’ State Officials and Employees Ethics Act with regards to prohibitions on gifts and political activities “on the job.”
- Creating clearer guidelines for employees and officials, including prohibitions on accepting or giving campaign contributions on City property and knowingly seeking political contributions from anyone they supervise.

- Increasing, and more importantly, vigorously enforcing penalties for violations of the ethics ordinance.

As part of this effort, the Task Force recommends a major revision to strengthen the City’s gift ban rules. We believe that gifts to public employees and officials create at best an improper appearance and should be avoided. We applaud the Department of Procurement Services’ adoption of a “zero-gift policy,” and believe that, where practical, other departments should consider adopting such a policy. However, we also recognize that a wholesale ban on gifts is not always practical and that, on rare occasions, promotional items or small tokens may be exchanged. We believe that the City’s current standard (allowing the receipt of a single gift worth up to \$50 and multiple gifts from a single source up to \$100 in the course of a year) is too permissive, and we recommend that gifts instead be limited to \$50 per year from a single source. Adopting this policy would provide Chicago with a significantly stronger gift ban than either the State of Illinois or Cook County.

Investigation & Enforcement: The Task Force’s recommendations in Part II will center on the relationship between, and the key responsibilities of, Chicago’s ethics institutions in an effort to clarify and streamline the ethics process, for those subject to the ethics ordinance as well as the public at large. Part II will include a comprehensive look at the organization, processes and powers of these institutions, as well as recommendations regarding lobbying.

We do not harbor the illusion that our recommendations – or any recommendations regarding ethics reform – will eliminate all wrongdoing. As Judge Abner Mikva observed in a discussion with the Task Force, “You can’t turn a crook into an honest person by an ethics law.” (3.1.12 Interview of A. Mikva.) What the City of Chicago can do, however, is tell the public what the ethics laws are, set out clear rules for its employees and officials to follow, provide training to help them follow these rules, and give its ethics institutions the power to enforce the laws and the penalties associated with them.

These recommendations – and many others – are addressed in more detail in the pages that follow.

LIST OF RECOMMENDATIONS FOR PART I

Code of Principles

1. Draft a code of affirmative ethical principles for all City officials and employees.
2. Require all employees and officials to pledge their commitment to the Code of Principles.

Education & Prevention

3. Emphasize top leadership's commitment to ethics by featuring them prominently in training materials and related activities.
4. Improve ethics education training by focusing on in-person training whenever possible and including training materials written in plain language and up-to-date online videos.
5. Ensure that City employees demonstrate their comprehension of the ethical standards, not just their completion of the training.
6. Formalize and promote the role of embedded ethics officers for each department and aldermanic office, and provide relevant training for these individuals.
7. Integrate ethics into hiring and orientation, and require ethics training to begin within two weeks of hiring.
8. Require ethics training for all officials, as well as part-time and contract employees of the City, and extend ethics education to City contractors and consultants.
9. Require education and training for exiting employees and officials regarding their post-employment activities.
10. Inform the public of all persons who do not complete their ethics training on time.
11. Overhaul and reorganize the Board's website to make information more accessible for City employees, officials, and the public.
12. Require the Board to publicize statistics and data that explain its training and education role, as a means of raising the public profile of the Board.
13. Establish easily navigable databases with relevant ethics, campaign finance, FOIA, and contracts data.

Regulation: General

14. Reorganize the ethics ordinance so that related topics are grouped together.

Regulation: Reporting Misconduct & Whistleblower Protection

15. Codify Executive Order 2011-5 imposing a duty to report wrongdoing.
16. Add to the ethics ordinance whistleblower protection for reporting misconduct.

Regulation: Conflicts of Interest & Improper Influence

17. Clarify the terms “economic interest,” “financial interest,” and “business relationship” with regard to conflicts of interest.
18. Bar officials and employees from working on matters involving a person with whom they are negotiating future employment.
19. Add a “reverse revolving door” provision.
20. Expand the definition of “relative” to include brother-in-law and sister-in-law.

Regulation: Gifts

21. Strengthen and clarify the City’s gift provisions by prohibiting any official or employee from (a) intentionally soliciting any gift, and (b) knowingly accepting any gift, unless the total value of all gifts given by a single source amounts to less than \$50 in the course of a calendar year.
22. Revise the definition of “gift” in the ethics ordinance.
23. Eliminate honoraria for all officials and employees related to their public employment.

Regulation: Financial Interest Statements

24. Inform the public of all persons who fail to file their financial interest statements on time.
25. Require all new reporting employees to submit a financial interest statement when hired.
26. Amend the financial interest statement forms to require the disclosure of several categories of more meaningful information.
27. Revise the ethics ordinance so the Board receives all financial interest statements.
28. Focus the financial interest statement filing requirements on key personnel and encourage the Board to conduct more meaningful review of the statements filed.

Regulation: Prohibited Political Activities

- 29. Provide clear rules for prohibited political activities by incorporating the State Ethics Act's relevant provisions so elected officials, their political organizations, and employees know what the rules are with respect to staff, equipment, space, and time.**

Regulation: Campaign Finance

- 30. Prohibit City employees and officials from soliciting, accepting, or giving campaign contributions on City property.**
- 31. Bar City employees and officials from knowingly seeking political contributions from anyone they supervise in their City employment.**

Regulation: Penalties

- 32. Simplify and increase the penalties for violations of the ethics ordinance.**
- 33. Increase mandatory penalties for failing to file financial disclosure statements to \$250 (from \$20).**
- 34. Make the penalties for campaign contributions reciprocal.**

THE TASK FORCE: ITS CHARGE & APPROACH

On December 7, 2011, Mayor Emanuel announced the formation of the Ethics Reform Task Force. The Task Force's charge was to "review the current ordinance, study best practices nationally, engage local experts, and recommend reforms to ensure that City officials and employees are held to the highest ethical standards."

The Task Force quickly realized that any review of ethics in the City of Chicago and the applicable ordinances would require a look at the Inspector General ordinance, the Legislative Inspector General ordinance, and the human resources ordinance. The organizational structure set up by the ethics ordinance was also mirrored in the campaign finance ordinance. A single body, the Board of Ethics, currently receives complaints, initiates investigations, and makes recommendations with regard to both ordinances. Therefore, this Task Force also looked at how campaign finance fits into the City's ethics universe.

It is important to note what the Task Force has not done. We have not comprehensively evaluated the City's campaign finance ordinance, the human resources ordinance, the City's compliance with the Shakman decree regarding patronage and political hiring, the procurement process and economic disclosure statements, the City's compliance with the Freedom of Information Act ("FOIA") (which permits public access to government records), or the respective roles of the Inspector General (the "IG") and the Legislative Inspector General (the "LIG") outside of the ethics and campaign finance ordinances. Many of the public and private comments we received related to these subjects, particularly the City's compliance with FOIA and the possibility of making information produced under FOIA easily accessible to the public.

We realize that there are cutting-edge developments in some of these areas, and we believe that several are worthy of further study. For example, New York City has adopted a public finance model for campaigns in which it matches small donations by individuals. While Chicago's regulation of campaign finance is itself, an overlay on the State's regulation of this issue, the City could always be more progressive than the State. New York City's public financing model has the potential to promote greater public involvement, and that model, or some variation thereof, could be useful in Chicago. We note with interest that the New York City model is under consideration by New York State.

Separately, Chicago has recently been utilizing non-profit entities to handle some tasks that are related to City government, and has promised to respond to FOIA requests to these entities, even though, as non-governmental entities, they would not typically be subject to FOIA. Recent indications are that the City will ensure that an alderman sits on the board of such bodies and take other steps to guarantee appropriate transparency and accountability. Transparency is a key principle guiding the Task Force's work and we strongly believe that all reasonable efforts should be undertaken to comply with and extend the principles of FOIA.

We therefore encourage the City to devote further study to developing best practices in these areas, but these areas are largely outside the scope of this Task Force's charge. We evaluated them only to the extent they intersected with the ethics ordinance, given our charge and the level of research and analysis that would have been required to fully understand these laws. Nevertheless, we follow these other areas with great interest, and encourage the City to follow best practices with respect to transparency and public access to information and its government.

The Task Force began by analyzing the ethics, IG, and LIG ordinances and comparing them to similar laws from other cities, such as the ordinances of Los Angeles, New York, Philadelphia, and San Francisco, and Illinois' State Officials and Employees Ethics Act. We took Chicago's online ethics training administered by the Board. We interviewed over 60 local ethics experts, City officials and employees, academics, and current and former employees of other cities' and states' ethics commissions. A full list of the persons interviewed by the Task Force is included in Appendix A.

The Task Force also sought public and private comments from Chicago residents. We established a website, www.cityofchicago.org/ethicstaskforce, and solicited public comment regarding how best to improve ethics rules relating to City government. We also established an email account, ethicstaskforce@gmail.com, which received over 30 private comments from citizens.

The Task Force held two public hearings to hear extended testimony from local ethics specialists and residents of Chicago regarding their concerns and suggestions for improving the ethics ordinance. In addition, the Task Force sought the opinions of current City employees and elected officials. All of this feedback was insightful, and many different points of view were expressed. We have weighed the merits of all of the arguments put forward and made decisions on best practices to recommend going forward. Many of our recommendations fit into a larger vision of how the City's ethics system should operate and how best to define and clarify the responsibilities of the various players in ethics administration. Other recommendations stand alone.

Taking into consideration the ideas gathered from the public, employees, academics, experts, public officials, and national best practices, the Task Force created this initial set of recommendations for reforming the ethics ordinance and related ordinances. These recommendations, and the reasons supporting each recommendation, are described below and are numbered sequentially.

We have much work still to do to, but our approach to Part II, which we anticipate will focus on investigation, enforcement, and lobbying, will be the same. We will refine our views, seek guidance from experts and those influenced by (or invested in) our proposals, and we will thoughtfully develop additional recommendations for reform in accordance with our charge.

www.cityofchicago.org/ethicstaskforce

INTRODUCTION

Why Does Ethics Matter?

Our goals in promoting ethics reform in Chicago are shaped by our shared values and principles. We salute the City for undertaking this review of its ethics ordinance and practices, and we believe that such self-examination is both healthy and necessary.

Ethics is a critical issue in contemporary governance worldwide. Corruption, and even the perception of corruption, can be measured not just in wasted dollars, but also in lost confidence in public institutions. Chicago residents deserve to know that the public's business is conducted according to the highest ethical standards, and Chicago employees must be assured that they can rely on their colleagues and supervisors to act ethically and in the City's best interest.

This type of mutual trust is fostered by City employees and officials who act with integrity and serve the people of Chicago with impartiality – officials and employees who respect public resources and place community concerns above partisan or special interests. As important, the City must ensure that its employees and officials are accountable to the public, balancing the public's right to have access to information about their government with the reality that there are instances where confidential discussions should be had.

A culture that promotes openness and accountability will also encourage public officials to be responsive to those they serve and effective in discharging their public duties. The result is a public that has trust and confidence in its government, and a government that is able to innovate and tackle challenges, free from the inefficiencies and waste that corruption entails.

As such, ethics is an integral component of good government— from intelligent resource management, to efficient service delivery, to effective policy development. Even the best municipal programs can be derailed by questions of public ethics, especially when faced with the tough policy choices presented in times of economic challenge. It is, therefore, essential that the core values of ethical public service be embraced and integrated into all aspects of City management from the top down.

Ethics is an
integral
component of
good government
– from resource
management to
effective policy
development.

In this rapidly changing technological age, public servants are asked to take on new and sometimes challenging roles and achieve greater efficiencies, making it all the more imperative that a strong, clear, and fair ethical structure be provided to reinforce ethical norms and provide guidance, deterrence and, as necessary, punishment.

A city that builds its policies, roots its hiring, and conducts its purchasing within an ethical framework is a city that will be able to meet the challenges and thrive in the 21st century and beyond. We believe that Chicago is prepared to undertake this challenge.

The History of Chicago's Ethics Code & Institutions

In 1987, the City Council passed the Governmental Ethics Ordinance, which created the Board of Ethics. Within this Report we refer to the Governmental Ethics Ordinance as the “ethics ordinance” or the “Ordinance.” The Board administers and enforces both the ethics ordinance (Chi. Mun. Code 2-156) and the campaign finance ordinance (Chi. Mun. Code 2-164). Since its creation, the ethics ordinance has been amended approximately eleven times, most recently in November 2011.

The Board serves as an advisory body to City employees and elected officials to help educate and ensure compliance with Chicago's ethics laws. (2-156-380.) The Board also regulates lobbyist activity, maintains financial disclosure information, and investigates complaints relating to the ethics and campaign finance ordinances, among other functions. (*Id.* at -210, -380; 2-164-070.)

In addition to the Board, there are two other City agencies that have the jurisdiction to oversee and, to varying degrees, enforce the ethics and campaign finance ordinances: the IG and the LIG. (Chi. Mun. Code 2-56-030 (IG); Chi. Mun. Code 2-55-060 (LIG).)

In 1956, the Department of Investigation was established. In the 1970's, in the wake of scandal, the office was renamed the Office of Professional Review. In 1981, that office became the Office of Municipal Investigations, and thereafter, the office was renamed the Office of the Inspector General. The IG's powers, duties, and procedures are outlined in Chapter 2-56 of the Municipal Code of Chicago. The IG initiates, receives, and investigates specific complaints regarding City employees and officials, except for aldermen and employees of the City Council or the sister agencies. (2-56-030(a)-(b), -050.) The IG also has broad authority to investigate and make recommendations concerning fraud, waste, and inefficiency. (2-56-030(c)-(e).)

The LIG was created in 2010 to receive and investigate complaints of misconduct by aldermen and City Council staff. (2-55-060(a).) Chapter 2-55 of the Chicago Municipal Code outlines the LIG's powers. The first LIG, Faisal Khan, began his term in late 2011.

While the Task Force primarily focused on the ethics, IG, and LIG ordinances, we recognize that additional City ordinances and recent executive orders also address matters of ethics within the City. Specifically, the campaign finance ordinance, the human resources ordinance, and Executive Orders 2011-1, -2, -3, -4, -5, and -6 all deal with topics that touch on matters of ethical behavior and the systems that govern ethical behavior and wrongdoing.

Our Current Code of Ethics

Chicago's ethics ordinance addresses the following substantive topics: conflicts of interest, gifts, lobbying, financial disclosure requirements, prohibited political activity, and training requirements. These are key components typically found in ethics ordinances nationwide. In some respects, the Ordinance is relatively comprehensive; some provisions are even stronger than those of other jurisdictions we reviewed. But there are other areas where the Ordinance can be improved by introducing new provisions. For example, it does not currently include or cross-reference

provisions protecting whistleblowers from retaliation, nor does it require employees to report wrongdoing.

Conflicts of Interest

In general, the Ordinance directs employees and officials to act in the City's interest, not their own, in the performance of their public duties. (2-156-020.) Broadly, an employee or official may not make a decision where she has a personal economic interest not shared by all citizens, vote on matters involving individuals with whom she has a business relationship, hire employees or retain contractors with whom she has a business relationship, or use or permit the use of her position to assist relatives or domestic partners in securing employment or City contracts. (*Id.* at -030(a), -080(a)-(b), -111(b), -130(c).)

Employees and officials may not make decisions where they have a personal economic interest not shared by all citizens.

Gifts

The gift restrictions within the Ordinance are detailed and specific, but confusing. Bribes and anonymous gifts to officials and employees are prohibited. (*Id.* at -040(b).) Gifts above \$50 or a combined yearly value of \$100 from lobbyists or people with an economic interest in a matter are prohibited, but gifts under this value are acceptable. (*Id.* at -040(c).) The Ordinance also prohibits making payments or offers of employment in connection with City contracts. (*Id.* at -120.) In addition, City employees are restricted from giving gifts to superiors, unless there is a personal relationship. (Executive Order 2011-3(2) (b).) Penalties for non-compliance include discipline and a fine of between \$1,001 and \$5,000. (*Id.* at -3(5); 2-156-410(c).) Our review revealed that these penalties are rarely imposed.

An additional layer of complexity is added because the City falls under the State Officials and Employees Ethics Act's gift ban provisions. (5 ILCS 430/10-10 (hereinafter, the "State Ethics Act"); *Id.* at 70-5(a) (requiring all local governmental entities to adopt provisions regulating gifts and prohibited political activity "in a manner no less restrictive than" the State Ethics Act).) Although the City can penalize its employees and officials for any conduct that is prohibited by the State Ethics Act, the Ordinance does not spell out the State Ethics Act's provisions, making it very difficult for Chicago's employees and officials to understand what rules apply to them.

Lobbying

"Lobbying" is defined as attempting to influence any legislative or administrative action on behalf of any person other than one's self. (*See* 2-156-010(p), -(o)(1).) Lobbying restrictions will be addressed in Part II of the Task Force's Report.

Financial Interest Statements

The Ordinance requires “reporting individuals” to file a financial interest statement with the Board each year. (*Id.* at -150.) The filer must report information such as employment in the previous calendar year, services rendered by the reporting individual or his/her spouse or domestic partner for which compensation was received from the City or a sister agency, and the name of anyone who gave the filer gifts or honoraria in excess of \$500. (*Id.* at -160.) Reporting individuals include every elected official and alderman, every appointed official, each employee occupying a budgeted position at or above an annual rate set by the Board (\$80,700 for fiscal year 2012), and every person that is a candidate for an elected office of City government. (*Id.* at -150(a); 2-164-050.)

Prohibited Political Activities

The Ordinance prevents anyone from compelling, coercing, or intimidating any other City official or employee into making or soliciting a political contribution. (2-156-140(a).) There are also limitations on an employee or official knowingly soliciting or accepting any political contribution from a City contractor or an applicant to be a City contractor. (*Id.* at -140(b).) Again, the City is subject to the State’s prohibited political activities law, but these standards are not enumerated within the Ordinance. (*See* 5 ILCS 430/70-5(a).)

Training

One of the main duties of the Board is to educate all City employees and officials on the ethics rules laid out in the Ordinance. (*Id.* at -380(g).) Three ethics education seminars are required in the Ordinance: (1) mandatory quadrennial (face-to-face) ethics training for aldermen, aldermanic staff and senior executive service employees; (2) annual mandatory (on-line) ethics education for all full-time City employees and aldermen; and (3) lobbyist education seminars. (*Id.* at -145, -146.) The Board also provides confidential advice and guidance to City employees and officials orally or in writing. (*Id.* at -380(l); Board of Ethics Regulations § 3-2.)

HOW DOES CHICAGO COMPARE TO OTHER CITIES?

There is a certain amount of commonality among cities’ ethics laws. Most require disclosures of campaign contributions, certain financial interests for elected officials, and lobbyists’ activity, for example. All the cities we reviewed require ethics training, and prohibit “pay-to-play” contributions.

But there are also many differences, particularly when it comes to the structure of a city’s ethics institutions.

Throughout this report, we compare Chicago’s practices with other cities, particularly when it appeared that Chicago was not following common, or best practices.

Campaign Finance

The City has its own campaign finance ordinance, at Chapter 2-164 of the Municipal Code, which adds an additional layer of regulation– and imposes additional limits related to contributions from City contractors – over and above the State’s more comprehensive campaign finance laws.

The Ordinance also establishes the powers and obligations of the Board. Currently, the Board, the IG and the LIG investigate and resolve ethics complaints relating to the executive branch (IG) and the legislative branch (LIG). In our view, the structure of Chicago’s ethics administration is confusing and ineffective, and enforcement of the Ordinance is negligible. Part II of the Task Force’s Report will address these issues in greater detail, but this part includes a preview of these issues in the “Investigations & Enforcements” section.

The Task Force’s recommendations regarding education and training, conflicts of interest, gifts, financial interest statements, prohibited political activities, and campaign finance follow.

RECOMMENDATIONS

CODE OF PRINCIPLES

PREVENTION & EDUCATION

REGULATION

INVESTIGATION & ENFORCEMENT: A PREVIEW

CODE OF PRINCIPLES

The vast majority of City employees and elected officials choose public service because they want to make the City a better place and see themselves as stewards of our shared community. As written, however, the ethics ordinance chiefly tells employees and officials what *not* to do. To foster an ethical culture at all levels, the City must do more.

Employees and officials must be encouraged to act ethically, not just avoid acting unethically. As David Freel, the former Executive Director of the Ohio Ethics Commission observed, “The City has to create an expectation of ethical behavior.” (2.7.12 Interview with D. Freel.)

“The City has to create an expectation of ethical behavior.”

– David Freel,

Former Executive Director of the Ohio Ethics Commission

The City should adopt a code of affirmative principles to guide its workers. These codes have been used in a variety of settings, from the U.S. House of Representatives to the private sector. Examples include the model code of the National Conference of State Legislatures, for legislators and legislative staff (available at www.ncsl.org), and the U.S. Office of Government Ethics’ Standards of Ethical Conduct for Employees of the Executive Branch (available at 5 C.F.R. § 2635.101).

Recommendation 1

Draft a code of affirmative ethical principles for all City officials and employees.

Based on our review of various codes of principles, we believe that the following Code of Principles would be an appropriate, plain-language statement to guide City employees and officials.

All City employees and officials should:

- Remember that they are public servants who must place loyalty to the federal and Illinois constitutions, laws, and ethical principles above their private gain or interests.
- Give a full day’s work for a full day’s pay.
- Put forth honest effort in the performance of their duties.
- Treat members of the public with respect and be responsive and forthcoming in meeting their requests for information.
- Act impartially in the performance of their duties, so that no private organization or individual is given preferential treatment.
- Refrain from making any unauthorized promises purporting to bind the City.

- Never use any nonpublic information obtained through the performance of City work for private gain.
- Engage in no business or financial transaction with anyone that is inconsistent with the performance of their City duties.
- Protect and conserve City property and resources, and use City property and resources only for authorized activities.
- Disclose waste, fraud, abuse, and corruption to the appropriate authorities.
- Adhere to all laws and regulations that provide equal opportunity for all persons regardless of race, color, religion, gender, national origin, age, sexual orientation, or handicap.

Recommendation 2

Require all employees and officials to pledge their commitment to the Code of Principles.

We also recommend that all employees and elected officials formally acknowledge their commitment to the Code of Principles. Our research revealed that some cities require employees to sign an ethics pledge. For example, by executive order, Los Angeles has required an ethics pledge for commissioners, board members, general managers, and mayoral staff. (See <http://bit.ly/GXnVn1>.)

An employee should review the Code when he is initially hired and should sign a written pledge to follow the Code at that time. An official should likewise review the Code when she takes office. The Code should be a living document, and should be reviewed at staff meetings, highlighted by managers and commissioners, and posted within departments. It could also be reviewed during employee evaluations.

PREVENTION & EDUCATION

The Ordinance requires three types of education and training seminars:

- *Quadrennial, face-to-face ethics training* is required for all aldermen, aldermanic staff, City Council Committee staff and senior executive service employees, who together comprise approximately 10% of the City’s workforce. (2-156-145(a); Board of Ethics Annual Report 2008-2009 (hereinafter “Annual Report”), p. 3.) This ethics training must be completed within 120 days of the individual’s start date. (2-156-145(a).) The Board publishes the scheduled class dates, notifies the persons subject to this requirement of their individual completion deadlines, and conducts the training. The current penalty for non-compliance with this training requirement is \$500. (*Id.*)
- *Annual mandatory ethics training* is required for all aldermen and full-time City employees. (*Id.* at -145(b).) While the Ordinance allows for this course to be given in person or online, the Board has elected to conduct this training online. (*See id.*; Annual Report, p. 3.) The Board tracks the compliance of aldermen and employees with this training in its open session minutes. (*See, e.g.*, 1.18.12 Open Session Minutes, p. 2.) No penalties are imposed on aldermen who do not complete this training. (2-156-145(b).) City employees who fail to complete this training may be subject to employment sanctions, and employees who falsify compliance are subject to discharge. (*Id.*)
- *Annual lobbyist training* is required for registered lobbyists and conducted by the Board. This course may be offered in-person, through an internet-based program, or in another format approved by the Board. Lobbyists who fail to complete the training are subject to a minimum fine of \$750. (*Id.* at -146.)

The Ordinance does not require any form of ethics education for City contractors, part-time workers, consultants, appointed officials, the Mayor, the City Clerk, or the Treasurer. There is no requirement for education or training for exiting employees.

The Board focuses on obtaining 100% compliance with the training requirements, and rarely, if ever, enforces the penalties that may be levied against employees, officials, or lobbyists who fail to complete training. It is apparent that the Board takes its training duties very seriously, and we

“Chicago should establish expectations for ethical behavior by employees.”

– Ellen Craig,

Former Commissioner of the Illinois Executive Ethics Commission

commend the Board and its staff for the work they are doing in this area. However, their work requires amplification and reinforcement in the hiring, performance review, and promotion process, and as a matter of regular course within the departments.

As Ellen Craig, a former commissioner of the Illinois Executive Ethics Commission suggested,

“Chicago should establish expectations for ethical behavior by employees, publicize the requirements, and integrate them into the personnel policies of all agencies. These expectations should be made clear during the recruitment, hiring, retention, and promotion process.” (2.1.12 Interview of E. Craig.) A holistic, comprehensive approach to ethics places an emphasis on education and prevention and, therefore, the ethical culture of the City. Because we believe that most City employees and elected officials are committed to public service and Chicago’s advancement, we feel strongly that a training program actively supported by top leadership and reinforced at all levels of government is the best way to ensure that ethical violations do not occur. We therefore recommend the following improvements to ethics education and training in the City.

Recommendation 3

Emphasize top leadership’s commitment to ethics by featuring them prominently in training materials and related activities.

Highly visible support of ethics from key executives and managers is central to a culture of compliance, and represents a best practice in both the private and public sectors. For example, The Boeing Company hosts three annual events committed to ethics. (*See* www.boeing.com/companyoffices/aboutusethics/education.htm) Events and supporting videos feature senior executives and the CEO talking about ethical conduct and committing personally to the goal. (*Id.*; 2.27.12 Interview with L. Oliver, Chief Counsel, Investigations, Boeing.) We recommend that the heads of each department, the Mayor, key elected officials and the Board work together to regularly communicate that ethics is important to the City’s well-being.

Additionally, the Mayor, the City Clerk, and the Treasurer should be required to take the ethics training, and the Mayor should formally and publicly commend employees who provide strong examples of ethical behavior. All future training materials and events should feature members of the senior leadership of City departments or City Council. These events, while of primary importance to those working within City government, should also be communicated to the public.

Recommendation 4

Improve ethics education by focusing on in-person training whenever possible and including training materials written in plain language and up-to-date online videos.

The current system of ethics education relies heavily on online training and training materials available from the Board’s website that are dense and frequently copy the language of the Ordinance without further explanation. Instead, we recommend that the City encourage more in-person ethics training and improve its public materials for ethics training. Whenever possible, trainings should be in-person, and the department head should be present, at a minimum, to speak and set a tone for the session. Embedded ethics officers could extend the Board’s capacity for in-person training. (*See* Recommendation 6.)

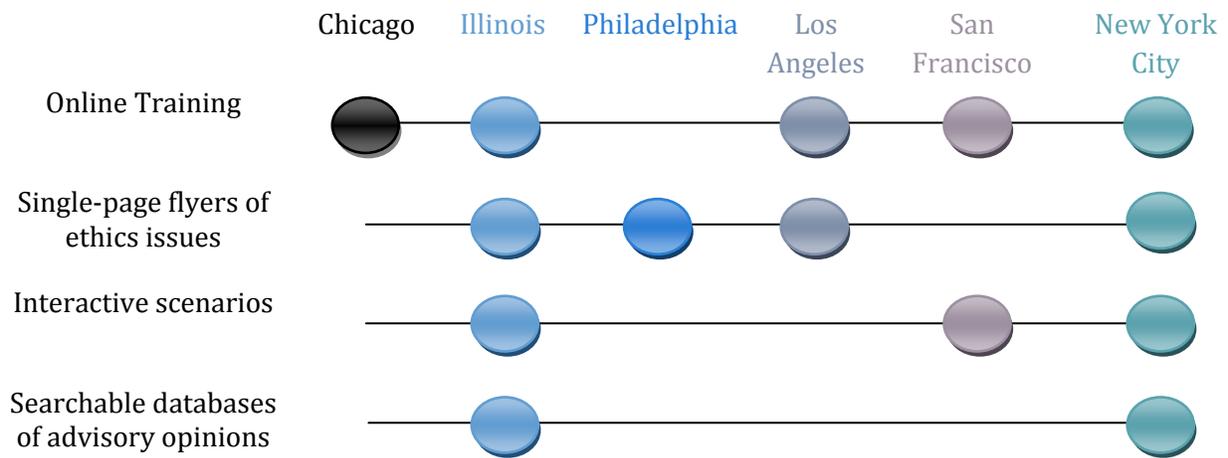
In addition, the training materials must be improved by focusing on simpler, plain language guides for employees and officials to use to identify potential ethics questions. As former Illinois

Comptroller Dan Hynes suggested, “Ethics is about the gray areas. Get everyone to focus on when to ask the questions, not the right answers.” (2.21.12 Interview of D. Hynes.) We agree with this tack, and encourage the Board to focus on best practices, situations that give rise to ethical questions, and issue spotting. Effective videos would depict ethics scenarios and real-life situations, and should include messages from senior leadership, including the Mayor, regarding the importance of being aware of one’s ethical responsibilities.

“Ethics is about the gray areas. Get everyone to focus on when to ask the questions, not the right answers.”
 – Dan Hynes,
 Former Comptroller of Illinois

Many other cities have found ways to make their ethics presentations amusing and engaging. (See Table 1.) For example, New York City features “It’s a Question of Ethics: The Game Show,” an online video that tests three employees’ knowledge of the regulations and duties in a game format. (<http://on.nyc.gov/I3cQq3>) Massachusetts provides simple summaries of the law on its website, broken down by position type (such as City Councilors, Municipal Managers, Town Clerks, and Planning Board Members), detailing how the conflict-of-interest law applies to each position, including restrictions placed on them while on the job, after hours, and after leaving public service. (<http://1.usa.gov/HllvBA>) We believe that these are excellent ways to address a large number of common ethical questions and educate employees, officials, and the public on basic principles.

Table 1: A Comparison of Ethics Education and Training



Today, the Board’s website is not easy to navigate, and its online training video does not adequately engage participants, due to format choices and dated visuals. Any visitor to the Board’s website should be able to easily find the answers to commonly-asked questions. Key ethics topics should be addressed in plain English and in multiple, easy-to-read formats with broad dissemination – such as an improved website that is simpler to navigate, one-page topical flyers, brochures, and videos. (See Table 1.)

Recommendation 5

Ensure that City employees demonstrate their understanding of the ethical standards, not just their completion of the training.

The Board’s annual online training is broken down into four individual chapters, which begin with paragraph-long written summaries of various ethics rules within a particular topic – *e.g.*, gifts – and conclude with a short quiz of eight to ten questions relating to the same topic. Each question is preceded by a three to six sentence “story problem” and concludes by asking a “yes/no” question. If the trainee gets an answer wrong, she reads an explanation of why the other answer is correct, then must go back to the previous screen and select the correct answer before moving on to the next question.

When we took the test, we observed that a trainee can click through the screens without reading any of the material and can complete a module in as little as three to five minutes by clicking “yes” or “no” at random and moving on to the next screen. Also, the introductory material in each module is nothing more than a series of textual passages over the course of several pages. There are no graphics, videos, games, or interactive functions, other than a button that directs you to the next screen. Both the training and the quiz require a sophisticated level of reading comprehension. In recent examples, the story problems feature names from Shakespearean and Russian literature that may make it more difficult to follow the threads of these hypothetical situations.

The Illinois Reform Commission suggested a very different approach, in which a score is given to trainees to assess their level of understanding: “[E]mployees should be required to demonstrate individual understanding of ethical standards by answering randomized questions correctly before advancing to the remaining portions of the ethics training, and by answering a minimum percentage of the questions correctly overall. This desirable minimum percentage may vary based on the complexity of and ethical questions encountered in employees’ respective positions.” (4.28.2009 Illinois Reform Commission, 100-Day Report, p. 82-83.) We recommend that this type of testing be conducted in Chicago. Those whose scores fall below a minimum threshold should be required to do supplementary training and retake the test within one month.

As a supplemental method of ensuring that City employees and officials understand their ethics training, the Board might also consider including periodic surveys of its trainees or having its ethics officers disseminate and collect such surveys to identify areas for further training. Training is our first line of defense, and the City should be continuously evaluating materials to ensure

TRAINING SHOULD BE . . .

Engaging

Interactive

Easy to Understand

Visual

AND SHOULD . . .

Test employees’ and officials’ understanding of the ethics rules on which they were trained.

their effectiveness. An investment in improved training and education that heads off future scandal more than pays for itself.

Recommendation 6

Formalize and promote the role of embedded ethics officers for each department and aldermanic office, and provide relevant training for these individuals.

The Board currently uses informal ethics liaisons within each department and aldermanic office, although these liaisons are not required by the Ordinance. (Annual Report, p. 6.) In addition to their normal job responsibilities, these ethics liaisons collect financial interest statements from reporting employees, review those forms for completeness, help the Board determine current employee rosters, direct ethics questions to the Board, and serve as general issue spotters. (1.23.12, 3.1.12, and 4.11.12 Interviews of S. Berlin.) No formal training is currently provided for ethics liaisons, each of whom is appointed by the liaison’s department head or alderman. (*Id.*)

“Ethics shouldn’t just be the responsibility of the Board of Ethics. It should be the responsibility of every department.”

– Ellen Craig,

Former Commissioner of the Illinois Executive Ethics Commission

We believe that the role of ethics officers should be formalized, to make them a permanent part of Chicago’s ethics framework, and to ensure that resources are dedicated to their training. Ethics officers serve a practical purpose, as an on-the-ground resource for the Board, and a symbolic function, as a way of highlighting how ethics can be integrated into the daily life of each department. As Ellen Craig suggested, “Ethics shouldn’t just be the responsibility of the Board of Ethics. It should be the responsibility of every department.” (2.1.12 Interview of E. Craig.)

Embedded ethics officers are an excellent way to send this message, and to respond to emerging ethics issues within those departments, as employees are more likely to pose their ethical questions or concerns to an individual whom they know.

We recommend that the ethics officers be formally trained in this role, through annual face-to-face training and regular electronic communications. While ethics officers would primarily be trained by the Board, it might also be useful for the IG and LIG to speak with the ethics officers periodically regarding their investigative processes and how ethics officers can train their personnel to spot “red flags.” Training should also address ethics issues specific to their departments, so that the officers can then push these ideas out to departmental staff. With sufficient training, embedded ethics officers can do more than ensure compliance, answer general questions, and collect forms. Other cities and states, such as Los Angeles, New Jersey, and Illinois, have codified the role of ethics officers and have embedded them in the various departments. (L.A. Executive Directive No. 7 (7.12.06); N.J. Uniform Ethics Code § 1; 5 ILCS 430/20-23.) Los Angeles also provides a special website to assist its ethics liaisons in their role. (<http://bit.ly/y6rgdB>)

While the Board must remain the source of all formal advisory opinions related to the ethics ordinance, ethics officers could answer basic questions and refer more complex matters to the

Board. (See 2-156-380(l).) The Board should ensure that the ethics officers are knowledgeable and up to date on recent Board rulings, while ethics officers could emphasize the role of ethics within their departments through regular email updates, office posters, and leading periodic discussions on ethics during staff meetings. While the Board is an excellent source of training for the generally applicable ethics rules, City departments may wrestle with specific ethical challenges or have rules specific to their departments. The ethics officers can help administer these rules, as well.

We envision that embedded ethics officers would also help identify individuals who successfully model the ethical behavior the City hopes to see from its public servants. A study conducted by the Ethics Resource Center in 2009 found that Chicago lagged behind its national peers in rewarding employees for outstanding ethical conduct. (2009 City of Chicago Compliance and Integrity Survey, Ethics Resource Center, 12.15.2009 at 14.) Perhaps, as part of the annual Kathy Osterman Awards, which generally reward superior public servants within the City, the City could also acknowledge a number of persons who successfully modeled ethical behavior or exemplify the Code of Principles.

In a study conducted by the Ethics Resource Center in 2009, it was found that Chicago lagged behind its national peers in rewarding employees for outstanding ethical conduct.

We also believe that a corps of ethics officers could help the City make the ethics ordinance a living document. In Los Angeles, ethics officers have the additional duty of reviewing the conflict of interest code of each department every two years. (L.A. Executive Directive No. 7 (7.12.06).)

We suggest that the City provide additional encouragement for employees to become ethics officers. For example, the Training and Education Unit of the New York City Conflicts of Interest Board offers continuing legal education credits to New York City attorneys at no charge, if they are trained as ethics officers. (2.3.12 Interview of M. Davies, W. Hawley, and C. Miller, NYC Conflicts of Interest Board; see also www.nyc.gov/html/conflicts/html/units/training.shtml.) In addition, those fulfilling this important role should have their core duties adjusted to accommodate this additional assignment.

Recommendation 7

Integrate ethics into hiring and orientation, and require ethics training to begin within two weeks of hiring.

The Ordinance requires aldermen, staff, City Council committee staff members, and senior executives to complete their quadrennial in-person training within 120 days of beginning their position. (2-156-145(a).) City employees and all other officials are not required to complete any ethics training at the time of their hiring or orientation. (*Id.* at -145(b).) As a result, as many as eleven months can go by before a new employee receives any ethics training

The Illinois Reform Commission accurately observed that “new employees are most impressionable when they are first hired, and therefore must receive immediate education on relevant ethical standards.” (100-Day Report at 82.) We agree with this approach, and believe that educating new employees and appointed or elected officials in this fashion would set an appropriate tone early and prevent unintentional violations of the Ordinance, as well as limit the influence of those employees who do not model strong ethical practices.

Recommendation 8

Require ethics training for all officials, as well as part-time and contract employees of the City, and extend ethics education to City contractors and consultants.

The Ordinance requires that City Council and aldermanic staff, and members of the senior executive service receive face-to-face ethics training every four years, but limits annual ethics training to aldermen and full-time employees. (2-156-145(a)-(b).) In our view, this creates several undesirable gaps in training:

- All elected officials should be subject to the quadrennial training, including the Mayor, City Clerk, and Treasurer.
- All elected officials, appointed officials, full-time employees, part-time employees, contract employees, and employees of non-profit organizations affiliated with the City should be subject to the annual ethics training. It must be equally clear that all aldermanic staff is subject to the same annual training requirement.
- All consultants hired by the City and all City contractors should be provided with information regarding the ethics ordinance and how it applies to them and the City employees or officials with whom they work.

Elected officials, appointed officials, part-time employees, and contract employees are not exempt from the ethics ordinance; there is no reason to exempt them from training. If the City’s goal is to ensure that its workforce is acting ethically, then its entire workforce must be trained, and those who interact with City workers must understand the rules that apply to their interactions.

Recommendation 9

Require education and training for exiting employees and officials regarding their post-employment activities.

In executive orders that he issued upon entering office, Mayor Emanuel addressed many of the loopholes regarding lobbying activities after a City official or employee leaves her position. (See Executive Order 2011-1.) Presently, however, there is no requirement that an exiting employee or official be reminded of these obligations at the time of her departure. We recommend that all exiting employees and officials be required to receive a briefing on permissible post-employment activities prior to receiving their final paycheck.

Recommendation 10

Inform the public of all persons who do not complete their ethics training on time.

We believe that one of the easiest ways to encourage employees, officials, and lobbyists to complete their ethics training on time is to identify publicly anyone who fails to do so. We recommend that the Board post these individuals' names on its website within a week after the annual deadline for training compliance passes.

Recommendation 11

Overhaul and reorganize the Board's website to make information more accessible for City employees, officials, and the public.

The Board's current website provides a great deal of information, but, unfortunately, most of this information is not organized in a user-friendly way. Key information – short documents answering frequently asked questions on common ethics issues, or advisory opinions, for example – is scattered throughout several locations on the website. There is very little information that explains the Board's function to the public or directly educates the public. The Task Force believes that the Board's website is in need of substantial improvement.

Public engagement by the Board is particularly important because governmental ethics is not always intuitive. It is not merely morality or "ethical behavior" – it is founded on a series of discrete rules that govern the role of a public servant. As part of its mission, the Board should educate the public regarding the difference between "ethics" in the abstract and governmental ethics. As former IG David Hoffman observed: "The public needs to see accountability and is understandably cynical on ethical issues. To overcome this, the Board of Ethics needs to do a better job of being transparent about its activities and informing the public about its decisions and actions to the fullest extent possible." (2.3.12 Interview of D. Hoffman.) We strongly agree.

We recommend that the Board re-organize its website to make it more engaging and interactive. It is essential that the website be easy to navigate, with a user-friendly and comprehensive search engine that enables visitors to search Board opinions. The website should be regularly updated and encourage the public (or employees) to visit frequently, by including recurring features, such as, "Ethics in the News," the "Ethics Question of the Week," or profiles of employees who model exemplary ethical conduct. Social media could be an effective tool for the Board to distribute brief, frequent updates on information and training to City employees, officials, and the public, and to direct traffic to its website.

The website should also make it clear to employees when they should contact the Board with a question and, alternatively, when they should reach out to their manager, the Corporation Counsel or another department. The website should have links to all related laws (including the State's campaign finance law), executive orders, training materials, quizzes, resources, and forms that are submitted to the Board.

Recommendation 12

Require the Board to regularly report findings, statistics, and data that explain its training and education role, as a means of raising the public profile of the Board.

The Board has a responsibility to the residents of Chicago to report on its activities. During our work, we found that the Board and its staff are a trusted source of advice and counsel for City employees and officials. (E.g., Employee Focus Groups; 3.9.12 Interview of Ald. Brookins; 3.7.12 Interview of Ald. Colon; 3.9.12 Interview of Ald. O'Connor; 2.23.12 Interview of Ald. O'Shea.) The Board's staff works hard to answer each and every question that comes across its desk; staff received nearly 6,000 requests for advice last year. (1.23.12 Interview of S. Berlin.) The Board trains tens of thousands of employees and officials on a yearly basis via either in-person or electronic training. (Annual Report, p. 3.)

The Board of Ethics received nearly 6,000 requests for advice last year.

Unfortunately, these successes are neither publicized nor easy to locate on the Board's website. While we understand that there are confidentiality issues limiting the Board's ability to communicate the full range of its work, more transparency in the Board's work would help it generate support from the public and City employees and officials.

The Board is required to prepare periodic reports (at least annually) "summarizing the board's activities" for the Mayor and City Council. (2-156-380(k) (requiring these reports but failing to further describe their content).) At present, the "Annual Reports" section of the Board's website is current only through the 2008-2009 report. We recommend that the Board be required to publish semi-annual reports, which would include more dynamic and instructive information – not just statistics – such as:

- The compliance of employees, lobbyists, and officials with training, disclosures, and registration;
- the number and substance of formal and informal advisory opinions the Board releases each year, including identifying which are precedential;
- the number and types of ethics complaints brought within the timeframe and how each was resolved;
- the trends and emerging issues the Board has seen based on its requests for guidance; and
- how training will address developing ethical issues.

Some, but not all, of this information is provided in the Board's historical annual reports. (See *generally* Annual Report.) We believe that it must be provided in a more timely fashion, and that the Board should be required to include the above categories of information in its periodic reports.

The Board should also update employees, officials, the public, and the media on advisory opinions it issues and current ethical problems in the workplace through frequent, periodic electronic newsletters. This is a best practice in the private sector and can be done without disclosing the identities of the persons investigated by the Board.

Finally, all minutes of the Board's public meetings should be posted no more than 14 days after the meeting date, so that the public can readily understand the Board's activities.

Recommendation 13

Establish easily navigable databases with relevant ethics, campaign finance, FOIA, and contracts data.

A tremendous amount of information is already available on Chicago's website, including information uploaded by the Board. The Task Force commends Mayor Emanuel on the amount of City information he and his staff have made public. However, we feel that more can be done to enhance navigability, search-ability and public comprehension of this data. Access to FOIA materials, public information regarding contracts granted, campaign donations, recusals, and other information will enhance the data already available. Relational databases help ethics enforcement officers and the public identify patterns, and allay suspicions about possible misconduct. Campaign finance data is housed by the State of Illinois, but could be linked as municipal races are coded. (See <http://bit.ly/HRIZlk>) A potential model for Chicago is New York City's Campaign Finance Board website (<http://on.nyc.gov/AnJt4C>), which provides a way for the public and that city's employees to easily find vendors and individuals doing business with New York City and quickly see whether they have made campaign contributions to that city's officials.

Likewise, the federal and other governments have established electronic reading rooms, which make public materials released under FOIA. Such a "reading room" might also include financial interest statements, economic disclosure statements, a list of current City contractors, and other information that is presently made available by the City in various locations. Building this type of reading room requires the development of an infrastructure and search engine, but it also offers the prospect of ultimate cost savings by lessening the City's reliance on FOIA reviews and FOIA officers. We encourage the City to pursue these options.

“... standards have to be right: not too strict, or they won’t be enforced, and not too lax, or they miss something.”

– Professor Kathleen Clark,
Washington University School of Law

“Employees and officials have an affirmative responsibility to report wrongdoing. They also should be protected from retaliation. While the right to be free from retaliation is important, it is equally important that employees *know* that they have this right.”

– Chicago Ethics Reform Task Force

“No employee should ever feel coerced or compelled to donate to a political campaign at the request of a supervisor.”

– Chicago Ethics Reform Task Force

REGULATION

Chicago’s ethics ordinance addresses many of the main areas generally included in an ethics law: conflicts of interest, gifts, lobbying, financial disclosures, prohibited political activity, and training, among them. Within each of these areas, however, there are loopholes, inconsistencies, and other aspects that require clarification or strengthening. Drafting an ordinance is a delicate balance. As Professor Kathleen Clark of Washington University School of Law observed, “The substantive standards have to be right: not too strict, or they won’t be enforced, and not too lax, or they miss something.” (2.14.12 Interview of K. Clark.) With the goal of providing Chicago’s employees and officials with a more comprehensive, clear ethics law, we make the following recommendations, organized by topic.

General Recommendations

Recommendation 14

Reorganize the ethics ordinance so that related topics are grouped together.

Within the ethics ordinance, Article I contains all of the general provisions; Article II addresses financial disclosures; Article III deals with lobbyists and lobbyist registration; Article IV sets up the Board of Ethics; and Article V enumerates the penalties for violations of the ordinance. We submit that the better approach is to break Article I into separate sub-headings, by topic, such as conflicts of interest, gifts, training, etc., and to group all of the provisions relating to a specific topic under a single heading. This organizational structure would keep related information together, and thus make it much easier for readers of the Ordinance to locate and review all provisions on a particular topic.

As the campaign finance ordinance is integrally related to the ethics ordinance, and the Board of Ethics has the same oversight authority for the campaign finance ordinance as the ethics ordinance, we also recommend combining the ethics and campaign finance ordinances into a single ordinance.

Reporting Misconduct & Whistleblower Protection

The ethics ordinance does not provide general protection for employees who report misconduct, commonly referred to as “whistleblower” protection, although the IG’s ordinance does include limited anti-retaliation provisions (2-56-100) and the City has a more generally applicable whistleblower provision (2-152-171).

These types of provisions protect employees who report wrongdoing – or who cooperate with investigations regarding wrongdoing – from being punished for reporting to or cooperating with authorities. “Punishment” in this sense generally means employment-related retaliation and can range from declining to promote someone to firing an employee. The Task Force believes that the City must do more to encourage its employees to report wrongdoing and assure them that they will not suffer for doing so.

Recommendation 15

Codify Executive Order 2011-5 imposing a duty to report wrongdoing.

The Ordinance does not generally require employees to report wrongdoing, with the exception of section 2-156-308, which requires certain individuals to report lobbyists who fail to register with the Board. The Mayor, however, has issued two executive orders on this topic: Executive Order 2011-5, which requires City employees to report corrupt or criminal activity involving a City office, City job, or dealings with the City, and Executive Order 2011-6, which requires City employees to report allegations of unlawful political discrimination in connection with City employment.

We believe that the broader requirement to report misconduct from Executive Order 2011-5 should be codified so that it permanently extends to all City employees and officials.

Recommendation 16

Add to the ethics ordinance whistleblower protection for reporting misconduct.

As noted above, the Ordinance does not include a generally applicable whistleblower provision. The IG's ordinance prohibits retaliation against a person who cooperates with or assists the IG. (2-56-100.) Separately, Executive Order 2011-6, which applies only to executive branch employees, prohibits retaliation against any job applicant, employee, or official who makes a complaint or public disclosure or cooperates with the *Shakman* monitor, the IG, or law enforcement authorities in investigating any *Shakman* violation.

The City does, however, have a generally applicable whistleblower provision, which bars retaliatory action against two categories of employees; namely,

- an employee who “discloses or threatens to disclose to a supervisor or to a public body an activity, policy, or practice of any officer, employee, or city contractor that the employee reasonably believes evidences: (i) an unlawful use of funds, unlawful use of authority, or other unlawful conduct that poses a substantial and specific danger to public health or safety by any officer, employee, or city contractor; or (ii) any other violation of a law, rule, or regulation by any officer, employee, or city contractor”; or
- an employee who provides information to or testifies before any public body in the course of an investigation, hearing, or inquiry into an activity described above.

(2-152-171(b)(1)-(2).)

A “public body” is broadly defined to include any office or department of the City, the federal government, local law enforcement or prosecutor, federal or state judiciary or law enforcement agency, or any division or employee of the foregoing. (*Id.* at 2-152-171(a)(1).)

This broad provision addressing whistleblower protection should be moved into the ethics ordinance alongside the duty to report misconduct described in Recommendation 15. Employees fear retaliation for reporting wrongdoing, and the two issues should be linked together.

According to a 2009 survey of City employees conducted by the Ethics Resource Center, a fear of retaliation from management was a significant factor in employees' decisions not to report misconduct. (See 2009 City of Chicago Compliance and Integrity Survey, Ethics Resource Center, 12.15.2009 at 28 (60% of employees expressed that they did not report misconduct because they feared retaliation from management).)

While the right to be free from retaliation is important, it is equally important that employees know that they have this right. The City should make an effort to publicize this information at the time of hiring and on a recurring basis. The whistleblower provisions should also be emphasized on the Board, IG, and LIG websites, and could even be posted in City offices.

Conflicts of Interest & Improper Influence

Sections 2-156-020, -030, -050, -060, -080, -090, -110, -111, -120, and -130 of the Ordinance relate to conflicts of interest and improper influence. These provisions generally do a good job of addressing when a conflict arises between an employee's or official's private interests and her public role, and explaining which conflicts require disclosure, which require recusal of an alderman from a vote, and which require an employee or official to refrain from taking a particular action.

In some areas, Chicago's conflict-of-interest provisions are not only adequate – they are *more* comprehensive than those of other cities.

In some areas, Chicago's conflict-of-interest provisions are not only adequate – they are *more* comprehensive than those of other cities. For example, Chicago has a detailed provision barring officials or employees from using their positions to assist relatives or domestic partners in obtaining employment or contracts from a City contractor. (2-156-130(c).) The City also generally prohibits nepotism in hiring or promotion, with a limited exception permitting aldermen to employ their

relatives in their personal staff. (*Id.* at-130(a).) Many of the other city ordinances we reviewed – New York's, for example – appeared to have no explicit nepotism provision. Chicago's nepotism provisions strike a reasonable balance between prohibiting the conduct that is of real concern – an official or employee giving (or getting) a relative a job through clout alone – while providing a very narrow exception for an alderman's personal staff. (*See id.*)

There are, however, certain areas that require clarification or amplification in Chicago's conflicts-of-interest provisions, and these areas are discussed below.

Recommendation 17

Clarify the terms “economic interest,” “financial interest,” and “business relationship” with regard to conflicts of interest.

The goal of conflicts-of-interests provisions is to prevent employees and officials from allowing their personal financial motivations to trump their obligations to the public. Because avoiding conflicts of interest (or properly disclosing them) is a central ethics duty of City employees and

officials, the rules regarding conflicts of interest must be clearly drawn. Unfortunately, the Ordinance does not currently achieve this task.

The Ordinance defines conflicts of interest by using three interrelated terms: “economic interest,” “financial interest,” and “business relationship”:

Economic interest “means any interest valued or capable of valuation in monetary terms; provided, that ‘economic interest’ is subject to the same exclusions as ‘financial interest.’” (2-156-010(i).)

Financial interest “means (i) any interest as a result of which the owner currently receives or is entitled to receive in the future more than \$2,500.00 per year; (ii) any interest with a cost or present value of \$5,000.00 or more; or (iii) any interest representing more than ten percent of a corporation, partnership, sole proprietorship, firm, enterprise, franchise, organization, holding company, joint stock company, receivership, trust or any legal entity organized for profit; *provided, however, financial interest shall not include*

The goal of conflicts-of-interest provisions is to prevent employees and officials from allowing their personal financial motivations to trump their obligations to the public.

- 1) Any interest of the spouse or domestic partner of an official or employee which interest is related to the spouse’s or domestic partner’s independent occupation, profession, or employment;
- 2) Any ownership through purchase at fair market value or inheritance of less than one percent of the shares of a corporation, or any corporate subsidiary, parent or affiliate thereof, regardless of the value of or dividends on such shares, if such shares are registered on a securities exchange pursuant to the Securities Exchange Act of 1934, as amended;
- 3) The authorized compensation paid to an official or employee for his office or employment;
- 4) Any economic benefit provided equally to all residents of the City;
- 5) A time or demand deposit in a financial institution;
- 6) An endowment or insurance policy or annuity contract purchased from an insurance company.” (2-156-010(l) (emphasis added).)

Business relationship means “any contractual or other private business dealing of an alderman, or his or her spouse or domestic partner, or of any entity in which an alderman or his or her spouse or domestic partner has a financial interest, with a person or entity which entitles an alderman to compensation or payment in the amount of \$2,500.00 or more in a calendar year;

provided, however, that the exclusions applicable to a ‘financial interest’, [sic.] as set forth in Section 2-156-010(1), except for the exclusion set forth as Section 2-156-010(1)(a), shall also apply with respect to a ‘business relationship’” and

further provided that “contractual or other private business dealing’ shall not include any employment relationship of an alderman’s spouse or domestic partner with an entity when such spouse or domestic partner has no discretion concerning or input relating to the relationship between that entity and the city.” (2-156-080(b)(2)(ii), -(iii).)

These definitions are overwhelmingly complex, due to their exclusions and, in some cases, exclusions of exclusions. (*See id.*) These three defined terms are used throughout the Ordinance. (*See, e.g., id.* at -030(a), -(b); -080(b)(1), -080(c).) So, for an employee or official to determine whether she has a conflict of interest in a particular situation, she has to first find the relevant conflict-of-interest provision, then see which definition applies, then go back and figure out which exclusions apply, and then identify whether any of the exclusions to the exclusions apply. This is far too difficult.

First, we recommend that the City replace the current definition of “financial interest” with the following:

“Any interest valued or capable of valuation in monetary terms with a current value of more than \$1,000 that is personal to an individual and not conferred by virtue of his or her residence in the City or as his or her compensation for employment.”

In our view, this definition not only gets to the types of financial interest that would be significant enough to materially affect a City employee or official’s independence, but also is much easier to understand.

Second, we recommend that all references to “economic interest” in the Ordinance be removed and replaced with “financial interest,” because there is no need for two separate terms addressing conflicts of interest.

Finally, we recommend that all references to “business relationship” be replaced with the following phrase:

“any business relationship that creates a financial interest on the part of the employee or official, or the domestic partner or spouse of the employee or official”

We believe these revisions would drastically simplify the Ordinance while balancing the need for employees and officials to disclose true conflicts, and would help everyone better understand the conflicts-of-interest rules.

Recommendation 18

Bar officials and employees from working on matters involving a person with whom they are negotiating future employment.

There is no current prohibition on a City official or employee working on or providing advice regarding matters involving a person or entity with whom that City official or employee is negotiating future employment. This opens the door to a situation where a City worker could, for example, negotiate a policy favorable to a company while also negotiating employment with that company, and then leave City employment to take a position with that company immediately after having achieved a positive result for that company that it might not otherwise have received. The risk of misconduct, or even the appearance of misconduct, in these situations is simply too high to permit this type of behavior.

We therefore recommend that the City add a provision to the Ordinance stating that no City official or employee may work on a matter if he is negotiating the possibility of future employment with a third party involved in that same matter. (See Los Angeles Mun. Code § 49.5.12(B) (imposing a similar requirement).)

Recommendation 19

Add a “reverse revolving door” provision.

The Ordinance includes post-employment restrictions on lobbying and representation, but does not address conflicts of interest that could arise with employees or officials who come from the private sector to City government. For example, if an employee leaves his job with a company that sells office furniture to take a job in Procurement Services at the City, he may favor his former company when it submits a bid for a contract to the City or rely on non-public information about the company to reach a decision on its bid.

The risk of inadvertent disclosures is an important factor here – a person cannot “un-learn” what he already knows about his former employer and its current business practices. Relying on this type of insider information raises a host of potential legal issues, from compliance with the securities laws to antitrust violations, and also invites improper contact between the company and the new City employee. A reverse revolving door provision eliminates these concerns by preventing a new employee or official from working on matters relating to his previous employer for a specified period of time.

In reverse revolving door situations, the risk of inadvertent disclosure is an important factor – a person cannot “un-learn” what he already knows about his former employer and their current business practices.

President Obama, via executive order, implemented such a policy for federal appointees and a more stringent policy for former lobbyists. (See Exec. Order No. 13490, 74 Fed. Reg. 4673 (Jan. 26, 2009).) The federal policy prohibits appointees from “participat[ing] in any particular matter

involving specific parties that is directly and substantially related to [their] former employer or former clients, including regulations and contracts[,]” for two years, and prohibits lobbyists from “(a) participat[ing] in any particular matter on which [they] lobbied within the two years before the date of my appointment; (b) participat[ing] in the specific issue area in which that particular matter falls; or (c) seek[ing] or accept[ing] employment with any executive agency that [they] lobbied within the 2 years before the date of [their] appointment.” (*Id.*) While called a “pledge,” the remedies for violation of this pledge include debarment for the companies involved, as well as declaratory, injunctive, or monetary relief from the appointee. (*See id.* at 4676-77.)

We propose a provision preventing any City employee or official from working on any matter for a period of two years from the date of his hire, if that matter involves his former employer or anyone he represented or on whose behalf he acted as a consultant or lobbyist prior to entering government service. Attorneys, of course, are also subject to the professional rules regarding conflicts of representations, which may preclude an attorney from ever working on certain matters involving a prior client. These policies should be discussed during the hiring process.

Recommendation 20

Expand the definition of “relative” to include brother-in-law and sister-in-law.

Currently, “relative” is defined as “a person who is related to an official or employee as spouse or as any of the following, whether by blood or by adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister, half-brother or half-sister.” (2-156-10(w).)

We propose that this definition be expanded to include brother-in-law and sister-in-law, as well, as we believe that these close relationships are equally capable of giving rise to conflicts of interest as the relationships currently included in the Ordinance.

Gifts

Sections 2-156-040 and -050 of the Ordinance relate to gifts, and prohibit employees and officials from soliciting, receiving, or accepting gifts from third parties who are doing business with the City, seek to do business with the City, or may be trying to influence the performance of an employee’s or official’s duties. These types of gifts are prohibited because of the risk that this type of gift could influence decisions made in the course of the employee’s or official’s City work and impair the employee’s or official’s impartiality.

Recommendation 21

Strengthen and clarify the City’s gift provisions by prohibiting any official or employee from (a) intentionally soliciting any gift, and (b) knowingly accepting any gift, unless the total value of all gifts given by a single source amounts to less than \$50 in the course of a calendar year.

The State of Illinois enacted a gift ban as part of its ethics act in 2004. Part of this act requires that each “governmental entity,” of which Chicago is one, pass gift restrictions that are “no less restrictive” than those included in the State gift ban. (5 ILCS 430/70-5(a).) In response, the City added a provision to the penalties section of the Ordinance stating that an employee who solicits, accepts, offers, or makes a gift in a manner that would violate the State Ethics Act shall be penalized by a fine of between \$1,001-\$5,000. (2-156-410(c).) This is very confusing for City employees and officials, who have to read the Ordinance and the State Ethics Act to determine the applicable rules.

Furthermore, each department may set its own gift rules.¹ The Department of Procurement Services, for example, wary of the complexities of the existing rules, simply established an absolute gift ban regarding gifts from vendors. (3.21.12 Interview of J. Rhee, Chief Procurement Officer.) We recommend that other City departments likewise carefully review their contract management and purchasing to determine whether they too should adopt a standard stricter than that called for by the State Ethics Act, given the nature of their work.

Recently, Mayor Emanuel called upon the sister agencies to implement a similar ban for all those persons involved in contracting and procurement at their respective agencies. Additionally, shortly after he took office, Mayor Emanuel issued Executive Order 2011-3. This Order addresses gifts among employees and protects employees from coercion by limiting their ability to give gifts to their superiors and, concurrently, their superiors’ ability to receive such gifts.

The result is a series of regulations and suggestions that overlap and, at times, are inconsistent. While, in some instances, the City’s provisions are stronger – for example, the City bars cash gifts and anonymous gifts – the problem is that the City and the State use different statutory drafting techniques to define who is covered by their provisions and who is barred from receiving certain gifts. This is an area where clarity is extremely important. Currently, City employees and officials can be punished for violating the State Ethics Act and Executive Order 2011-3 (to the extent they are executive branch officials); they must have clear notice of the laws that apply to them.

The State of Illinois, the City of Chicago, and City departments all regulate gifts to employees and officials. These regulations and suggestions overlap and, at times, are inconsistent.

¹ These departmental rules should be on file with the Board and subject to public inspection.

After reviewing both the State Ethics Act and the Ordinance, we believe that neither gift ban adequately address the problems of conflicts of interest that are raised by giving gifts to City employees and officials. For example, the State Ethics Act’s definition of “prohibited source” may not be broad enough to encompass all situations where a gift could be influential. Likewise, the Ordinance’s cap of \$50 on any one-time gift and \$100 cumulative cap on gifts from a single source in the course of a year are confusing, particularly when one looks at who may (or may not) give those gifts.

We have reviewed the gift bans of all 50 states, as collected by the National Council of State Legislatures, as well as the gift bans of various cities, among them, New York, San Francisco, Los Angeles, and Philadelphia. There is enormous variance among these states’ laws, and many of them are profoundly complex. Many of these gift bans, like the City’s, include caps on one-time gifts and/or on the total value of gifts from a single source in the course of a year. Many, if not most, define a “restricted” or “prohibited source.”

Our review of these provisions has led us to conclude that a gift ban must be a meaningful limitation that has reasonable exceptions and is easy to understand. We therefore suggest a wholesale rewrite of Chicago’s gift ban, as described below. Because our proposed gift ban is *more* restrictive than the State Ethics Act, it does not need to incorporate the State Ethics Act’s provisions and penalties.

The Gift Ban. First, we recommend that the City strengthen and simplify the gift ban by including the following provisions:

No official or employee shall solicit any gift.

No official or employee shall knowingly accept any gift, unless the total value of all gifts given by a single source amounts to less than \$50 in the course of a calendar year.

No one shall intentionally offer or make a gift that violates this section.

These bans apply to and include the spouse, domestic partner, and immediate family of the official or employee.

This is a clear rule that applies equally to all employees, and allows for *de minimis* gifts to be given under general principles of civility and common courtesy.

The Form of Permitted Gifts. Second, we recommend that the City maintain – and, with regards to the use of gift cards, expand – its existing restrictions on the form of gifts. Namely, no one should solicit, accept, offer, or give:

- An anonymous gift. (2-156-040(a).)
- Any gift of cash, gift cards, or a cash equivalent. (*See id.* at -040(c).)

Exclusions to the Gift Ban. Third, we recommend that the City track the format of the State Ethics Act, by creating certain exclusions to the gift ban. Many of these are common-sense exclusions and are drawn from the State Act and the current Ordinance. For example, the gift ban should *not* apply to:

- An opportunity, benefit, loan, or service open to the public on the same terms. (*See* 5 ILCS 430/10-15(1); 2-156-040(d)(ii).)
- Anything for which fair market value was paid. (5 ILCS 430/10-15(2).)
- A lawful campaign contribution, provided that it is properly reported to the extent required by law, or activities associated with a fundraising event in support of a political organization or candidate. (*See id.* at -15(3); 2-156-040(d)(iii).)
- A gift from a “relative,” as the City defines that term. (*See* 5 ILCS 430/10-15(6);2-156-040(c).)
- A gift from a personal friend, unless there is reason to believe that, under the circumstances, the gift was provided because of the official position or employment of the official or employee. (*See* 5 ILCS 430/10-15(7).)
- Bequests, inheritances, and other transfers at death. (*Id.* at -15(11).)
- Gifts given to an individual on behalf of the City of Chicago, provided that such gifts must immediately be reported to the Board and to the comptroller, who shall add such gifts to an inventory of City property. (*Id.* at -15(10); 2-156-040(f).)
- An award for public service, provided that the award is not cash, gift cards, or a cash equivalent. (*See* 2-156-040(d)(i).)

There are also a few, more nuanced exclusions that we believe should be included, so that the gift ban would not apply to:

- Materials or travel expenses for meetings related to a public or governmental educational purpose, provided that any travel has been approved in advance by the staff of the Board. (*See* 5 ILCS 430/10-15(4)-(5).)

- Food, refreshment, lodging, transportation, or other benefits solely resulting from the outside business or employment activities of the official or employee, if of the sort customarily provided to others in similar circumstances. (*See id.* at -15(9).)
- Reasonable hosting, including travel and expenses, entertainment, meals or refreshments furnished in connection with meetings, public events, appearances, or ceremonies related to official business.² (*See id.* at -040(d)(iv).)

Additional Restrictions on Gifts. Fourth, we recommend that several unique provisions be added to the Ordinance’s gift provisions – or retained, as the case may be.

- The “tips” provision should be retained. This provision bars an official or employee (or his or her relative) from soliciting or accepting anything of value, including gifts, services, or offers of future employment, in return for advice or assistance regarding an operation or business of the City. (2-156-050.)
- The anti-bribery provision should be retained. This provision bars City officials, employees, contractors, and their spouses and immediate family members from accepting anything of value, including gifts, services, or offers of future employment, based on a mutual understanding that the votes, official action, decisions, or judgment of the City official, employee, or contractor concerning City business would be affected. (*Id.* at -040(b).)
- Parts 1, 2, and 3 of Executive Order 2011-3 should be included in the Ordinance to explicitly address employee-to-employee gifts.

Improper Gifts. Finally, we also recommend that the City adopt, in part, the State Ethics Act’s policy regarding improper gifts. The City should permit an employee or official to return an improper gift or turn a tangible gift (such as a fruit basket) over to charity. (*See* 5 ILCS 430/10-30.) However, we do not believe that an employee or official should be permitted to accept an improper gift and make a donation to a charity of her selection in an amount equal to the value of the improper gift. (*See id.*)

² The word “meetings” is added to the current list of events in the Ordinance to reflect that City employees and officials are permitted to consume refreshments at meetings related to their official business. For example, the Task Force observed that many City employees and officials we interviewed would not even accept beverages at their interviews, which were frequently conducted at our pro bono partners’ offices, out of a concern that the beverages would violate the gift ban. “Reasonable hosting” at meetings related to official business of an employee or official should, in our opinion, be permitted. We trust that the Board and City departments can come up with a narrow definition of “reasonable hosting” that is more on the scale of permitting items like donuts and coffee at a meeting, rather than, for example, bottles of expensive wine.

We hope that these provisions are clearer and provide strict, but reasonable limitations on employees and officials. Enforcement and adherence to the gift ban is essential to public trust and to ensuring that conflicts of interest do not emerge. We recommend that departmental leaders be scrupulous in explaining their policies and monitoring activities involving gifts and that the Board strictly enforce this policy.

Recommendation 22

Revise the definition of “gift” in the ethics ordinance.

The current definition of “gift” in the Ordinance is “any thing of value given without consideration or expectation of return.” (2-156-010(m).) We note that the usage of “gift” in the Ordinance is inconsistent with this definition. For example, both the bribery and honoraria provisions include the term “gift.” (*Id.* at -040(b) (bribery), -(g) (discussing honoraria – payments given to speakers or participants in lectures or debates).) But in both these cases, a “gift” is not given without consideration; just the opposite. In the context of bribery, the “gift” is given precisely to ensure that the recipient takes a particular action. (*See id.* at -040(b).) In the context of honoraria, the “gift” is given because the recipient gave a speech or participated in a lecture, debate, etc. (*See id.* at -040(g).)

For this reason, we believe that the “given without consideration or expectation of return” language should be removed from the definition of “gift.”

Recommendation 23

Eliminate honoraria for all officials and employees related to their public employment.

Currently, the Ordinance permits officials and employees to accept honoraria: “Any official or employee who receives any gift or money for participating in the course of his public employment in speaking engagements, lectures, debates or organized discussion forums shall

GIFTS SUMMARY

General Rule:

No gifts unless the total amount of gifts from a single source is less than \$50 for a calendar year.

A “gift” does NOT include:

An opportunity, benefit, loan, or service open to the public on the same terms.

Things for which fair market value was paid.

Campaign contributions.

Gifts from relatives and friends.

Inheritances or bequests.

Materials, and travel expenses relating to trips taken for public or governmental education, if approved by the Board.

Reasonable hosting given in connection with events or meetings relating to official business.

And remember:

No anonymous gifts.

No cash, gift cards, or cash equivalents.

No gifts or tips for doing your job.

No bribes for taking a particular action.

No honoraria for speeches, etc. related to your public employment.

Employee-to-employee gifts are limited.

report it to the board of ethics within five business days.” (2-156-040(g).)

There seems to be a disconnect between the existing honoraria provision and section -050, which prohibits an official or employee from “accept[ing] any money or other thing of value including . . . gifts . . . in return for advice or assistance on matters concerning the operation or business of the city.” (*Id.*) In other words, an official cannot accept a gift for doing his official duties, but *can* accept a gift if he speaks publicly as part of those same duties. This inconsistency should be eliminated.

We believe the better practice is to prohibit these types of cash payments to employees and officials for speaking engagements, lectures, etc. in the course of their public employment. This is consistent with section -050, and with the City’s strong restrictions on cash gifts. (*See id.*; 2-156-040(c).) Such a prohibition is common in both the public and private sector, and when appropriately limited in scope is, in our view, a best practice. Illinois, for example, specifically defines “gift” to include “honoraria for speaking engagements related to or attributable to government employment or the official position of an employee, member, or officer.” (5 ILCS 430/1-5.) As such, honoraria are covered by Illinois’ general gift ban. (5 ILCS 430/10-10.)

We therefore recommend that the City specifically ban honoraria to employees and officials for speaking engagements, lectures, debates, or organized discussion, forums, etc., in the course of their public employment.

Financial Interest Statements

Article II of the Ordinance relates to financial interest statements. Financial interest statements are a type of disclosure that must be filed by certain categories of employees and officials within City government. They are submitted to the Board or, in the case of aldermen, to the City Clerk, and serve as an additional check to ensure that officials and employees do not have undisclosed conflicts of interest between their personal financial interests and their public duties. (2-156-150, -170.)

Recommendation 24

Inform the public of all persons who fail to file their financial interest statements on time.

Financial interest statements must be filed annually. (*Id.* at -150(c).) The public should be made aware of those persons who fail to file in a timely fashion. Public disclosure is likely to be a strong incentive for this information to be provided fully and on time. We recommend that the names of non-filers be posted on the Board’s website within a week of the annual disclosure deadline.

Recommendation 25

Require all new reporting employees to submit a financial interest statement when hired.

Currently, the Ordinance does not require new reporting employees to submit a financial interest statement at the time they are hired. Thus, a reporting employee hired on May 2nd of one year

would not have to report her financial interests until May 1st of the following year. (2-156-150(c).) While the Task Force appreciates that filing financial interest statements can be a burden on employees, we believe that requiring all new reporting employees to file financial interest statements at the time they are hired is important. New employees are less likely to be familiar with the provisions of the ethics ordinance, and less likely to be aware of any relevant conflicts of interest in their background. By requiring these new employees to submit financial interest statements, we hope to give the Board an opportunity to identify any potential ethical violations early and correct any inadvertent violations of the ethics rules as early as possible.

Recommendation 26

Amend the financial interest statement forms to require the disclosure of several categories of more meaningful information.

We commend the City for requiring more robust financial disclosures than the State, but there is room for improvement here as well. While the current financial interest statements require disclosure of certain information above various thresholds, they do not require reporting individuals to disclose the actual amount of their financial interest. (*Id.* at -160(a)-(c).) We do not believe that each reporting individual must disclose his actual financial interest in each category, but we do generally approve of the model followed by the executive branch of the federal government, where filers disclose the amount of their financial interests within certain dollar ranges, by category. (*See, e.g.*, 5 C.F.R. § 2634.301(d); *see also* Standard Form 278 (requiring a filer to state which of twelve categories, ranging from “below \$1,001” to “above \$50 million” accurately reflects a particular financial interest), *available at* www.ogc.doc.gov/documents/sf278.pdf.) We would encourage the City to follow a modified form of this categorical disclosure, where, for

example, an interest of \$25,000 or more is Category A, an interest of \$5,000 to \$24,999 is Category B, and an interest of \$4,999 or less is Category C.

“The current form is fatally flawed because it does not provide the average person any meaningful insight into the economic situation of the public official.”

– Patrick Collins,

Chairman of the Illinois Reform Commission

We believe that a similar disclosure system should be followed in Chicago. As Patrick Collins, Chairman of the Illinois Reform Commission, suggested during his interview: “The current form is fatally flawed because it does not provide the average person any meaningful insight into the economic situation of the public official.” (1.30.12 Interview of P. Collins.) It is important for the public – and the Board, in its review function – to understand the relative significance of the interest that an individual is disclosing.

In addition, the financial interest statements should require disclosure of: (a) any boards (whether of a for-profit or non-profit entity) on which the filer sits and the position the individual holds on that board; (b) any “relatives” (as the term is defined in the Ordinance) who are registered City lobbyists or City contractors; and (c) any gifts that the reporting individual reported to the Board and returned to the City Comptroller that year because they violated the gift provisions.

Recommendation 27

Revise the ethics ordinance so the Board receives all financial interest statements.

Currently, aldermen must file their financial interest statements with the City Clerk, who then forwards them to the Board within seven working days. (2-156-170.) As a result, there are two different systems for submitting, receiving, and searching these statements, despite the fact that the Ordinance calls for the Board to receive a copy of each alderman's statement after filing. (*Id.*) The Ordinance also permits two separate forms to be used – one for aldermen (designed by the City Clerk) and one for all other employees and officials (designed by the Board). (*Id.*)

As a matter of efficiency and consistency, all financial interest statements should be submitted on the same form, to the same body, and available electronically in the same place. We recommend that the Board receive, evaluate, and publish all financial interest statements.

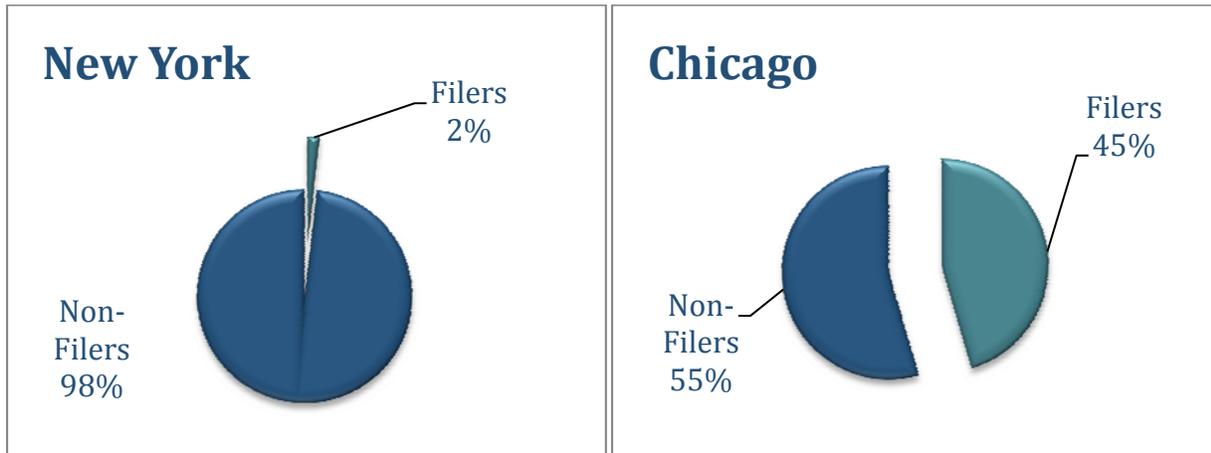
It also appears that approximately 3,000 City employees file financial disclosures, on different forms, with both the City and Cook County. (4.11.12 Interview with S. Berlin.) The City should pursue whether it is possible to develop a standard disclosure form for both the City and the County. In this vein, we are aware that Lieutenant Governor Sheila Simon is currently leading a statewide task force on financial interest reporting, which includes representatives of the City. We look forward to her task force's report and encourage the City to review that report's findings for applicability within the City, including any opportunities for harmonizing the State, County, and City disclosure forms.

Recommendation 28

Focus the financial interest statement filing requirements on key personnel and encourage the Board to conduct more meaningful review of the statements.

According to the Board, nearly one-half of the City's workforce currently files financial interest statements, requiring the Board to process, on average, over 15,000 statements per year. (1.31.12 Interview of S. Berlin.) This volume of statements is burdensome, and prevents the Board from adequately reviewing them for potential conflicts of interest or wrongdoing. By comparison, New York City, which has nearly ten times the number of employees that Chicago has, receives about 6,000 financial interest statements annually, representing only 2% of its workforce. (*Id.*; see Table 2.)

Table 2: New York “Filers” vs. Chicago “Filers”



Were the City to reduce the number of reporting individuals, the Board could spend time substantively auditing statements it receives in more depth to determine the accuracy of reporting, rather than spending most of its time on the ministerial task of determining whether all reporting individuals actually filed their statements.

We propose that the City reduce the number of reporting individuals by requiring only certain, key individuals to report. These individuals should include all elected officials (including all aldermen), all appointed officials, all employees of the Mayor’s office, all City Council staff, and all persons who are the head of any department or serve in a senior decision-making role within a department. In addition, those who serve in positions that may be more likely to raise conflicts-of-interests issues – such as inspectors or those with contract management authority – should also be required to file financial interest statements. We believe this latter category of reporting individuals could be refined through discussions with the Human Resources Department, the Mayor’s office, and the Board.

Prohibited Political Activities

Section 2-156-140 of the current ordinance relates to prohibited political activity by employees or officials during the performance of their public duties. Among other things, the provisions of this section – and similar laws at the State level – prevent public servants from being compensated for time spent in the exercise of their political rights, and prevent supervisors from requiring their employees to engage in political activity as part of their government jobs.

The State defines “prohibited political activities” as:

1. Preparing for, organizing, or participating in any political meeting, political rally, political demonstration, or other political event.

2. Soliciting contributions, including but not limited to the purchase of, selling, distributing, or receiving payment for tickets for any political fundraiser, political meeting, or other political event.
3. Soliciting, planning the solicitation of, or preparing any document or report regarding any thing of value intended as a campaign contribution.
4. Planning, conducting, or participating in a public opinion poll in connection with a campaign for elective office or on behalf of a political organization for political purposes or for or against any referendum question.
5. Surveying or gathering information from potential or actual voters in an election to determine probable vote outcome in connection with a campaign for elective office or on behalf of a political organization for political purposes or for or against any referendum question.
6. Assisting at the polls on election day on behalf of any political organization or candidate for elective office or for or against any referendum question.
7. Soliciting votes on behalf of a candidate for elective office or a political organization or for or against any referendum question or helping in an effort to get voters to the polls.
8. Initiating for circulation, preparing, circulating, reviewing, or filing any petition on behalf of a candidate for elective office or for or against any referendum question.
9. Making contributions on behalf of any candidate for elective office in that capacity or in connection with a campaign for elective office.
10. Preparing or reviewing responses to candidate questionnaires in connection with a campaign for elective office or on behalf of a political organization for political purposes.
11. Distributing, preparing for distribution, or mailing campaign literature, campaign signs, or other campaign material on behalf of any candidate for elective office or for or against any referendum question.
12. Campaigning for any elective office or for or against any referendum question.
13. Managing or working on a campaign for elective office or for or against any referendum question.
14. Serving as a delegate, alternate, or proxy to a political party convention.
15. Participating in any recount or challenge to the outcome of any election.

(5 ILCS 430/1-5.)

Recommendation 29

Provide clear rules for prohibited political activities by incorporating the State Ethics Act's relevant provisions so elected officials, their political organizations, and employees know what the rules are with respect to staff, equipment, space, and time.

When Illinois passed the State Ethics Act, it included provisions regarding prohibited political activities. (5 ILCS 430/5-15.) As with the gift ban, the State determined that each governmental entity must pass laws governing prohibited political activities that are “no less restrictive” than those included in the State Ethics Act. (5 ILCS 430/70-5(a.)) At the State’s direction, the Illinois Attorney General developed language that local governments could incorporate in their respective ordinances. We have modified the language suggested by the Attorney General for clarity and to ensure that only the pertinent provisions apply to elected officials, as follows:

- a. No employee shall intentionally perform any prohibited political activity during any compensated time. No official or employee shall intentionally use any property or resources of the City of Chicago in connection with any prohibited political activity.
- b. At no time shall any official or employee intentionally require any other official or employee to perform any prohibited political activity (i) as part of that official or employee’s duties, (ii) as a condition of employment, or (iii) during any compensated time off (such as vacation or personal time off).
- c. No official or employee shall be required at any time to participate in any prohibited political activity in consideration for that official or employee being awarded additional compensation or any benefit, whether in the form of a salary adjustment, bonus, compensatory time off, continued employment or otherwise, nor shall any official or employee be awarded additional compensation or any benefit in consideration for his or her participation in any prohibited political activity.
- d. Nothing in this Section prohibits activities that are permissible for an official or employee to engage in as part of his or her official duties, or activities that are undertaken by an official or employee on a voluntary basis which are not prohibited by this Ordinance.
- e. No person either (i) in a position that is subject to recognized merit principles of public employment or (ii) in a position the salary for which is paid in whole or in part by federal funds and that is subject to the Federal Standards for a Merit System of Personnel Administration applicable to grant-in-aid programs, shall be denied or deprived of employment or tenure solely because he or she is a member or an officer of a political committee, of a political party, or of a political organization or club.

(Illinois Attorney General, Model Ethics Ordinance § 5-5-1.) The City would also need to adopt the definitions of “compensated time”³ and “prohibited political activity” from the State Ethics Act, modified as necessary to apply to City employees and officials. (*See* 5 ILCS 430/1-5.)

These provisions have not been incorporated into Chicago’s ethics ordinance. Instead, the Ordinance incorporates these provisions only in its penalties section, where it states that any employee or official who intentionally violates 2-156-020 (regarding fiduciary duty) or -060 (regarding the unauthorized use of city property) in a manner that would violate the State Ethics Act is guilty of a Class A misdemeanor as defined in the Illinois Criminal Code. (2-156-410(b).) These two provisions are very broad, and do not provide sufficient guidance for employees and officials regarding the specific conduct that the State intended to regulate.

City employees and officials can be punished for violating the State’s prohibited political activities provisions. As a matter of fairness and clarity, these provisions should be included in the Ordinance and employees and officials must be educated about these standards.

Campaign Finance

There is a separate campaign finance ordinance, at Chapter 2-164 of the Chicago Municipal Code, although the area of campaign finance is largely regulated by the State.

Recommendation 30

Prohibit City employees and officials from soliciting, accepting, or giving campaign contributions on City property.

This recommendation seeks to eliminate any appearance of impropriety associated with such contributions, and is analogous to similar provisions used by Los Angeles and Illinois. (*See* L.A. Mun. Code § 49.7.8D.) When the Illinois provision is modified to account for a municipal environment, it states: “Contributions shall not be intentionally solicited, accepted, offered, or made on [City] property by public officials, by [City] employees, by candidates for elective office, by [lobbyists], or by any officers, employees, or agents of any political organization, except as provided in this Section.” (5 ILCS 430/5-35.) “[City] property” would be defined as “any building or portion thereof owned or exclusively leased by the [City] or any [City] agency at the time the contribution is solicited, offered, accepted or made[,]” provided that it “does not however, include any portion of a building that is rented or leased from the [City] or any [City] agency by a private person or entity.” (*Id.*) We encourage the City to add such a provision to its campaign finance provisions.

³ “Compensated time” is defined as “any time worked by or credited to a [City] employee that counts toward any minimum work time requirement imposed as a condition of employment with [the City], but does not include any designated [City] holidays or any period when the employee is on a leave of absence.” (5 ILCS 430/1-5.)

Recommendation 31

Bar City employees and officials from knowingly seeking political contributions from anyone they supervise in their City employment.

No employee should ever feel coerced or compelled to donate to a political campaign at the request of a supervisor. The Ordinance currently bars officials or employees from “compel[ling], coerc[ing], or intimidat[ing]” another City official or employee to make (or not make) a political contribution. (2-156-140(a).) While this provision covers the most egregious situations, we believe that it should be extended to bar any City official or employee from knowingly soliciting any political contribution from an employee whom he supervises.

We recognize that this provision could be subject to inadvertent violation if an elected official were to use a purchased list that includes City employees. As such, the Board should adopt a set of good faith standards to guide the conduct of elected officials and communicate to employees that they should not be subject to solicitation, while also addressing practical considerations.

Penalties

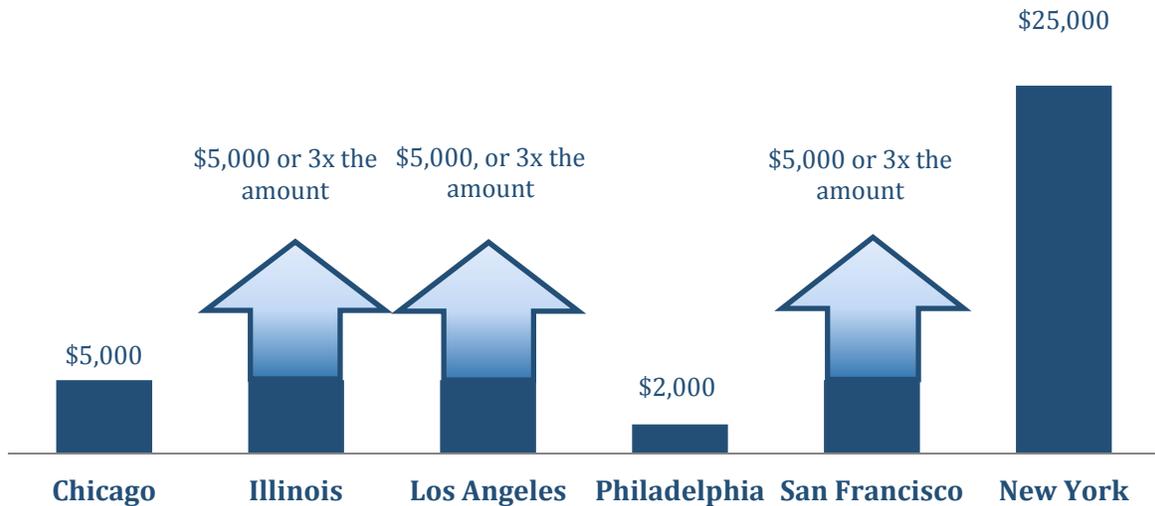
Recommendation 32

Simplify and increase the penalties for violations of the ethics ordinance.

As currently written, the penalties for violating the ethics ordinance are complicated, inconsistent, and difficult to ascertain. We recommend that penalties be broken into five categories: failing to complete training, failing to file (by employees or officials), failing to file (lobbyists), violations, and obstruction of an investigation. We recommend that a presumptive fine for each category be set, and that the Board be empowered to raise or lower a fine based on the aggravating or mitigating factors applicable in a given case.

We also note that Chicago’s maximum penalties for violations of the ethics ordinance and obstruction of an investigation may be insufficient to deter unethical conduct. The maximum penalties set by law for a violation of Chicago’s Ordinance are on the lower end of the scale when compared to the penalties that may be imposed by other cities’ ethics institutions. (*See Table 3.*)

Table 3: A Comparison of Maximum Penalties for Ethics Violations



We believe it is a best practice to tie the maximum penalties for violations involving the transfer of money or property to the value of the transferred property. (*See id.*) Otherwise, a person who receives a \$10,000 gift in violation of the gift ban would still retain a benefit, even after paying any penalties associated with the improper gift.⁴

Further, we note that fines for ethics violations are rarely levied and collected. It is essential that fines serve as an appropriate deterrent and that the policy is administered strictly and consistently.

To ensure compliance with the State Ethics Act, the Ordinance should state that penalties for violating the gift ban and the prohibited political activities provisions shall include a fine of at least \$1,001. (*See* 5 ILCS 430/70-5(a) (requiring that local government entities regulate these areas in a manner “no less restrictive than Section 5-15 and Article 10 of this Act”).)

Recommendation 33

Increase mandatory penalties for failing to file financial interest statements to \$250 (from \$20).

The existing penalties appear to be rarely enforced and, due to their small amount, are unlikely to have a meaningful deterrent effect. Given that financial interest statements need only be filed

⁴ This same logic applies to the penalties imposed by the campaign finance ordinance, which currently imposes a fine of up to \$500 on “[a]ny person who is found by a court to be guilty of knowingly violating any of the provisions of this chapter . . .” (2-164-110.) We recommend revising this language to make the penalties for violations of the campaign finance and ethics ordinances similar.

annually, we believe that all filers must file on time, and that the failure to do so should be more severely punished, by both increased fines and public disclosure, as described in Recommendation 27.

Recommendation 34

Make the penalties for improper campaign contributions reciprocal.

The campaign finance ordinance places caps on the amount of contributions that may be made to candidates for City office and City officials and employees. (*See* 2-164-040(a).) A fine of up to \$500 may be imposed on “[a]ny person who is found by a court to be guilty of knowingly violating any of the provisions of this chapter . . .” (2-164-110.) While this provision prevents any “person who has done business with the City [or the sister agencies] within the preceding four reporting years or is seeking to do business with the City, [or the sister agencies]” and any lobbyist from making campaign contributions exceeding \$1,500 in a single election, there is no reciprocal punishment imposed on a candidate or her political action committee (“PAC”).

We believe that a PAC should be fined for knowingly receiving money in violation of the campaign finance laws, unless the PAC voluntarily returned the improper contribution within 14 days of its receipt. We recommend that the penalty imposed be no less than the amount of the contribution given, and support the use of a multiplier, as in Recommendation 32.

“A culture that promotes openness and accountability will also encourage public officials to be responsive and effective.”

– Chicago Ethics Reform Task Force

“Chicago can . . . tell the public what the ethics laws are, set out clear rules for its employees to follow, provide training to help them follow these rules, and give its ethics institutions the power to enforce the laws and the penalties associated with them.”

– Chicago Ethics Reform Task Force

“Ethics gets the City in the same kind of trouble as safety and other types of violations, but we have no monthly ethics meetings.”

– City of Chicago employee

INVESTIGATIONS & ENFORCEMENT: A PREVIEW

Part II of the Task Force’s Report will comprehensively address the critical areas of investigations and enforcement. We are still developing our final recommendations in these areas, but we believe it is important for us to now put forward some basic information to frame the key considerations and explain why these issues are so complex – and deserving of additional study.

Many of the provisions of the ethics ordinance regarding investigations and enforcement are confusing, overly complex, and create inefficiencies – particularly when the ethics ordinance is read alongside the two inspectors general ordinances. Three distinct entities have some responsibility for receiving, investigating, and resolving complaints regarding violations of the ethics (and campaign finance) ordinances: the Board, the IG, and the LIG.

The Board is empowered to receive complaints regarding ethical breaches (or violations of the campaign finance ordinance) by any City employee or executive branch official; investigate any City employee, whether in response to a complaint, or on its own initiative; and recommend discipline for an executive branch official or employee. (*Id.* at -380(a), (b), -390(b).) It is also empowered to hold a hearing and reach a determination regarding whether an alderman or his staff member has violated the Ordinances. (*Id.* at -395.)

Both the IG and LIG have jurisdiction over subjects covered in the ethics and the campaign finance ordinances, though the IG’s authority extends far beyond these subjects. (2-55-060(a); 2-56-030(a), -(c).) Both IGs can receive complaints – the IG regarding executive branch employees and the LIG regarding legislative branch employees – and have the power to investigate potential violations of the ethics and/or campaign finance laws. (2-55-060(a)-(b); 2-56-030(a)-(b).) The LIG must petition the Board for authority to conduct an investigation, while the IG has the power to conduct his own investigation without Board supervision. (*Compare* 2-56-030 through -050 (IG), *with* 2-55-060(b) (LIG).)

There is a substantial amount of overlap between the functions performed by these entities, particularly with respect to investigations of executive branch employees, which may be conducted by both the IG and the Board, and may result in a report and recommendation from both entities.

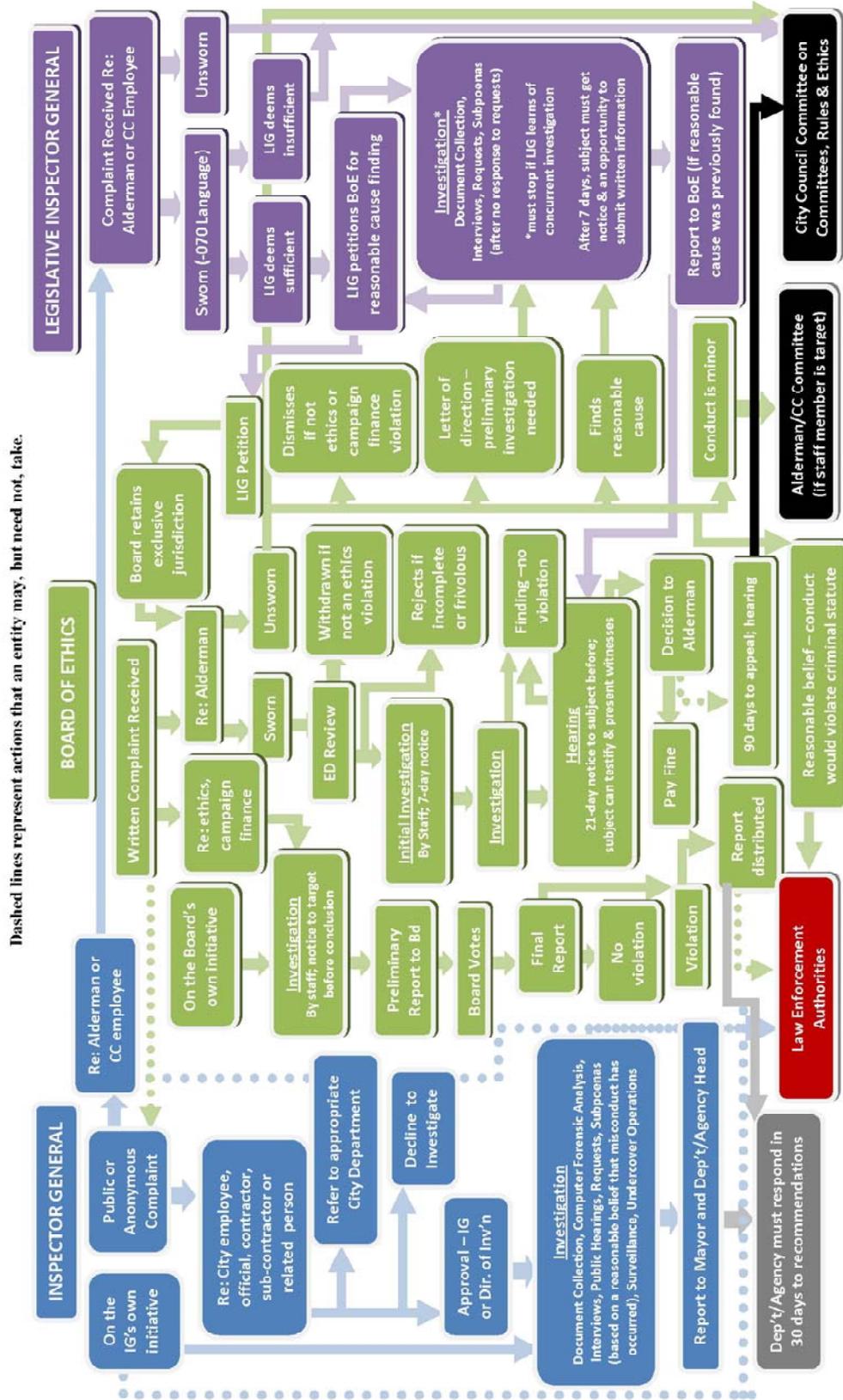
Under the current ordinances, there is a substantial amount of overlap between the functions performed by these entities, particularly with respect to investigations of executive branch employees, which may be conducted by both the IG and the Board, and may result in a report and recommendation from both entities. (*See* Table 4.) Numerous interviewees – including the Executive Director of the Board, the IG, and the LIG – emphasized that this overlap is problematic. We agree.

Thus, one of the chief goals of the Task Force is to clarify the relationship between the appropriate ethics institutions, for the sake of those subject to the process and the public, and to promote efficiency and inter-agency comity.

Table 4, included below, outlines our analysis of how the three ordinances (ethics, inspector general, and legislative inspector general) currently interact with regard to ethics issues. As Table 4 shows, the current system is far too complex. We hope to simplify and clarify this process, and we are developing our recommendations to this end.

We will fully address the investigation and enforcement of ethics violations in Part II of our Report, which we expect to release in late July.

Table 4: The Current Investigation and Adjudication Process for Ethics and Campaign Finance Violations



The vast majority of elected officials and public employees in Chicago are decent, honorable, and hard-working people who strive to do the right thing for our City.

We believe that these public servants should be celebrated for taking on a role of service to others and that they, in turn, deserve assurances that their colleagues and supervisors are living up to the same standard of honesty and integrity.

CONCLUSION

We realize that the recommendations of Part I are as numerous as they are wide-ranging. We have attempted to conduct a comprehensive review of the most critical provisions in Chicago's ethics ordinance, and, in the course of this review, have identified both major and minor areas for improvement. Again, we are continuing our analysis of the issues relating to the investigation and enforcement of ethics violations, and expect that our analysis in those areas may generate still more reform proposals relating to some of the topics addressed above.

In the meantime, we hope that this initial report will spur further discussions and debate on these important topics, and inspire all stakeholders toward action to advance the City's ethics agenda. We have sought to suggest ways for the City to simplify the ethics ordinance, so that it is easier for everyone to understand; to close the loopholes in the existing law, so that the public can be confident that a wider range of unethical behavior is addressed by the Ordinance; to increase transparency and improve public information; and to identify ways to improve education and training so that all employees get meaningful information about how to comply with the ethics rules.

We recognize that there are significant matters that we have not discussed, or that are outside our mandate. While we addressed certain topics broadly at the outset of this part of our Report, there is one matter that deserves special mention: the ethic systems of the sister agencies. The Task Force did not investigate the sister agencies' ethics procedures or institutions, and has not made recommendations regarding oversight of ethics at these agencies. Without understanding the nuances of each agency's structure and its relationship to the City, the Task Force simply cannot make any recommendations regarding these agencies. We encourage the Mayor to continue to evaluate whether the sister agencies should be governed by the same ethical principles and structure as the rest of City government, and recommend that further study regarding the enforcement of ethics rules at the sister agencies be conducted.

We look forward to continuing our study of ethics in Chicago, and the release of Part II of our report by late July.

APPENDICES

A. *Persons interviewed by the Task Force*

In the course of our work, we had the good fortune to interview dozens of people who were thoughtful and engaged, and who provided insight into how ethics affects the daily lives of City employees and officials. We are deeply grateful to everyone who took the time to meet with us, and we thank them for enabling us to carry out our work with a better appreciation of the substance, nuances, and challenges of governmental ethics. This appendix, Appendix A, lists everyone that we interviewed.

Chicago and Illinois

Steven Berlin

Executive Director, Chicago Board of Ethics. Jan. 23, 2012, Feb. 1, 2012, and April 11, 2012.

Alderman Howard Brookins

21st Ward of Chicago. March 9, 2012.

Alderman Edward Burke

14th Ward of Chicago. March 8, 2012.

Patrick Collins

Partner, Perkins Coie, and Chair, Illinois Reform Commission. Jan. 30, 2012.

Alderman Rey Colon

35th Ward of Chicago. March 7, 2012.

Ellen Craig

Former Commissioner, Illinois Executive Ethics Commission. Feb. 1, 2012.

Alderman Timothy Cullerton

38th Ward of Chicago. Feb. 23, 2012.

James Faught

Secretary and Commissioner, Illinois Executive Ethics Commission and Associate Dean for Administration, Loyola University Chicago School of Law. Feb. 7, 2012.

Joseph Ferguson, Theodor J. Hengesbach, and Jonathan Davey

Inspector General, Deputy Inspector General, and Executive Administrative Assistant, respectively, for the Office of the Inspector General, City of Chicago. Feb. 2, 2012 and April 16, 2012.

Chad Fornoff

Executive Director, Illinois Executive Ethics Commission. Feb. 10, 2012.

Brian Gladstein, David Morrison, and Whitney Woodward

Executive Director, Deputy Director, and Policy Analyst, respectively, for the Illinois Campaign for Political Reform. March 13, 2012.

Hanke Gratteau

Former Managing Editor, Chicago Tribune and Member, Illinois Reform Commission. March 13, 2012.

Maria Guerra and Farzin Parang

First Deputy Director, Office of Legislative Counsel and Government Affairs and Assistant to the Mayor, respectively, City of Chicago. April 5, 2012.

David Hoffman

Former Inspector General, City of Chicago, and Member, Illinois Reform Commission. Feb. 3, 2012.

Thomas Homer

Legislative Inspector General, Illinois. March 14, 2012.

Dan Hynes

Former Comptroller, Illinois. Feb. 21, 2012.

Matt Hynes

Director, Office of Legislative Counsel and Government Affairs, City of Chicago. April 12, 2012.

Faisal Khan

Legislative Inspector General, City of Chicago. Feb. 9, 2012 and April 16, 2012.

Abner Mikva

Retired Judge, U.S. Court of Appeals for the D.C. Circuit, Former Member of the U.S. House of Representatives, and Former White House Counsel. March 1, 2012.

Alderman Patrick O'Connor

40th Ward of Chicago. March 9, 2012.

Lawrence Oliver

Chief Counsel, Investigations, The Boeing Company, and Member, Illinois Reform Commission. Feb. 27, 2012.

Alderman Matthew O'Shea

19th Ward of Chicago. Feb. 23, 2012.

Terry Pastika

Executive Director, Citizen Advocacy Center. March 6, 2012.

Steve Patton and Leslie Darling

Corporation Counsel and First Assistant Corporation Counsel, City of Chicago. Feb. 24, 2012 and April 16, 2012.

Jorge Ramirez

President, Chicago Federation of Labor. March 6, 2012.

Jamie Rhee and James McIsaac

Chief Procurement Officer and General Counsel, Chicago Department of Procurement Services. March 21, 2012.

Miguel Ruiz

Chairman, Chicago Board of Ethics. Jan. 31, 2012.

Z. Scott

Former Executive Inspector General, Office of the Governor of Illinois. March 7, 2012.

Michael Shakman

Partner, Miller Shakman & Beem LLP. Feb. 16, 2012.

Andy Shaw, Robert Reed, Robert Herguth, and Emily Miller

President and CEO, Director of Programming and Investigations, Editor of Investigations, and Policy and Government Affairs Coordinator, respectively, for the Better Government Association. Feb. 8, 2012 and March 5, 2012.

Dick Simpson

Professor, University of Illinois at Chicago. Feb. 23, 2012.

Alderman Danny Solís

25th Ward of Chicago. March 12, 2012.

Scott Turow

Former Chair and Member, Illinois Executive Ethics Commission. Feb. 8, 2012.

National

George Brown

Professor of Law, Boston College Law School. Jan. 23, 2012.

Carol Carson

Executive Director, Connecticut Office of State Ethics. Feb. 2, 2012.

Kathleen Clark

Professor of Law, Washington University School of Law. Feb. 14, 2012.

Terry Cooper

Professor, Sol Price School of Public Policy, University of Southern California. Feb. 22, 2012

Mark Davies, Wayne Hawley, and Carolyn Miller

Executive Director, Deputy Executive Director, and Director of Enforcement, respectively, of the New York Conflict of Interest Board. Jan. 20, 2012 and Feb. 3, 2012.

David Freel

Former Executive Director, Ohio Ethics Commission, and Professor, Ohio State University. Feb. 7, 2012.

Heather Holt and David Tristan

Executive Director and Executive Deputy Director, Los Angeles City Ethics Commission. Feb. 9, 2012.

Peggy Kerns

Director, National Conference of State Legislatures Center for Ethics in Government. Feb. 29, 2012.

Carol Lewis

Professor Emeritus, University of Connecticut. Feb. 20, 2012.

Moira McGinty Klos, Skip Lowney, and Matt Robbins; Michael Brainard

Senior Vice-President, Senior Project Manager, and Researcher/Project Manager, respectively, for the Ethics Resource Center; CEO and Founder, Brainard Strategy. Feb. 22, 2012.

Zackery Morazzini

General Counsel, California Fair Political Practices Commission. Jan. 26, 2012.

Judy Nadler

Senior Fellow, Government Ethics, Santa Clara University, and Former Mayor of Santa Clara, California. March 22, 2012.

Michael Schwartz

Former Chair, Philadelphia Ethics Commission. Jan. 27, 2012.

Rayman Solomon and Emil Moschella

Dean and Professor of Law, Rutgers University School of Law, Camden, and Former Chief of the FBI's Legal Advice and Training Section and Member of Rutgers Center for Government Compliance and Ethics, respectively. Feb. 10, 2012.

JoAnne Speers

Executive Director, Institute for Local Government. Jan. 26, 2012.

John St. Croix

Executive Director, San Francisco Ethics Commission. Jan. 20, 2012.

Bob Stern

Former General Counsel, California Fair Practices Commission. Feb. 17, 2012.

Peter Tober and Mark Holmes

Executive Director and Deputy Director, respectively, of the New Jersey State Ethics Commission. Jan. 30, 2012.

Robert Wechsler and Carla Miller

Director of Research, CityEthics.org and Founder, CityEthics.org and Ethics Officer for the City of Jacksonville, Florida, respectively. Feb. 13, 2012.

B. Resources reviewed by the Task Force

There are many organizations dedicated to the study and practice of governmental ethics, including the Ethics Resource Center, the Chicago Board of Ethics, the Better Government Association, the New York Conflict of Interest Board, the Illinois Campaign for Political Reform, the Markkula Center for Applied Ethics, and CityEthics.org, among many others. We are indebted to these organizations for their materials and statements regarding ethics, and we have reviewed many of their publications. This appendix, Appendix B, lists the resources considered by the Task Force.

Ordinances, Statutes, Regulations, & Executive Orders

CHICAGO ORDINANCES, REGULATIONS, & EXECUTIVE ORDERS

Campaign Financing Ordinance

Chi. Mun. Code 2-164

City of Chicago Board of Ethics Amended Rules and Regulations (effective Feb. 26, 2010)

(www.cityofchicago.org/content/dam/city/depts/ethics/general/rules-regs-2010.pdf)

Department of Human Resources

Chi. Mun. Code 2-74

Governmental Ethics Ordinance

Chi. Mun. Code 2-156

IGO Investigative Rules and Regulations (March 30, 2012)

(http://chicagoinspectorgeneral.org/wp-content/uploads/2011/10/Final-IGO-Rules-and-Regulations_3-30-12.pdf)

Office of Inspector General

Chi. Mun. Code 2-56

Office of Legislative Inspector General

Chi. Mun. Code 2-55

Office of Mayor Rahm Emanuel

Executive Order 2011-1

Executive Order 2011-2

Executive Order 2011-3

Executive Order 2011-4

Executive Order 2011-5

Executive Order 2011-6

Officers and Employees Ordinance

Whistleblower protection, Chi. Mun. Code 2-152-171

OTHER ORDINANCES, STATUTES, REGULATIONS, & EXECUTIVE ORDERS

Arizona

Conflicts of Interest of Officers and Employees, Ariz. Rev. Stat. Ann. § 38-501 to -511.

Atlanta, GA

Standards of Conduct, Atlanta Code of Ordinances, §§ 2-801 to -2-824.

Baltimore, MD

Ethics, Balt. Code §§ 1-1 to -9-22.

Boston, MA

Notification of Employees Regarding Municipal Ethics Laws, Boston Mun. Code § 5-5.40

California Research Bureau

Cal. Research Bureau, Cal. State Library, Local Government Ethics Ordinances in California (1998).

CityEthics.org

CityEthics.org, Model Ethics Code (2006).

Connecticut

State agency ethics compliance officers. Duties. Liaisons., Conn. Gen. Stat. § 1-101rr.

Dallas, TX

Code of Ethics, Dallas City Code §§ 12A-1 to -42.

Delaware

Hearings and Rules of the Delaware State Public Integrity Commission IV.

Judicial Review, Del. Code Ann. Tit. 29, § 5810A.

Denver, CO

Code of Ethics, Denver Rev. Mun. Code §§ 2-51 to -69.

Detroit, MI

Ethics, Detroit City Code §§ 2-6-1 to -130.

Federal Government

Exec. Order No. 13490, 74 Fed. Reg. 4673 (Jan. 26, 2009).

Interests in Property, 5 C.F.R. § 2634.301(d).

U.S. Office of Government Ethics' Standards of Ethical Conduct for Employees of the Executive Branch, 5 C.F.R. § 2635.101.

Fort Worth, TX

Code of Ethics, Fort Worth Code of Ordinances §§ 2-236 to -265.

Hawaii

Duties of Commission; complaint, hearing, determination, Haw. Rev. Stat. § 84-31(e).

Houston, TX

Ethics and Financial Disclosure, Houston Code of Ordinances §§ 18-1 to -105.

Illinois

Illinois Governmental Ethics Act, 5 ILCS 420.

Lobbyist Registration Act, 25 ILCS 170.

State Officials and Employees Ethics Act, 5 ILCS 430.

Indiana

Adjudication Proceedings Before the State Ethics Commission, 40 Ind. Admin. Code 2-3-1 to -8.

Violations; penalties; sanctions, Ind. Code § 4-2-6-12.

Indianapolis, IN

Ethics Code, Indianapolis Code of Ordinances, §§ 293-101-403.

Ethics Code for Councillors, Indianapolis Code of Ordinances, §§ 151-1101 through -1104.

Jacksonville, FL

Jacksonville Ethics Code, Jacksonville Code of Ordinances, §§ 602-101 to -1213.

Los Angeles, CA

Governmental Ethics Ordinance, L.A. Mun. Code § 49.5.1 *et seq.*

Investigations and Enforcement, L.A. Admin. Code § 24.1.2

L.A. Executive Directive No. 7 (7.12.06)

Louisiana

La. Rev. Stat. tit. 42 §§ 1101 to -1170.

Maine

Authority, Procedures, Me. Rev. Stat. tit. 1 § 1013 2.G.

Massachusetts

Conduct of Public Officials and Employees, Mass. Gen. Laws Ch. 268A, §§ 1-29.

Minneapolis, MN

Ethical practice board, Minneapolis Code of Ordinances § 15.210(a).

New Jersey

Conflicts of Interest, N.J. Rev. Stats. §§ 52:13D-12 to -28.
N.J. Uniform Ethics Code § I.

New Orleans, LA

Ethics, New Orleans Code of Ordinances §§ 2-691 to -810.

New York

Office of the State Comptroller N.Y., Model Code of Ethics for Local Governance (2010).
(www.osc.state.ny.us/localgov/pubs/codeofethics.pdf)

New York City

Chapter 68 of the City Charter – The Conflicts of Interest Law.
Administrative Code § 12-110 - The Financial Disclosure Law.

North Carolina

Ethics education program, N.C. Gen. Stat. § 138A 14.

Pennsylvania

Ethics Standards and Financial Disclosure, Definitions, 65 Pa. Cons. Stat. § 1102.

Ethics Standards and Financial Disclosure, Wrongful Use of this chapter, 65 Pa. Cons. Stat. § 1110.

Philadelphia

Ethics Board, Phila. Home Rule Charter § 3-806.

Philadelphia Board of Ethics, Regulations Nos. 1-9.

Standards of Conduct and Ethics, Phila. Code §§ 20-601 to -615.

Violations and Penalties, Phila. Code §§ 20-1301 to -1302.

Phoenix, AZ

Provisions of State Law to Apply, Phoenix City Charter, Ch. XI § 1.

Portland, OR

Code of Ethics, Portland City Code §§ 1.03.010 to -.050.

Regulation of Lobbying Entities, Portland City Code §§ 2.12.010 to -.130.

Rhode Island

Adjudicative powers of the Commission, R.I. Gen. Laws § 36-14-13(g).

Rhode Island League of Cities and Towns

Rhode Island League of Cities and Towns, Ethics and Conflicts of Interest: A Guide for Municipal Officials (2005).

San Antonio, TX

Code of Ethics, San Antonio Code of Ordinances §§ 2-41 to -95.

San Diego, CA

City of San Diego Ethics Ordinance, San Diego Mun. Code §§ 27.3501 to -.3595.

Ethics Commission, San Diego Mun. Code §§ 26.0401 to -.0456.

San Diego Municipal Election Campaign Control Ordinance, San Diego Mun. Code §§ 27.2901 to -.2991.

Municipal Lobbying, San Diego Mun. Code §§ 27.4001 to -.4055.

San Francisco, CA

Ethics Commission, Regulations for Investigations and Enforcement Proceedings, I-XV.

San Francisco Campaign and Governmental Conduct Code §§ 1.100-4.135.

Washington, DC

Election Campaigns; Lobbying; Conflict of Interest, D.C. Code §§ 1-1100.01 through -1108.01.

Websites

CHICAGO RESOURCES

Chicago Board of Ethics

(www.cityofchicago.org/ethics)

City Clerk's website for legislative history

(www.chicityclerk.com/intro_and_passed_leg.htm)

Office of the Inspector General, City of Chicago

(www.chicagoinspectorgeneral.org)

ETHICS ORGANIZATIONS

Brookings Institute

(www.brookings.edu/execed/programs/catalog/Ethics_s.aspx)

City Ethics

(www.cityethics.org)

The Council on Governmental Ethics Laws

(www.cogel.org)

Ethics Resource Center

(www.ethics.org)

Markkula Center for Applied Ethics at Santa Clara University

(www.scu.edu/ethics/practicing/focusareas/government_ethics)

National Conference of State Legislatures

(www.ncsl.org)

Rutgers Center for Government Compliance and Ethics

(rcgce.camlaw.rutgers.edu)

Zicklin Center for Business Ethics Research

(www.zicklincenter.org)

OTHER GOVERNMENTAL RESOURCES

Atlanta Board of Ethics

(www.atlantaethics.org)

Baltimore City Board of Ethics

(www.baltimorecity.gov/Government/BoardsandCommissions/EthicsBoard.aspx)

Connecticut Office of State Ethics

(www.ct.gov/ethics/site/default.asp)

Dallas Ethics Advisory Commission

(www.ci.dallas.tx.us/ethics/index.shtml)

District of Columbia Board of Elections and Ethics

(www.dcboee.org/home.asp)

Houston Ethics Commission

(<http://cbtcws.cityofhouston.gov/BoardsCommApplicationForm/BoardDesc.aspx?boardid=47>)

Illinois Executive Ethics Commission

(www2.illinois.gov/eec/Pages/default.aspx)

Illinois Legislative Ethics Commission

(www.ilga.gov/commission/lec/default.asp)

Illinois Executive Inspector General

(www2.illinois.gov/oeig/Pages/default.aspx)

Illinois Legislative Inspector General

(www.ilga.gov/commission/lig/default.asp)

Indiana Office of Inspector General

(www.in.gov/ig)

Los Angeles City Ethics Commission

(ethics.lacity.org)

Maine Commission on Governmental Ethics and Election Practices

(www.state.me.us/ethics/index.htm)

Massachusetts State Ethics Commission

(www.mass.gov/ethics)

Miami-Dade County Commission on Ethics & Public Trust

(www.miamidadeethics.com/index.html)

New Jersey State Ethics Commission

(www.nj.gov/ethics/agency)

New York City Conflicts of Interest Board

(www.nyc.gov/html/conflicts/html/home/home.shtml)

North Carolina Ethics Commission

(www.ethicscommission.nc.gov/ethicliaisons.aspx)

Philadelphia Board of Ethics

(www.phila.gov/ethicsboard)

Rhode Island Ethics Commission

(www.ethics.ri.gov)

Sacramento City Clerk Disclosures and Ethics

(www.cityofsacramento.org/clerk/financialdisclosures/index.html)

San Diego Ethics Commission

(www.sandiego.gov/ethics)

San Francisco Ethics Commission

(www.sfethics.org)

Texas Ethics Commission

(www.ethics.state.tx.us)

U.S. Office of Governmental Ethics

(www.usoge.gov)

Specific Reports and Resources

“100-Day Report,” Illinois Reform Commission (4/28/09)

(www.reformillinoisnow.org/press%20releases/IRC%20100-Day%20Report%20-%20Final.pdf)

“2008-2009 Annual Report,” Chicago Board of Ethics

(www.cityofchicago.org/content/dam/city/depts/ethics/general/AnnualReports/Ann-Rpt-08-09.pdf)

“2009 City of Chicago Compliance and Integrity Survey,” Ethics Resource Center (12/15/09)
(hard copy)

“Chicago and Illinois, Leading the Pack in Corruption: Anti-Corruption Report No. 5,” Dick Simpson, James Nowlan, Thomas J. Gradel, Melissa Mouritsen Zmuda, David Sterrett, and Douglas Cantor (Feb. 15, 2012)
(hard copy from D. Simpson)

***Challenging the Culture of Corruption: Game-Changing Reform for Illinois*, Patrick M. Collins (2010)**
(hard copy)

City of Chicago Standard Terms and Conditions for Contractors
(electronic copy from the Department of Procurement Services)

Codes of Conduct of Fortune 500 companies
(ethisphere.com/code-dataset)

Executive Branch Personnel, Public Financial Disclosure Report, Standard Form 278
(www.ogc.doc.gov/documents/sf278.pdf)

Inspector General’s Office Administrative Policies and Procedures
(<http://chicagoinspectorgeneral.org/wp-content/uploads/2011/09/IGO-Administrative-Policies-and-Procedures-9-15-201111.pdf>)

“Inspectors General and Government Corruption: A Guide to Best Practices and an Assessment of Five Illinois Offices,” Business and Professional People for the Public Interest (May 2011)
(www.bpichicago.org/documents/BPIIGReport2011.pdf)

Letter from Thomas J. Homer to the Members of the 97th Illinois General Assembly regarding the Illinois Governmental Ethics Act (Aug. 10, 2011)
(electronic copy from Thomas J. Homer)

***Local Government Ethics: A Resource and Advocacy Book*, Robert Wechsler (2011 draft)**
(electronic copy from R. Wechsler)

Memorandum to the Hon. Richard M. Daley, Mayor, from the Board of Ethics Re: IGO Report/Recommendations Regarding Gifts, December 20, 20120 (Jan. 28, 2011)
(electronic copy from S. Berlin)

“Municipal Ethics and State Government: Four Approaches and Their Application to Connecticut State Government,” Connecticut Office of State Ethics (Oct. 31, 2006).
(www.cga.ct.gov/gae/METF/doc/Office%20of%20State%20Ethics%2010.31.06%20Final%20Report.pdf)

Philadelphia Task Force on Ethics and Campaign Finance Reform: Final Report and Recommendations (Dec. 10, 2009)

(www.palwv.org/philadelphia/TaskForceFinalReport121009.pdf)

Proposals for Reform: Report of Special Assistant Corporation Counsel Thomas P. Sullivan (March 16, 1987)

(hard copy from the Chicago public library)

Report and Recommendation of the Inspector General Regarding Gifts from Contractors to City of Chicago Employees, to Mayor Richard M. Daley (Dec. 20, 2010)

(<http://chicagoinspectorgeneral.org/wp-content/uploads/2010/12/Gift-Ban-Rec-Report.pdf>)

“Restoring the Public Trust: An Agenda for Ethics Reform of State Government and a Proposed Model for New Jersey,” 57 RUTGERS L. REV. 1175 (2005).

(hard copy from P. Franzese)

C. Written testimony received by the Task Force

We also received written testimony from some of the individuals we interviewed. We greatly appreciate the time and efforts that each of these individuals dedicated to preparing these thoughtful comments. Please see Appendix C, at www.cityofchicago.org/ethicstaskforce, for the full text of this testimony.

Steven Berlin

Executive Director, Chicago Board of Ethics. “Prepared Statement of Steven I. Berlin for the Mayoral Ethics Task Force.” Jan. 23, 2012.

Mark Davies

Executive Director, New York Conflict of Interest Board. “Statement to the Ethics Reform Task Force.” Feb. 14, 2012.

D. Comments received by the Task Force

Finally, in the course of our public hearings and through our website, we obtained constructive, frank, and specific comments regarding ethics regulation and Chicago's ethics institutions. The breadth and depth of these comments demonstrate the level of engagement in Chicago regarding ethical issues, and the desire for a strong ethical culture. All of these public comments have been compiled, below, as Appendix D, and are available at <https://webapps.cityofchicago.org/EthicsTaskForce/forums/list.page> In addition, the Task Force received 30 private comments, submitted via comment cards at the public hearings, letter, and the Task Force email address.

The following persons submitted public comments to the Task Force:

Ray Lopez Calderón

Testimony to Ethics Reform Task Force. Common Cause Illinois. Olive Harvey College, Chicago. Feb. 15, 2012.

Ellen Craig

"Notes for Chicago Ethics Task Force Public Hearing." Olive Harvey College, Chicago. Feb. 15, 2012.

Alderman Timothy Cullerton

Testimony to Ethics Reform Task Force. Truman College, Chicago. March 12, 2012.

Derek Eder

Open City, "Testimony to the City of Chicago Ethics Reform Task Force." Truman College, Chicago. 12 March 2012.

Brian Gladstein

"Testimony to the Chicago Ethics Reform Task Force." The Illinois Campaign for Political Reform. Olive Harvey College, Chicago. Feb. 15, 2012.

Deborah Harrington

"Testimony by CHANGE Illinois! to the City of Chicago's Ethics Reform Task Force." CHANGE Illinois! Olive Harvey College, Chicago. Feb. 15, 2012.

Ricardo Meza

"Statement of Executive Inspector General Ricardo Meza Before the: Chicago Ethics Task Force." Truman College, Chicago. March 12, 2012.

Lawrence Oliver

Testimony to Ethics Reform Task Force. Truman College, Chicago. March 12, 2012.

Z Scott

Testimony to Ethics Reform Task Force. Olive Harvey College, Chicago. Feb. 15, 2012.

Andy Shaw and Emily Miller

Testimony to Ethics Reform Task Force. Better Government Association. Truman College, Chicago. March 12, 2012.

Dick Simpson

“Chicago is the Corruption Capital of America.” Olive Harvey College, Chicago. Feb. 15, 2012.

Whitney Woodward

“Testimony to the Chicago Ethics Reform Task Force.” Illinois Campaign for Political Reform. Truman College, Chicago. 12 March 2012.

GLOSSARY

Advisory Opinion An answer from the Board of Ethics in response to a question posed by an employee or official of the City regarding a specific ethics or campaign finance issue. Currently, advisory opinions may be formal or informal, and informal opinions may be written or verbal.

Board The Board of Ethics consists of seven members appointed by the Mayor with City Council approval. The Board administers and enforces both the ethics ordinance and the campaign finance ordinance. The Board serves as an advisory body to city employees and elected officials to help educate and ensure compliance with Chicago’s ethics laws. The Board also regulates lobbyist activity and maintains financial disclosure information.

Day One calendar day.

Economic Interest Defined in 2-156-010(i) of the ethics ordinances as “any interest valued or capable of valuation in monetary terms; provided, that ‘economic interest’ is subject to the same exclusions as ‘financial interest.’”

Ethics Officer An employee or official who serves within a particular City department or agency and who, in addition to their normal job responsibilities, assists the Board of Ethics with various tasks relating to the ethics ordinance. These tasks include helping the Board determine current employee rosters and directing ethics questions to the Board.

Executive Director The head staff member of an agency. For example, the Executive Director of the Board of Ethics, Steve Berlin, advises city employees and elected officials regarding compliance with Chicago’s ethics laws.

Executive Order A written order or directive issued by the Mayor, the head of the executive branch of Chicago, without the vote of the City Council. Executive orders generally apply to all executive branch employees, provided that there is no conflict with a pre-existing collective bargaining agreement or the Illinois Public Labor Relations Act. (See 5 ILCS 315/15(a)-(c).)

Financial Interest Defined in 2-156-010(l) of the ethics ordinance as “(i) any interest as a result of which the owner currently receives or is entitled to receive in the future more than \$2,500.00 per year; (ii) any interest with a cost or present value of \$5,000.00 or more; or (iii) any interest representing more than ten percent of a corporation, partnership, sole proprietorship, firm, enterprise, franchise, organization, holding company, joint stock company,

receivership, trust or any legal entity organized for profit; provided, however, financial interest shall not include

1. Any interest of the spouse or domestic partner of an official or employee which interest is related to the spouse's or domestic partner's independent occupation, profession, or employment;
2. Any ownership through purchase at fair market value or inheritance of less than one percent of the shares of a corporation, or any corporate subsidiary, parent, or affiliate thereof, regardless of the value of or dividends on such shares, if such shares are registered on a securities exchange pursuant to the Securities Exchange Act of 1934, as amended;
3. The authorized compensation paid to an official or employee for his office or employment;
4. Any economic benefit provided equally to all residents of the city;
5. A time or demand deposit in a financial institution;
6. An endowment or insurance policy or annuity contract purchased from an insurance company."

Financial Interest Statements

Documents required to be submitted by certain City employees regarding their economic and financial interests on an annual basis.

FOIA

Freedom of Information Act. Enacted in 1966, FOIA is a federal law that gives citizens the right to access many types of information from their government. Illinois also has a state FOIA law. (5 ILCS 140 *et seq.*)

Gift

Defined in 2-156-010(m) of the ethics ordinance as "any thing of value given without consideration or expectation of return."

Honoraria

Payments given for services that are traditionally given for free, such as making a speech.

IG

The Office of Inspector General. This office is tasked with investigating complaints of corruption, waste, mismanagement, and misconduct by City employees and officials, except for aldermen and employees of the City Council or the sister agencies.

LIG

The Office of the Legislative Inspector General. This position was created in 2010 to receive and investigate complaints of misconduct by aldermen and City Council employees. As of the writing of this report, the LIG had begun serving his term at the end of 2011 and had no staff reporting to him.

Ordinance

In this report, Ordinance refers to the Governmental Ethics Ordinance (Chi.

Mun. Code 2-156), which sets up the Board of Ethics, lays out ethics rules and is administered by the Board.

PAC

A political action committee, abbreviated “PAC,” is an organization that campaigns for or against political candidates, ballot initiatives, or legislation.

Prohibited Source

Defined by the Illinois State Officials and Employees Act as “any person or entity who:

1. is seeking official action (i) by the member or officer or (ii) in the case of an employee, by the employee or by the member, officer, State agency, or other employee directing the employee;
2. does business or seeks to do business (i) with the member or officer or (ii) in the case of an employee, with the employee or with the member, officer, State agency, or other employee directing the employee;
3. conducts activities regulated (i) by the member or officer or (ii) in the case of an employee, by the employee or by the member, officer, State agency, or other employee directing the employee;
4. has interests that may be substantially affected by the performance or non-performance of the official duties of the member, officer, or employee;
5. is registered or required to be registered with the Secretary of State under the Lobbyist Registration Act, except that an entity not otherwise a prohibited source does not become a prohibited source merely because a registered lobbyist is one of its members or serves on its board of directors; or
6. is an agent of, a spouse of, or an immediate family member who is living with a ‘prohibited source.’” (5 ILCS 430/1-5.)

Reverse Revolving Door

The movement of personnel from private sector jobs who deal with government or are affected by government legislation and regulation into government jobs.

Revolving Door

The movement of personnel between from government jobs into private sector jobs that deal with or are affected by government legislation and regulation.

Shakman

Civil litigation brought by a lawyer, Michael Shakman. The litigation alleged that political patronage was improperly considered in the hiring and promotion of individuals for jobs in the City of Chicago and Cook County. The City is bound by the decree resolving this lawsuit, and has a court-appointed monitor who oversees its compliance with the decree.

Sister Agencies

Agencies that were created by state statutes, and retain a degree of independence from the City as a result. The Sister Agencies include the Chicago Public Schools, the City Colleges of Chicago, the Chicago Park District, the Chicago Housing Authority, the Public Building Commission, and the Chicago Transit Authority. They are not subject to the authority of the IG or the LIG.

Whistleblower

A person who reports misconduct, unethical or illegal activities to an authority figure. The act of disclosing this type of behavior often subjects the whistleblower to retaliation, and for this reason many laws and corporate policies exist to protect whistleblowers

