

BOARD OF ETHICS
OPEN SESSION MINUTES

February 19, 2014 - 3:19 p.m.
740 North Sedgwick, Suite 500

BOARD MEMBERS PRESENT

Russell F. Carlson
Hon. Michael J. Gallagher
Frances R. Grossman
Daisy S. Lezama

Stephen W. Beard, Chair (*Present via teleconference*)

STAFF PRESENT

Steven I. Berlin, Executive Director
Lisa S. Eilers, Deputy Director
Richard J. Superfine, Legal Counsel
Ana Collazo, Attorney Investigator
Pauilly Casillas, Staff Assistant

BOARD MEMBER ABSENT

Mary T. Carr
Hon. Julia M. Nowicki

ATTENDEES

Mark Anderson, NBC Ward Room

The members present (Mary T. Carr and Hon. Julia M. Nowicki, absent) elected Russell F. Carlson to act as Chair *Pro Tem*.

The attendee, Mark Anderson, was welcomed and asked to introduce himself.

I. APPROVAL OF MINUTES

The Board VOTED 5-0 (Mary T. Carr and Hon. Julia M. Nowicki, absent) to approve the Open Session Minutes of the January 22, 2014 meeting.

II. CHAIR'S REPORT

Deferred

III EXECUTIVE DIRECTOR'S REPORT

A. EDUCATION-CLASSES

Since the last Board meeting, we have held 2 classes in our offices, on January 23 and February 6. 23 persons attended. There are classes scheduled for February 20 and March 6—32 persons are scheduled to attend.

On February 3, staff presented the first of 4 or 5 classes for aldermen and their staff members (City and campaign staff are welcome), with a focus on campaign contribution laws. 5 employees and one alderman attended.

This morning, staff made a short presentation to all Human Resources specialists in all City departments and City Council on finalizing lists of filers of 2014 Statements of Financial Interests.

On March 10 and 20, staff will conduct two classes for Commissioners and Service Providers of Special Service Areas (SSAs), continuing the process by which all SSA Commissioners and Executive Directors of Service Providers will be trained.

B. ON-LINE TRAINING

The City reached 100% compliance with 2013 on-line training for employees. Staff will provide a more detailed report in Executive Session. We are currently drafting the 2014 training program.

Staff has completed the lobbyist training program, and it will go live later this week. All lobbyists will be notified of their log-in procedures, and have until July 1, 2014 to complete the program.

C. LOBBYISTS

As of today, we have processed registrations of 584 lobbyists for 2014, and collected \$242,750 in 2014 registration fees. 84 lobbyists will be notified that they violated the Ordinance because they filed lobbying documents late, but did file before the date the Executive Director could assess a fine. 16 lobbyists were notified that they were assessed fines for not timely filing a registration or a termination report. 4 of those 16 also separately are late in filing their activity reports; they have been separately notified. No fines have been assessed yet, because the date on which the Executive Director may assess fines is not until February 19. 1 lobbyist was notified of being late only in filing the activity report.

D. STATEMENTS OF FINANCIAL INTERESTS

At the end of 2013, we had received and posted on our website 3,509 Statements of Financial Interests from those persons required to file them in 2013. All but 6 appointed officials have filed. These 6 were found to have violated the Ordinance, and their names sent to the Mayor's Office for possible sanctions, including removal from office. Staff has been in frequent communication with the Mayor's Office on this matter. Earlier in the year, the Board found 44 employees and 19 appointed officials in violation of the law for failing to file 2013 Statements of Financial Interests as required, and assessed fines totaling just over \$12,000.

Staff has received documentation from all departments and the City Council regarding listings of all 2014 filers. On or about February 28, all such filers will receive their required notice to file via email. We anticipate about 3,550 filers in 2014.

E. PROPOSED AMENDMENTS TO THE ORDINANCE

Amendments to § 2-156-018 of the Ordinance, which require City contractors to report to the Inspector General information concerning conduct known to involve corrupt activity, were passed by the City Council at the February 5 meeting. It becomes effective on March 5, 2014. We are amending all relevant educational materials to cover this change, and are preparing a training film for vendors (featuring the Mayor) that will cover this requirement.

F. INFORMAL ADVISORY OPINIONS

In January 2014, the agency issued 458 confidential advisory opinions. The leading categories were lobbying, gifts, travel, and post-employment. About one-third of these opinions were issued to lobbyists. Staff will prepare a more detailed breakdown of informal opinions for a later Board meeting.

G. UPDATED WEBSITE

On our website, we posted detailed guides to filing ethics complaints with both Inspectors General, as well as lists of all ethics officers in departments and aldermanic offices, summaries of the City's whistleblower and mandated reporting provisions in the Ordinance. The Board also posts on its website disclosures filed by City Council members as required by law (about 35 in 2013; we have posted these since 1998), as well as other required disclosures (such as business travel taken and gifts accepted on behalf of the City), and other disclosures that are not required by law (such as returned gifts). In 2013, more than 200 of these were posted. To date in 2014, there are approximately 30 entries.

H. RULES & REGULATIONS

Staff sent out the latest draft for public comment and to other departments, including both Inspectors General, Law, Administrative Hearings, and City Council. Our intention is to submit them to the City Council in March. The Rules & Regulations would become effective 45 days after submission to City Council, unless the City Council votes (by majority vote) to disapprove them.

I. FREEDOM OF INFORMATION ACT

Since the last regularly scheduled Board meeting, the office has received 2 new requests under the Freedom of Information Act: 1 request for records with respect to a chauffeur's license, and 1 request for the numbers of all campaign financing complaints and investigations conducted involving alderman or their political committees since 2003, and the identity of those investigated. As to the first, the requestor was advised we were the incorrect agency and had no responsive records. As to the second, the request was granted in part (numbers were supplied), denied in part (names were deleted), due to confidentiality.

IV. DEPUTY DIRECTOR'S REPORT

None

V. OLD BUSINESS

1. Status: Case No. 13014.OLIG, Hearing Pursuant to Section 2-156-395 (2012OLIG0040)
2. Status: Case No. 13009.OLIG, Hearing Pursuant to Section 2-156-395 (2013OLIG0003)
3. Status: Case No. 12031.OLIG, Hearing Pursuant to Section 2-156-395 (2012OLIG0009)

The staff and Board member Gallagher summarized the three successive meetings held on January 29 with the attorneys for the three respondents in these cases.

4. Campaign Financing Investigations: Status

The Executive Director reported that the two ordinances submitted by Alderman Patrick O'Connor regarding investigation of campaign financing violations as to City Council candidacies are still pending in the City Council's Rules Committee.

5. Status on Amendments to Board Rules and Regulations

The Executive Director said that he would forward to the Board members comments received from other departments. He also explained, for the benefit of the guest attendee, that the draft Rules and Regulations are posted on the Board's website.

VI. NEW BUSINESS

6. Report on Amendment to Section 2-156-018 of the Ordinance.

The Executive Director reported that, at its February 5 meeting, the City Council voted to amend this section of the Ordinance, based on the Mayor's proposal. The amendments take effect on March 5, 2014. Staff is updating its educational materials to cover the requirements imposed by this change, which requires contractors to report known corrupt activity concerning the performance of a City contract to the Inspector General, and provides that failure to so report constitutes an event of breach under the contract. The terms corrupt activity and known or knowing are defined in other sections of the City's Municipal Code.

The guest attendee, Mr. Anderson, then posed several questions relating to investigations of campaign financing cases regarding contributions to City Council members or their political committees. These were answered by the Executive Director.

At 4:05 p.m., Chair Stephen W. Beard, who was present via teleconference, excused himself from the meeting.

The Board VOTED 4-0 (Stephen W. Beard, Mary T. Carr and Hon. Julia M. Nowicki, absent) to adjourn into Executive Session at 4:06 p.m. under 5 ILCS 120/2(c)(1) to discuss the appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body or legal counsel for the public body, including hearing testimony on a complaint lodged against an employee of the public body or against legal counsel for the public body to determine its validity. And, in addition, the Board voted to adjourn into Executive Session under 5 ILCS 120/2(c)(4) to hear and discuss evidence or testimony in closed hearing as specifically authorized pursuant to Governmental Ethics Ordinance Section 2-156-395 (the Ordinance applicable to this matter) and the Board's Rules and Regulations, 4A-2, "Hearings on Complaints Against Aldermen" as amended, effective February 26, 2010, presented to a quasi-adjudicative body, as defined in the Illinois Open Meetings, provided that the body prepares and makes available for public inspection a written decision setting forth its determinative reasoning.

VII. MATTERS CONSIDERED BY THE BOARD IN EXECUTIVE SESSION

I. APPROVAL OF EXECUTIVE SESSION MINUTES

The Board confirmed that in executive session it VOTED 4-0 (Stephen W. Beard, Mary T. Carr and Hon. Julia M. Nowicki, absent) to approve the minutes of the January 22, 2014 meeting.

II. CASES

A. ADVISORY OPINIONS

1. Case No. 13053.A, Outside Employment

The Board had "tabled" this matter for further consideration at its February Board meeting. The Board determined and VOTED 4-0 (Stephen W. Beard, Mary T. Carr and Hon. Julia M. Nowicki, absent) to direct staff to issue an advisory opinion stating that an employee not in violation of the Ordinance's "money for advice" provision, §2-156-142(f), because the employee's outside employment with a City "sister agency" is *wholly unrelated* to the employee's City duties.

2. Case No. 14006.A, Reverse Revolving Door

By a VOTE of 4-0 (Stephen W. Beard, Mary T. Carr and Hon. Julia M. Nowicki, absent), the Board accepted staff's recommendation and determined that: (i) an employee had violated the reverse revolving door provision, §2-156-111(d); (ii) the violation was minor pursuant to §2-156-070(b); and (iii) the Board would send the employee and her departmental superiors an admonition letter pursuant to §2-156-070(b), and distribute educational materials regarding this minor violation.

B. QUERY/CONSULT SUMMARY

3. Case No. 14002.C, Referral

Staff reported that it received a complaint from a retired Chicago Fire Department

employee alleging discrimination and retaliation. As none of the allegations implicated the Governmental Ethics Ordinance, but perhaps other City rules, the staff dismissed the complaint and referred it, pursuant to §2-156-380(b), to the Inspector General's Office for action it deems appropriate.

4. Case No. 14005.Q, Post-Employment

Staff reported on written advice it had provided to a former City Department head, advising him of the various one-year, two-year and permanent post-employment restrictions to which he is subject.

C. ONLINE ETHICS TRAINING

5. Case Nos. 14001.01.TR et seq., 2013 Online Ethics Training Report

Staff reported that, pursuant to §2-156-145 of the Ordinance, seven employees were found in violation for failing to complete their training by December 31. However, none of the employees were fined because each completed the training within the 7-day notice period. Staff notified the employees and their respective department heads of their violations and recommended that the Department record or document the violation in their permanent personnel file. The Board VOTED 4-0 (Stephen W. Beard, Mary T. Carr and Hon. Julia M. Nowicki, absent) to make the names of these employees public on its website for 30 days.

III. OLD BUSINESS

A. Other Matters

6. Case No. 13014.OLIG, Hearing Pursuant to §2-156-395 (2012OLIG0040)
7. Case No. 13009.OLIG, Hearing Pursuant to §2-156-395 (2013OLIG0003)
8. Case No. 12031.OLIG, Hearing Pursuant to §2-156-395 (2012OLIG0009)

The Board VOTED 4-0 (Stephen W. Beard, Mary T. Carr and Hon. Julia M. Nowicki, absent) to accept the opinions of the City's Corporation Counsel as to the three cases in which the Board has already made a preliminary finding that there is probable cause to conclude that the Ordinance may have been violated, and to proceed in these cases--and as to future cases presented to the Board based on concluded investigations by either Inspector General--according to the procedural provisions provided in §§2-156-385, -392 et al. of the Ordinance, as amended on July 1, 2013.

9. Campaign Financing Investigations

The Board VOTED 4-0 (Stephen W. Beard, Mary T. Carr and Hon. Julia M. Nowicki, absent) to approve and publish a draft letter regarding campaign financing investigations, subject to the approval and direction of the Chair.

At 5:52 p.m., the Board VOTED 4-0 (Stephen W. Beard, Mary T. Carr and Hon. Julia M. Nowicki, absent) to adjourn the meeting.