

**BOARD OF ETHICS**  
**OPEN SESSION MINUTES**

July 23, 2014 - 3:13 p.m.  
740 North Sedgwick, Suite 500

**BOARD MEMBERS PRESENT**

Stephen W. Beard, Chair  
Russell F. Carlson  
Mary T. Carr  
Hon. Michael J. Gallagher  
Frances R. Grossman  
Dr. Daisy S. Lezama

Hon. Julia M. Nowicki (*Present via teleconference*)

**STAFF PRESENT**

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

**I. APPROVAL OF MINUTES**

The Board VOTED 7-0 to approve the Open Session Minutes of the May 14, 2014 meeting. The June 18, 2014 Board meeting was cancelled.

**II. CHAIR'S REPORT**

The Chair announced that Judge Gallagher would be resigning his membership on the Board effective immediately after the meeting, and warmly thanked him for his services to the Board, in which members and staff unanimously joined.

**III EXECUTIVE DIRECTOR'S REPORT**

**A. 2015 BUDGET**

On July 11, we submitted the agency's 2015 budget appropriation request, for \$782,604, which represents a .01% increase over our 2014 appropriation. It contains no request for new staff. The modest increase is due to two non-personnel accounts: i) the increased cost to run our Canon multi-purpose photocopy machine, scanner and fax; and ii) the fact that the 2015 COGEL Conference will be held in Boston, a Tier I (most expensive) city, as opposed to Pittsburgh, a Tier III (less expensive) city.

**B. EDUCATION-CLASSES**

Since the last Board meeting, we have held four (4) classes in our offices, on May 22, June 12, June 26, and July 10. 31 persons attended. There are 19 scheduled for class on July 24, and 21 for August 14.

On May 20, staff made a presentation to the ex-(and likely future) President of the Comoros Islands, at the request of the Mayor's Office.

On May 30, staff conducted the second of three training classes for General Laborers from the Department of Streets & Sanitation. 54 persons attended. The third of these sessions is scheduled for July 25, and there are 47 expected attendees.

On June 6 staff presented a class to the Commissioner and 8 senior managers from the Department of Transportation.

On June 12, staff held a class for 24 employees of the Mayor's Office, at its request.

On June 16, taping was done for a new training video for potential bidders on City contracts, to be shown in the Bid and Bond Room in the Department of Procurement Services. The video includes brief appearances and comments from our Executive Director, along with appearances and comments by the Mayor, Chief Procurement Officer and Inspector General.

On June 23, staff presented a class focusing on the ethics issues faced by its attorneys who represent the City before the Department of Administrative Hearings. 18 attorneys attended, and 1.5 hours of Continuing Legal Education (CLE) credit was awarded to each attendee.

On August 4, staff will make a presentation to all of the participants in the Mayoral Fellows Program.

**C. ON-LINE TRAINING**

**Lobbyists**

As of July 1, all but 1 lobbyist completed the required ethics training by the midnight, June 30 deadline. He was determined to be in violation of the Ordinance, and is subject to a \$1,000 fine for each day he has not trained, beginning July 15. Staff has begun work on the all-new 2014-2015 program.

**Employees and Officials**

To date, 15,158 employees have completed the program, and 107 are in progress. Two (2) aldermen have completed the (separate aldermanic) program (which was posted on June 25).

Staff is in the process of finalizing a DVD version of the training, which is utilized by several departments (upon request) with substantial numbers of employees who do not have regular access to City computers.

**D. LOBBYING**

**Regulation and Enforcement**

As of today, there are 612 registered lobbyists, and we have collected \$323,050 in 2014 registration fees. Quarterly activity reports were due from all registered lobbyists on July 21. All but 26 lobbyists timely filed, and we will send notices per the Ordinance.

Our Electronic Lobbyist Filing System (ELF) sent out courtesy reminders to all registered lobbyists on June 30 and July 10.

**Audit by Inspector General**

On July 9, we were notified by the Inspector General's Office that it will be conducting an audit of the agency's lobbyist registration and reporting practices and procedures (in part in line with the audit conducted by the Cook County Inspector General of the lobbyist registration and reporting practices and procedures administered by the Cook County Clerk). At the preliminary meeting that staff held with the auditors on July 21, we learned that the focus will be on the accuracy and speed with which information is posted on the City's internet data portal, and mechanisms in place for ensuring that all persons required to register as lobbyists do so, and the Board's enforcement procedures for non-registered and late-filing lobbyists.

**E. STATEMENTS OF FINANCIAL INTERESTS**

On February 28, 3,162 employees and officials were notified of their requirement to file 2014 Statements of Financial Interests. As of June 1, all but 76 had filed, and these 76 were determined to have violated the Ordinance, and their names were made public, as required by Ordinance (their names were posted on the Board's website for 30 days, beginning July 3). Seven (7) of these 76 did not file within the statutory grace period, and became subject to fines; 1 paid his \$250 fine; one (1) appointed official's fine was waived for good cause; one (1) employee filed but still owes a \$250 fine; the remaining appointed officials have not filed and their fines continue to accrue.

**F. INFORMAL ADVISORY OPINIONS**

Since the May 2014 meeting and through July 18, the agency issued 647 confidential advisory opinions. The leading categories were Statements of Financial Interests, business travel, political activity, post-employment, service on outside boards, and campaign financing (as we enter the 12 month period prior to a Consolidated Municipal Election).

Staff continues to work with the Department of Innovation & Technology on a "beta" version of a secure, searchable database for all such informal advisory opinions. This will enable Board staff to receive instantaneous reports of opinions issued by topic, department, title, date, etc.

**G. UPDATED WEBSITE/NEW EDUCATIONAL BROCHURES**

Three revised educational brochures were posted to our website: the Plain English Guide to Secondary Employment (Outside Jobs) for City Employees, the Plain English Guide to Political Activity, and the Guide for Businesses and Contractors. We are making arrangements with the Chicago Board of Election Commissioners to distribute material to candidates and their agents before nominating petitions may be circulated (which is on August 26, 2014).

**H. RULES AND REGULATIONS**

Staff has received final comments on its latest draft of its Rules & Regulations from both Inspectors General and the Law Department. Once they are submitted to the City Council they become effective after 45 days, unless the City Council votes (by majority vote) to disapprove them. There will be more discussion on this in Executive Session.

**I. FREEDOM OF INFORMATION ACT**

Since the May 2014 Board meeting, the office has received six (6) new requests under the Freedom of Information Act. The first was for an alderman's statements of financial interests; the second for aldermanic recusals; the third for an attachment to an alderman's statement of financial interests; the fourth was for vendor records; the fifth was for an alderman's older statements of financial interests and all gift disclosures; and the sixth was for a prior alderman's older statements of financial interests. For the first three requests, records were located and a total of 28 pages were turned over to the requestors. The fourth was for records outside of this agency's possession, and was handled to by the City's Department of Law. For the fifth, the Board had no responsive records for one part of the request. However, for the other part of the fifth request, and for the sixth request, the Board referred (with a web site link) the requestors to the Clerk's web site, which is the repository for the aldermanic statements of financial interests for the years requested.

**IV. OLD BUSINESS**

The Chair deferred old business and other matters on the agenda pending the Board's meeting in executive session.

**V. NEW BUSINESS**

None

The Board VOTED 7-0 to adjourn into Executive Session at 3:16 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.

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.

At 5:05 p.m., the Board VOTED 7-0 to reconvene into open session.

**VI. MATTERS CONSIDERED AND ACTED UPON BY THE BOARD IN EXECUTIVE SESSION**

**I. APPROVAL OF EXECUTIVE SESSION MINUTES**

The Board confirmed it had approved the Executive Session minutes of the May 14, 2014 meeting by a 7-0 VOTE in executive session.

**II. CASES**

**A. Office of the Legislative Inspector General**

In Case No. 14027.OLIG [2013OLIG0051 and -0048], the Board VOTED 6-1 to approve the petition to the Board from the Legislative Inspector General to permit it to initiate an investigation.

In Case No. 14028.OLIG [2013OLIG0053], the Board VOTED 7-0 to approve the petition to the Board from the Legislative Inspector General to permit it to initiate an investigation.

In Case No. 14029.OLIG [2014OLIG0042], the Board VOTED 6-1 to approve the petition to the Board from the Legislative Inspector General to permit it to initiate an investigation.

**III. OLD BUSINESS**

**B. Other Matters**

**Review of the Board's Draft Rules & Regulations**

The Board VOTED 7-0 to approve the draft presented and to submit it to City Council, after which the Rules will become effective after 45 days unless by a majority the Council votes to disapprove them.

**Case No. 13009.OLIG**

After considering all the available evidence, findings of fact, and motions presented to it, pursuant to §§2-156-385 (3) and (4) of the revised Governmental Ethics Ordinance, the Board of Ethics VOTED 7-0 to take no action, dismiss and close a case involving an investigation of an elected City official who, the investigation showed, had left a voicemail message on the telephone line of a business constituent. The Board's vote was based on careful consideration of the Ordinance's fiduciary duty provision, the facts, and applicable case law. The Board concluded that the facts adduced showed that the elected official was not acting or using his official authority or position to further the kind of purely private interest for which the City's ethics laws prohibit the use of an official's City title or authority.

At 5:15 p.m., the Board VOTED 7-0 to adjourn the meeting.