

BOARD OF ETHICS
OPEN SESSION MINUTES

July 15, 2015, 3:25 p.m.
740 North Sedgwick, Suite 500

BOARD MEMBERS PRESENT

Russell F. Carlson
Mary T. Carr
Frances R. Grossman
Dr. Daisy S. Lezama

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
Pully Casillas, Staff Assistant

BOARD MEMBER PRESENT BY TELEPHONE

Stephen W. Beard, Chair

I. APPROVAL OF MINUTES

The Board VOTED 5-0 to approve the Open Session Minutes of the June 24, 2015 meeting, as amended.

II. CHAIR'S REPORT

None

III. EXECUTIVE DIRECTOR'S REPORT

A. Education-Classes

Staff continues to work with the Department of Innovation & Technology to replace the system for scheduling people for 4-year classes. The design document was approved earlier this month. We aim to have the new system running by the end of 2015.

14 employees attended classes on June 25 and July 7, and 9 are scheduled for class on July 23 and August 6.

On June 26, staff conducted a class for the 15th Ward.

On July 13, staff hosted a delegation of anti-corruption officials from Kyrgyzstan.

On July 31, the Executive Director will make a presentation to the Summer Mayoral Fellows.

On July 27, 29 and August 24, staff will conduct classes for the 6th, 24th and 50th Wards.

We are scheduling several classes for aldermen and existing City Council staff, and these classes will be held in August.

The Executive Director will serve as a panelist on organizational ethics at the Annual Meeting and Conference on Teaching and Learning of the American Accounting Association in Chicago. The presentation will be Sunday, August 9.

On October 13, the Executive Director will make a 90 minute presentation to the Hyde Park Chamber of Commerce (a delegate agency) and several SSA Commissioners.

B. On-line Training

To date, every lobbyist but one (1) completed the 2014-2015 lobbyist training program. This lobbyist is subject to penalties beginning today. The deadline was June 30. As required by the Ordinance, due process notices were sent to 26 lobbyists via certified and first class mail on June 1, and the Executive Director determined there was probable cause that these 26 violated the Ordinance. The 2015-2016 program is being written and should be posted in September.

To date, 17,155 employees have completed the 2015 mandatory education program, and 140 are in process. Their deadline is December 31, 2015. Staff released a DVD version of the training to those departments that have requested it, to enable them to ensure that their employees without computer access complete the training by the deadline. The aldermanic version will be released in mid-August.

C. Website Modifications

The link to brochures and information regarding the recently passed election cycle was replaced by a link and icon to all educational brochures, covering 14 different topics.

D. 2015 Statements of Financial Interests

To date, all but three (3) appointed officials required to file their 2015 Statements of Financial Interests by June 1 have filed. As per the Ordinance, the Executive Director determined that 29 employees and 32 appointed officials violated the Ordinance by failure to file by that deadline, and of these, 5 were assessed fines of \$250 per day (3 have paid their fines so far), and the remaining 3 non-filers continue to accrue a \$250 daily fine. Staff notified all late filers, department heads, and the Office of Legislative Counsel and Governmental Affairs of the violations and fines. The names of all persons determined to have violated the Ordinance were posted on the Board's website on July 1.

E. Ongoing Investigative Record

We continue to post on the Board's website the ongoing investigative record, showing the status of every completed investigative report brought to the Board by both inspectors general since January 1, 2012, and the status of every petition to commence an investigation brought to the Board by the Legislative Inspector General. We update it monthly. It is consistent with the Ordinance's confidentiality provisions.

F. Lobbyists-Regulation and Enforcement

Currently, there are 582 lobbyists registered for 2015, and the Board has collected \$303,451 in lobbyists' registration fees. On June 23, we sent notices reminding lobbyists of the upcoming July 20 deadline to file their quarterly reports. Approximately 139 have already filed them.

G. Lobbyists-Inspector General Audit

Auditing personnel in the IG's office met with staff on June 11, and told us that they are nearing completion of their tentative audit report. They presented their tentative conclusions. Some included helpful suggestions, others would appear to require amendments to the Ordinance, and still others appear to be based on a reading of the Ordinance with which staff disagrees.

H. Summer Student Intern

We are pleased to host two students for internships: Francesca Guzman, a student at ASPIRA Early College, and Jazymyne Washington, a student at King College Preparatory High School.

I. Proposed Amendments to the Ordinance

At the June 17 City Council meeting, a package of amendments to the Ordinance was submitted to the City Council. The Executive Director will appear before the Council's Committee on Rules & Ethics to answer questions about the proposal, prior to the next City Council meeting, scheduled for July 29.

J. Advisory Opinions

Since the June 2015 meeting, the agency has issued 207 confidential informal advisory opinions (in addition to those formal opinions issued or approved by the Board).

- The leading categories in this period (in descending order) were: travel, lobbying, post-employment, and outside employment.

- 53% were from City employees in administrative or management positions, 9% from non-administrative or managerial employees, 21% from lobbyists, 1% from City other government agencies, 4% from department heads, 4% from City elected officials (or aides calling on their behalf), 6% from City appointed officials, and the remainder from members of the public, vendors, and the media.
- 50% came via email; 49% via telephone; the remainder via walk-ins.
- Employees or officials from nearly every City department (including the City Council) are represented, with the most numerous ones, in descending order, coming from employees or officials in: City Council, Office of the Mayor, Chicago Public Library, Public Health, Police, Buildings and Cultural Affairs and Special Events.

We are currently test-using 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. It is being developed without additional cost to the City or the Board.

K. 2016 Budget

Our 2016 appropriation request was submitted on July 10. It represents an 18.4% decrease from our 2015 appropriation in our non-personnel accounts, and when personnel accounts are considered, our overall budget request rose just .8%. We were to cut our professional and technical services account heavily, in large part for two reasons: (i) the volume of completed investigations from both the Office of the Inspector General and the Legislative Inspector General has not been what we anticipated, thus the volume of transcriptions we anticipated is down; and (ii) we can excerpt the relevant portion of the digitally recorded probable cause meetings and transfer it to CD-ROMs for both the prosecutors and respondents. The agency's 2015 appropriation is \$798,000. Our 2016 request is \$804,384.

L. Participation in Integrity Monitoring RFQ

The Department of Procurement Services is in the process of advertising a Request for Qualifications ("RFQ") for Integrity Monitoring. The Board has been asked to supply a voting member on the RFQ evaluation committee; Lisa Eilers, our Deputy, is the member. The proposals are due July 20. An integrity monitor – also known as an Independent Private Sector Inspector General or IPSIG, is an independent, private sector firm with legal, auditing, investigative, and loss prevention skills, employed by an organization (voluntarily or by compulsory process) to ensure compliance with relevant law and regulations and to deter, prevent, uncover and report unethical and illegal conduct by, within and against the organization.

According to the documentation we received, "Integrity monitoring is typically used by a municipality to ensure that the contractor is operating its business in compliance with the law and that anti-fraud procedures are in place. Qualified respondents will perform tasks to ensure contractors that are doing, or seeking to

do business with the City, comply with laws, regulations, codes, programs and contractual requirements. These tasks may include, but are not limited to forensic audits, technical field reviews of services and activities required and performed under contract, the development of programs and procedures to prevent and deter fraud, corruption, conflicts of interest and illegal activity by City contractors, and background checks of businesses, principals, employees and associated entities or individuals. Integrity Monitoring Services may also be performed in advance of, or in conjunction with an internal or official investigation.” This RFQ is being issued at the behest of the Inspector General.

M. Board Members

New Board member nominees were announced by the Mayor on July 7. They are Zaid Abdul-Aleem, Managing Director, Moelis & Co., and Juan Calderon, COO of the Puerto Rican Cultural Center. Their confirmation hearings will be held before the City Council’s Rules and Ethics Committee in September, and, we hope, they will be confirmed in time for the Board’s September meeting.

L. Freedom of Information Act

Since the last regularly scheduled Board meeting, the office has received one (1) new request under the Freedom of Information Act. The request was for the records of one (1) lobbyist for all years as to a certain client. We located one year’s worth of records and sent the requestor the link in ELF to access those records.

IV. OLD BUSINESS

None

V. NEW BUSINESS

None

The Board VOTED 5-0 to adjourn into Executive Session at 3:27 p.m. under: (i) 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 (ii) 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 2-156-385 and the Board’s Rules and Regulations, 4-1 and 4-5, as amended, effective October 23, 2014, presented to a quasi-adjudicative body, as defined in the Illinois Open Meetings Act, provided that the body prepares and makes available for public inspection a written decision setting forth its determinative reasoning.

At 3:50 p.m., the Board VOTED 5-0 to reconvene into open session.

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

I. APPROVAL OF EXECUTIVE SESSION MINUTES IN OPEN SESSION

The Board approved the Executive Session minutes of the June 24, 2015 meeting by a VOTE of 5-0.

II. CASES

A. Office of Legislative Inspector General

Consideration Pursuant to §2-156-385(5) of Determination to Pursue an Action for a Fine

1. Case No. 13039.OLIG [2013OLIG0027]

The Board VOTED 5-0 to initiate proceedings for a fine and hearing on the merits pursuant to §§ 2-156-385(4) and (5) and 2-156-392 of the Ordinance.

B. Query Consult Summary

2. Case No. 15038.Q, Post-Employment

Staff reported that a former City Council employee requested an opinion addressing how the Ordinance's post-employment prohibitions would restrict his proposed post-City work. After analyzing the facts he provided, staff advised him that he was subject to permanent and one-year restrictions as to zoning matters, but not the two-year lobbying restriction, which does not apply to City Council employees. Staff also reported that it advised the former City employee to contact the Law Department regarding doing consulting work directly for the City as an independent contractor to an alderman.

3. Case No. 15039.Q, Post-Employment

Staff reported that a City employee requested a letter describing the relevant revolving door restrictions to which he would be subject in his proposed post-City position. Staff advised him that he would be subject to specific one-year prohibitions, and would have a permanent restriction as to any contracts that involved the team he has headed in his City position, but that these two restrictions do not appear to apply to his proposed post-City position (and to contact the Board if his post-City plans change). In addition, he was advised that he is also subject to the two year City-wide lobbying restriction.

IV. OTHER BUSINESS

4. Pending Case List was discussed

At 3:52 p.m., the Board VOTED 5-0 to adjourn the meeting.