

A PLAIN ENGLISH ETHICS GUIDE FOR CITY EMPLOYEES AND ELECTED OFFICIALS



BOARD OF ETHICS

BRANDON JOHNSON, MAYOR
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The City's Governmental Ethics Ordinance covers the conduct of all City employees and officials, addressing conflicts of interest, outside jobs, being offered gifts, business travel, employing relatives, engaging in political activity, and other topics, including restrictions on what City employees and officials can do after their City service ends.

In recent years, important changes have been made to the ethics laws. It's helpful to understand the restrictions generally, so City personnel can spot possible "ethics issues" and obtain confidential advice where appropriate.

This guide outlines the key restrictions but is not intended to be all-inclusive. It is not a substitute for confidential Board advice. *If you have questions about whether an action you are considering complies with the City's ethics laws, please request a confidential advisory opinion from the Board of Ethics. We are an important resource for you. Please use us.*

ADVISORY OPINIONS

City employees, officials, or others subject to the Ordinance may request a **confidential** Board advisory opinion. The Board can render binding opinions *only* as to **future** conduct. If someone discloses conduct involving an apparent **past** violation the Board believes is not minor, the person may self-report it to the City's Inspector General ("OIG"), or the Board must. But, if followed, advisory opinions can be used as a defense in investigations. They are always based on the facts presented.

ASPIRATIONAL CODE OF CONDUCT

All City employees and officials are subject to an aspirational code of conduct. It requires, among other

things, that they: disclose waste, fraud, abuse and corruption to the appropriate authorities; avoid sexual harassment, give a full day's work for a full day's pay; and act impartially in performing their duties so that no private organization or individual is given preferential treatment.

DUTY TO REPORT CORRUPT OR UNLAWFUL ACTIVITY/WHISTLEBLOWER PROTECTION

City employees, officials and contractors must report to the OIG conduct they know or should know involves corrupt or other unlawful activity concerning the City. The Ordinance provides explicit "whistleblower protection" protection for those who report such violations.

FIDUCIARY DUTY

All City personnel **owe a fiduciary duty** to the City at all times in the performance of their public duties.

USE OF CITY PROPERTY

City personnel **may not use** or permit the use of **City-owned property for any unauthorized purpose**, including prohibited political activity. This includes City-owned vehicles, offices, smart phones, tablets, business cards, letterhead, City staff, etc.

SEXUAL HARASSMENT

City elected or appointed officials who engage in behavior constituting sexual harassment violate the Ordinance. Complaints are confidential and alleged harassment should be reported to the OIG.



GIFTS

All City personnel, their spouse/domestic partner, or any family member living with them, **may not solicit or accept:**

- ☞ any gift, item or service given **anonymously**;
- ☞ any gift, item, or service if it is understood that the purpose is **to influence their official actions or decisions**;
- ☞ any cash or gift cards in any amount;
- ☞ any other non-cash, non-gift card gift or combination of gifts **worth more than \$50 from a single source in a calendar year**;

☞ any gift from another City employee or official over whom they are an official superior (there are exceptions, such as items worth less than \$10, and gifts given for infrequent life occasions like weddings, where the cap is \$100);

☞ anything of value (like tips) in return for advice or assistance on matters concerning City business unless that advice or assistance is wholly unrelated to their City responsibilities.

There are **exceptions**. City personnel may accept:

☞ anything for which they pay fair market value;

☞ anything offered to members of the public on the same terms, like sales promotions;

☞ anything from a relatives or personal friend, unless they have reason to believe the gifts were offered to *because* of their City position (note: personal friends are those known independently of one's City position);

☞ gifts on the City's behalf (these must be usable for City business and must be reported promptly to the Board and Comptroller);

☞ reasonable hosting expenses related to official City business, if the Board approves them in advance and they are offered by the sponsor or host, and they are reported to the Board within 10 days of acceptance;

☞ materials or travel expenses related to a public or governmental educational purpose, if the Board approves them, and they are reported to the Board within 10 days of completion of travel; or

☞ gifts offered to City personnel or their spouse or domestic partner in the course of non-City business, employment, or community activity.



HONORARIA

Honoraria are prohibited: City personnel may not accept any gift or money for participating in speaking engagements, lectures, or discussion forums in the course of their City service. City personnel must turn down or immediately return any checks or other things of value offered or sent in exchange for their speech.

But City personnel may accept:

☞ **honoraria** for speaking engagements **unrelated to their City job**; or

☞ **reasonable travel expenses to the location of their speech**, even if it is related to their City job, including air, ground transportation, lodging, and food. But they must receive advance clearance from their department head (or City Council member) **and** from the Board of Ethics **and** must report travel in writing to the Board of Ethics within 10 days of their return. The Board makes these reports public.

REPRESENTING OR "LOBBYING" FOR NON-CITY PERSONS

☞ City elected officials and employees **may not represent or receive anything of value from the representation of** any person (like a non-profit, or friend) **before a City agency in any formal or informal meeting or transaction**, but this does not prevent them from performing their official City duties.

☞ City elected officials and employees may not represent, or receive anything of value from the representation of, any person in any judicial, quasi-judicial or administrative proceeding in which the City is an adverse party or that may adversely affect City revenue, financial, or the health, safety, welfare or relative tax burden of City residents.

☞ City elected officials and employees may not contact other City officials or employees regarding any matter involving a person or organization with whom they have a business relationship that creates a financial interest for them, or involving a person from whom or which they, their spouse/domestic partner, or a business either of them own, have derived or expect to derive compensation or income with 12 months before or after the contact.

☞ City employees and elected officials may not lobby (or receive any compensation from lobbying by another) the State of Illinois or any unit of local government in the State on behalf of any private person (as "lobby" or "lobbyist" is defined by state law), although they can perform their City jobs, and attorneys can provide legal representation to their clients.



POST-EMPLOYMENT/"REVOLVING DOOR" RESTRICTIONS

☞ **For one year after leaving City service**, City personnel **cannot** assist or represent a new employer or client on any matter involving the City if, while in City service, they were personally and substantially involved in it or its "subject matter."

☞ **For two years after leaving City service**, non-clerical Mayoral personnel and department heads **may not lobby any** City department, employee or official, and Executive branch Shakman-exempt employees (and appointed officials) may not lobby their former department or board/commission.

☞ **For one year after leaving office**, City Council members **may not lobby** any City department, employee, or official.

☞ City personnel who **exercise management authority over a City contract** may **not** assist or represent anyone other than the City (such as a new client or employer) with **that contract for as long as it lasts**.

☞ City personnel who **participated personally and substantially or were counsel of record** in a judicial or quasi-judicial proceeding involving the City may not assist or represent anyone other than the City in that proceeding.

☞ City personnel may not **negotiate the possibility of future employment** with any person (except another government agency) that has a **matter pending before them**.

REVERSE REVOLVING DOOR

☞ **For their first two years** of City service, City personnel may not participate in a decision-making capacity in any matter that benefits their immediate pre-City employer or client whom they represented or to whom they consulted or on whose behalf they lobbied.

LOANS FROM LOBBYISTS AND CITY CONTRACTORS

☞ City personnel, their spouse/domestic partner, or any entity in which either of them have an ownership interest worth more than \$1,000, **may not apply for, solicit, accept, or receive loans from a person doing or seeking to do business with the City**, or from any lobbyist, except for ordinary market rate loans from financial lenders negotiated at arm's length.

CONTRACTING WITH THE CITY

City employees and elected officials may **not have a financial interest** (meaning an ownership interest worth more than \$1,000 in a calendar year) in:

► their own name, or in the name of another person (such as a firm in which they have an ownership interest) **in any City contract, work, sale, or business** (except for participation in designated housing or real estate assistance programs)

► the purchase of City property, unless sold through a

process of competitive bidding following public notice.

DUAL EMPLOYMENT

☞ Personnel Rule XX prohibits City employees from engaging in a profession, business, trade, investment, occupation, or other activity that results in a conflict of interest with City employment. (That Personnel Rule also requires City employees to obtain written permission from their Department head or City Council members to engage in dual employment or outside business activities.) It also prohibits department heads and Mayoral employees from having any outside or secondary employment relationship with any person.

NEPOTISM

☞ City personnel may not hire or advocate for hiring their relative or domestic partner in a City agency in which they serve or exercise authority (there is an exception for a City Council member's personal staff hired as a City employee).

☞ City personnel **may not exercise supervisory authority over their relative or domestic partner** (there is an exception for City Council members' personal staff hired as City employees).

☞ City personnel may not use their City position to help a relative or domestic partner acquire employment or contracts with any person or entity whose City work they oversee.

☞ City personnel may not make or participate in any City decisions or actions with respect to their relatives or domestic partner, or to persons, firms, or entities that employ, are owned by, or have contracts with their relatives or domestic partner.



POLITICAL ACTIVITY

☞ City personnel **cannot perform political activity during compensated time** (that is, when they're at their City job, or time for which they're credited for minimum City work time requirements).

☞ City personnel **cannot ever use (or be on) City property or resources while performing any prohibited political activity**, even on their vacation, furlough, or lunch.

☞ City personnel **cannot solicit, accept, or make a political contribution while on City property or during compensated time**.

☞ City personnel who exercise contract management authority in their City job **cannot serve on a political**

fundraising committee. But they can still be politically active as long as they follow the other rules described.

☞ Unless they are a candidate for elected office, City personnel **cannot knowingly solicit or accept political contributions from a person or firm doing business with the City.**

☞ City personnel **may not require other City employees or officials to perform political activity** as part of their job or on their time off, or coerce them to make, not make or solicit any political contributions.

CONFLICTS OF INTEREST

☞ City personnel **can't make**, participate in, or **use their City position to influence** any City governmental decision or action on any matter from which they have derived income or compensation in the previous year, or expect to derive income or compensation in the next year, or have an ownership interest that is worth \$1,000 or more, or have any financial interest distinguishable from that of the general public.

STRICTER DEPARTMENTAL RULES

The Ordinance is a floor, not a ceiling. Any department or City Council office may adopt stricter rules. This is especially true with respect to gifts—some departments have a gift ban—and outside employment. City personnel should always check with their department or aldermanic office first. Here is a list of ethics officers:

<https://www.chicago.gov/content/city/en/depts/ethics/provdrs/ethicsofficers.html>

MANDATORY ETHICS TRAINING

All lobbyists, employees, City Council members, employees, and independent contractors, and all appointed officials must complete an annual ethics training program we design. City Council members and employees and Senior Executive City employees must also attend face-to-face ethics training every four years. Board trainings include a unit on avoiding and reporting sexual harassment. Those who do not complete training as required are subject to a daily \$250 fine, and their violations are made public.

STATEMENTS OF FINANCIAL INTERESTS

Elected officials, certain appointed officials, and City employees with managerial responsibilities must file a Statement of Financial Interests annually with the Board of Ethics. Filings can be done on-line. Knowingly answering falsely or incompletely is a violation of the Ordinance. Filed Statements are posted on our website for seven (7) years after filing. See <https://webapps1.chicago.gov/efis/search>

Those who fail to file as required are subject to daily fines of \$250. Their violations are made public.



COMPLAINTS AND INVESTIGATIONS

The Board accepts and may refer to the OIG for factual investigation any complaint alleging Ethics Ordinance violations, or the Board could find probable cause to believe a violation has been committed if no OIG factual investigation is needed.

After any Board probable cause finding, the Board provides due process by meeting with the subject (and/or the subject's attorney), then may dismiss the matter, or try to settle the matter (typically by fine), or, after OIG investigations, administer an evidentiary hearing for the purpose of determining whether the Ordinance was truly violated.

All complaints, investigations and probable cause findings are confidential until a final resolution. All final Board determinations, penalties, and settlement agreements are public. See:

https://www.chicago.gov/city/en/depts/ethics/supp_info/AO-I-EM.html

PENALTIES FOR VIOLATIONS

The Board has the sole authority to determine whether violations of the Ethics Ordinance have occurred, and can impose or recommend penalties, including fines (for most violations the fines are \$500-\$20,000 per violation), employment sanctions, removal from office, censure, or invalidation of contracts. Summaries of concluded cases are made public.



FOR MORE INFORMATION

Please visit our website:

www.chicago.gov/Ethics

For confidential advice or guidance, contact:

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