



BOARD OF ETHICS
CITY OF CHICAGO

In the Matter of:)
)
William Burns,)
)
Respondent) Case No. 18012.IG
)
)

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made and entered into between the Chicago Board of Ethics (“Board”) and William Burns (“Respondent”), a former City elected official, pursuant to §2-156-385(4) of the City of Chicago Governmental Ethics Ordinance (“Ordinance”). On November 16, 2018, the Board sustained its finding of May 23, 2018 that there was probable cause to conclude that the Respondent violated the Ethics Ordinance, and that all available evidence at this stage in the proceeding, including the results of an investigation conducted by the Office of the Inspector General (“OIG”), and information provided to the Board by the Respondent through counsel shows that the Respondent violated §2-156-105(a-1) of the Ordinance, and advised Respondent of this finding. The parties agree to the following terms to resolve this matter:

RECITATION OF RELEVANT FACTS

- (1) Respondent served as Alderman for the City’s 4th Ward from May 16, 2011, until February 26, 2016.
- (2) In November 2015, Airbnb first contacted Respondent regarding employment with the company. In early December 2015, Respondent received an offer of employment from Airbnb. He started a job with Airbnb on February 29, 2016. During the relevant time frames described below, Respondent was Airbnb’s Midwest Director of Policy and Senior Advisor.
- (3) During the time Respondent was an alderman, a proposed Ordinance was introduced covering short-term rentals in the City, the final version of which was passed by City Council on June 22, 2016. The City and representatives from Airbnb, among others, negotiated the final terms of Ordinance.

- (4) In April or May of 2016, while employed by Airbnb, Respondent made a late night phone call to Michael Rendina of the Mayor's Office to advocate for changes in the "process by which the company [Airbnb] and the City [could] come to an agreement [regarding the pending Ordinance]."
- (5) On May 10, 2016, Respondent appeared on an episode of "Chicago Tonight" with two (2) sitting aldermen to discuss the pending short-term rental Ordinance. During that appearance, Respondent, representing Airbnb, offered his views on the pending Ordinance and its "restrictive" nature.
- (6) While that Ordinance was pending, the case record shows, Respondent participated in several conference calls between Airbnb and representatives from the City. In none of these calls was Respondent identified to representatives of the City as being present while the calls were occurring. Although Respondent did not directly speak to the City representatives on the calls, Respondent discussed with Airbnb representatives what to say to the City representatives while these calls were on mute.

STATEMENT OF RELEVANT LAW

Municipal Code of Chicago (MCC) §2-156 Governmental Ethics

1. §2-156-010 Definitions.

"Lobbyist" means any person who, on behalf of any person other than himself, or as any part of his duties as an employee of another, undertakes to influence any legislative or administrative action, including, but not limited to: (1) a bond inducement ordinance; a zoning matter; (3) a concession agreement; (4) the creation of a tax increment financing district; (5) the establishment of a Class 6(b) Cook County property tax classification; (6) the introduction, passage or other action to be taken on an ordinance, resolution, motion, order, appointment or other matter before the City Council; (7) the preparation of contract specifications; (8) the solicitation, award, or administration of a contract; (9) the award or administration of a grant, loan or other agreement involving the disbursement of public monies; or (10) any other determination made by an elected or appointed City official or employee of the City with respect to the procurement of goods, services or construction; provided, however, that a person shall not be deemed to have undertaken to influence any legislative or administrative action solely by submitting an application for a City permit or license by responding to a City request for proposals or qualifications.

2. §2-156-105(a-1) Post-Employment restrictions on lobbying.

Starting on January 1, 2014, an alderman shall be prohibited from lobbying the City of Chicago or any city department, board or any other agency for a period of one year after leaving that position.

BOARD CONCLUSIONS AND DETERMINATIONS

- (7) At its November 16, 2018 meeting, based on the evidence adduced in the record of this matter, including the investigative report issued by the OIG, and statements made to the Board by Respondent, through his counsel, and pursuant to §2-156-385 of the Ordinance, the Board reached the following factual conclusions:
- a) Respondent's last day in City office was February 26, 2016. He began employment with Airbnb on February 29, 2016. Airbnb was negotiating the terms of the pending short-term rental Ordinance at that time.
 - b) Within one (1) year of his last day in City office, Respondent directly contacted a City employee, Michael Rendina, regarding the short-term rental Ordinance.
 - c) Within one (1) year of his last day in City, during several phone calls between the City and Airbnb during which the Respondent was purposely not identified as being present and listening to the call, while the calls were on mute, Respondent discussed with Airbnb staff what to say to the City during the calls about the short-term rental Ordinance. In Respondent's words during his interview with the OIG: "I think the idea was that I could listen in and offer advice to the folks who were active participants on the call."
 - d) Within one (1) year of his last day in City office, Respondent appeared on "Chicago Tonight" to discuss the pending short-term rental Ordinance with two (2) sitting aldermen, who would eventually vote on the pending Ordinance, and in doing so, undertook to influence the terms of the pending Ordinance.
- (8) At its November 16, 2018 meeting, the Board sustained its preliminary findings, made at its May 23, 2018 meeting, that there is probable cause to conclude that the Respondent violated Ordinance §2-156-105(a-1) in each instance described in subparagraphs (b) through (d) above.
- (9) At no time relevant to this matter did Respondent seek advice from the Board of Ethics for confidential advice regarding whether his contacts with Rendina, or his participation in the phone calls with City officials or employees without identifying himself, or his appearance on Chicago Tonight, would constitute "lobbying" in violation of the Ordinance's post-employment restrictions.

TERMS OF THE SETTLEMENT AGREEMENT

The above fact recitation, statement of law and Board conclusions and determinations are incorporated into and made a part of this Agreement.

- (10) The parties agree to enter into this Agreement to resolve all factual and legal issues that arose in this matter and to reach a final disposition without the necessity of an evidentiary

hearing, pursuant to §2-156-392 of the Ordinance, to determine whether the Respondent violated the Ordinance.


- (11) Respondent acknowledges that, from the record before it, the Board has determined that there is probable cause to conclude that Respondent lobbied the City within one (1) year of his last day in City office in violation of §2-156-105(a-1) of the Ordinance and that, were the matter to proceed to an evidentiary hearing, pursuant to §2-156-392 of the Ordinance, the Board, based on the evidence presented to it to date, could make a final determination that he violated the Ordinance on these facts.
- (12) Respondent maintains that, at all times pertinent to this matter, he acted in a manner that he believed, in good faith, was in compliance with the requirements of the Governmental Ethics Ordinance, and neither admits nor denies that his direct contact with then City-employee Michael Rendina constituted lobbying, as defined in the Ordinance, in violation of §2-156-105(a-1), and does not admit that his conduct described in ¶7(c) and (d) violated the Ordinance, but has agreed to the terms of this Settlement Agreement to reach a final disposition without the necessity of an evidentiary hearing, as stated above in ¶10.
- (13) Respondent has at all times cooperated with the Board of Ethics on this matter.
- (14) Pursuant to §2-156-385(4)(i), the Board may seek to settle the matter by fine.
- (15) Pursuant to §2-156-465(b)(7), the Board has the authority to impose a fine between \$500.00 and \$2,000.00 for any single violation of §2-156-110. The Board determined that it would be appropriate to seek to settle this matter by assessing a \$5000.00 fine against the Respondent: \$2000.00 for the violation set forth in ¶7(b) and \$1,500.00 each for the probable violations set forth in ¶¶7(c) and (d).
- (16) In recognition of the foregoing, Respondent agrees to pay a fine of FIVE THOUSAND DOLLARS (\$5000.00) to the Board within thirty (30) days of this Settlement Agreement being approved by the Board, by money order, cashier's, or certified check, made payable to the "Board of Ethics," and that, if the Board has not received such amount by that date, Respondent shall pay interest of nine percent (9%) per annum on the unpaid balance until paid-in-full; provided, however, that no interest shall be due and owing that is greater than provided for in 815 ILCS 205/4.
- (17) Respondent acknowledges that this Agreement is a public and final resolution of the potential violations and recommendations made by the OIG in its investigative report as presented to and reviewed by the Board of Ethics in this matter. Respondent also acknowledges that the Board shall make this Agreement public, pursuant to §2-156-385(4), and, except as may be provided by applicable law, all writings or records with respect to the settlement agreement or its negotiations in the Board's possession will remain confidential.

- (18) Respondent confirms that he has entered into this Agreement freely, knowingly and intentionally, without coercion or duress; and, after having had the opportunity to be represented by an attorney of his choice, accepts all the terms and conditions contained herein without reliance on any other promises or offers previously made or tendered by any past or present representative of the Board. Respondent confirms that he fully understands all the terms of this Agreement. The terms of this Agreement are contractual and not mere recitals. If any of the provisions of this Agreement shall be found invalid or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.
- (19) Respondent understands and voluntarily waives and assigns, on his and his successors' behalf, any and all: (i) procedural rights under the City's Municipal Code, including a merits hearing pursuant to §2-156-392 of the Ethics Ordinance, or to subpoena witnesses to testify, confront and cross-examine all witnesses; and (ii) rights to commence any judicial or administrative proceeding or appeal before any court of competent jurisdiction, administrative tribunal, political subdivision or office of the State of Illinois or the United States, arising out of Respondent having lobbied the City within one (1) year of his last day in City office.
- (20) Respondent releases and holds harmless the Board and its staff from any potential claims, liabilities, and causes of action arising from the Board's enforcement and settlement of the violation described in the Agreement, and agrees not to contest the lawfulness, authority, jurisdiction, or power of the Board in imposing the sanction which is embodied in this Agreement, and the right to make any legal or equitable claim or to initiate legal proceedings of any kind against the Board, or any members or employees thereof, relating to or arising out of this Agreement or the matters recited herein.
- (21) Once executed by Respondent, the Board staff shall submit this Agreement to the Board at its next regularly scheduled meeting. The Board must determine by a majority vote that it approves the Agreement and the Board must execute and date the Agreement before the Agreement becomes effective.
- (22) The parties agree that this Agreement shall become invalid in the event that the Board refuses to approve it. Respondent acknowledges that if the Agreement is not approved or executed by the Board that the Board may seek to proceed to a hearing on the merits, pursuant to §2-156-392 of the Ethics Ordinance. Respondent further agrees that no member of the Board or its staff shall be disqualified from participating in any subsequent proceedings in this matter held pursuant to §2-156-392 of the Ethics Ordinance. If this Agreement is not approved by the Board, the parties agree that no statements or representations of any kind made in the course of negotiating this agreement will be used by either party for the purpose of establishing liability at any future hearing or proceeding.
- (23) Respondent agrees that failure to comply with the terms of this Agreement constitutes a breach of the Agreement and that the Board can proceed to a hearing on the merits or take any other action as permitted by law.

- (24) In consideration of Respondent's full compliance with all of the terms pursuant to this Agreement, the Board waives any further penalties or fines against Respondent for any further proceedings arising out of the investigation and/or recommendations described in this Agreement, and/or Respondent's employment at Airbnb.
- (25) The Agreement contains the entire agreement between the Board and the Respondent and it may not be modified unless the modified Agreement is re-executed and re-dated by both parties. This Agreement is entered into in the State of Illinois and shall be construed and interpreted in accordance with its laws.
- (26) This Agreement shall not be effective until all parties have affixed their signature below.

Dated as executed below:

FOR THE CITY OF CHICAGO BOARD OF ETHICS



Steven I. Berlin, Executive Director

1-18-19

Date



William Conlon, Board Chair

1-18-19

Date


FOR THE RESPONDENT



William Burns, Respondent

1/15/2019

Date



Reid Schar
Counsel for the Respondent

1/15/2019

Date