

**City of Chicago
Committee on Ethics and Government
Oversight Meeting
July 15, 2022**

02022-2064



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CONFLICTS OF INTEREST: ANTI-NEPOTISM

→ Expands the conflicts of interest provisions to ensure that City officials or employees cannot in any way seek to influence City action on any matter specifically affecting or benefitting their relatives or domestic partners.

- Current law prohibits City employees and officials only from managing contracts with firms that employ of contract with their spouse or relative. This amendment would sweep in any “administrative, legislative action or decision” – including for example issuing permits, licenses, and conducting inspections – and will prohibit firms from hiring relatives in a way that skirts this provision. (§2-156-030(b), §2-156-130(b), (c)).

Example 1: a BACP inspector may not work on or attempt to influence her colleagues' actions in reviewing a business license application filed by her son's employer.

Example 2: an elected official may not email or call other City officials or employees regarding any matter involving the official's spouse's customers or clients.

REQUIRED RECUSALS: MATTERS AFFECTING SPOUSES OF ELECTED OFFICIALS

→ Builds on anti-nepotism rule by including matters involving persons or firms from which an elected official's spouse or domestic partner has or expects to derive income in the past or next 12 months. (§§2-156-030(b), -080(b)).

→ The elected official must recuse and may not preside over or participate in the discussion, but can be counted for quorum purposes.

→ The elected official must make detailed disclosure to Board of Ethics

[Example: Ald. Jane Jones's husband is a CPA, and has Acme Corporation as a client. Acme now has a matter pending before the City Council's Committee on Transportation and the Public Way. Under this amendment, Ald. Jones would be required to notify the Board of Ethics in writing that she must recuse herself from the matter because her spouse has received or expects to receive compensation from Acme in the past or next 12 months.]

TRANSPARENCY: RECUSALS

→ Expands recusal obligations to all elected officials, not just to City Council members per §2-156-080 (b)(2)

→ Requires that **elected officials who recuse themselves from any matter** not already covered by the Ethics Ordinance (i.e. voluntary or “going beyond what the law requires” recusals) **disclose the recusal on the record** to the City Clerk, who will record the recusal; and then Board of Ethics will publish them.

- Committee Chairs will include recusals in their Rule 45 reports. The City Clerk will make a record of the recusals and forward it to the Board of Ethics, which will post it on the Board’s website. Under current law and rules, the member may but is not required to send notice of their recusal to the Board, and the City Clerk is not required to record it, although it would appear in the Journal of Council Proceedings. This amendment makes clear that all Rule 14 recusals will be recorded and made public as quickly as possible and collected in one place.

[Example: Alderman Jones’ nephew has a matter pending in a City Council Committee. This would be a recusal under Rule 14. Ald. Jones would need to recuse herself at the beginning of discussion on the matter, and not participate in the debate.]

LOBBYING: ENDING THE PRIVILEGE OF THE FLOOR

- By adding a new section, §2-156-301, this ends the “privilege of the floor” for lobbying by former City Council members by prohibiting lobbying on the floor of City Council during Committee or full City Council meetings.
- The proposal also makes clear that this does not limit debate or discussion among City officials, employees, or City Council contractors during this time (they are not lobbying by doing so anyway).
 - This proposal does not ban ex City Council members from becoming lobbyists—under current law they may not become lobbyists while they serve on the City Council and cannot lobby the City for one year after they leave City Council. That will not change.

LOBBYING:

→ Brings Chicago in line with other major jurisdictions by clarifying that **lobbyist registration requirements do not apply to *bona fide* salespersons (§2-156-010(p))**.

[Example: A salesperson selling auto parts to AIS who is paid a percentage of the purchase price will not be considered a lobbyist.]

→ Remember that, under existing law, the lobbyist registration requirements do not apply to regular citizens who support efforts to get policy passed by, for example, visiting a ward office with a non-profit advocacy organization or those providing technical information (§2-156-010(p)).

REPRESENTATION OF OTHER PERSONS BEFORE THE CITY: DRIVES FOR CHARITABLE CAUSES

→ Codifies long-standing Board case law that City employees and elected officials may not “represent,” even informally, the interests of other persons, including non-profits, before City agencies and employees and officials acting in their official capacity, unless that representation is in the course of performing their City responsibilities (§2-156-090(a)).

[Example: a City employee who serves as President for a local neighborhood association may not meet with a City Council member regarding improvements, like speed bumps—others from the association may; but the employee may attend meetings and speak up solely as a homeowner or resident as long as they represent only their own interests, not the association.]

Two Exceptions are created by this package:

Non-Profits Offering Services to the City

→ Elected officials can represent non-profits seeking to donate goods or services to the City or its residents (§2-156-090(a)).

Charitable Drives (Clothing Drives, etc.)

→ Elected officials can solicit tangible or perishable goods, but not cash, on behalf of identified charities, or solicit gifts to be made directly to a charity, as long as the officials receive no monetary benefit, no cash is accepted, and the solicitations are not targeted to specific donors. §§ 2-156-142(D)(13); - (h).

GIFTS TO SUPERIORS

- **Streamlines** the restrictions on City employees offering or giving gifts to their official superiors:
- **There is never an obligation to give any gift to a superior**
- Keeps the \$10 limit on individual gifts and \$20 limit for group gifts
- Puts a **cap of \$100 on an individual gift for “life” situations like a wedding or childbirth** (there is no such cap under current law) (§2-156-143).

[Example: City Council members may give their staff unlimited gifts, but if the member has a new baby or grandchild, their staff may give a group gift provided none of the staffers contributes more than \$20, and if any of them wish to give an individual gift, it is limited to \$100. Under current law there is no limit.]

POLITICAL ACTIVITY: PROHIBITION ON USING CITY PROPERTY

→ Extends the prohibitions on using City property or resources for electioneering purposes to candidates for City elected office (§2-156-135(b)) and explicitly restates existing law that “City property” includes the official City seal, City intellectual property, and machinery and tangible equipment like computers and smart phones (§2-156-010(e-1)).

→ Adds a new provision, “Incidental use of corporate seal – Authorized when,” that would allow any City official, employee, or candidate for City office to include an image of the City seal if all of the following conditions are met: **(i) the image of the seal is incidental to the visual media viewed as a whole, as opposed to an element of primary focus, and (ii) the visual media is available in the public domain, and (iii) the visual media contains a clear written disclaimer that it is not related to the City’s official business.** §2-156-050.

The Board of Ethics still advises: REMOVE images of the City Seal or other City property from photos used for political purposes

POLITICAL ACTIVITY: CAMPAIGN FINANCE

→ Extends the \$1,500 per year/per candidate committee limit on “corporate” political contributions to include persons doing business with the city to the rest of the “sister” agencies not in current law, including the Chicago Public Schools, Chicago Housing Authority, Public Building Commission and future elected school board whose contracts worth more than \$10,000 in a 12-month period

→ Expands the database of persons doing business with the City, etc., to cover these additional “sister agencies.” Current law covers persons doing business with the CTA, Park District, City Colleges, the Board of Education, and McPier (§2-156-445(a)).

ENFORCEMENT: BOARD-INITIATED ENFORCEMENT ACTIONS

→ Adds §2-156-390, entitled “Independent Board findings of probable cause – Prerequisites.” This new section would provide that, before making a probable cause finding based on information in the Board’s possession, the Board must notify the subject in writing of the nature of the suspected violation and afford the subject the right to respond within 10 days of the date the notice is mailed, and that the Board may not make a probable cause filing until it receives the written response, or the 10 days expire.

ENFORCEMENT: FINES FOR ETHICS VIOLATIONS

- Increases penalties for ethics ordinance violations (other than for late filing of Statements of Financial Interests or lobbyists' reports, or failing to complete mandatory training on time) to between \$1,000 and \$20,000 per violation (currently the range for such violations is \$500 - \$5,000 per violation). This includes violations of the sexual harassment prohibitions. (§2-156-465)
- Standardizes fines for filing ethics or lobbying reports late, or failing to complete training on time, at \$250 per day.
- Enables the Board of Ethics to impose an *additional* fine equal to any financial benefit the violator realized.
 - These fine levels encourage compliance and are on par with those in other big city jurisdictions

OTHER REFORMS

CITY COUNCIL CONTRACTORS

→ Restates existing law since 2016 that independent contractors to City Council members and committees who provide substantive services to the City – but excluding contractors of City Council Caucuses – are not City employees, but still must complete required training and file annual Statements of Financial Interests (§§2-156-010 (d-1), (d-2)).

→ Requires City Council employees and independent contractors to disclose on their annual Statements of Financial Interests which City Council member, bureau, or committee they work for (§2-156-160).

CONFLICTS OF INTEREST: CPD PERSONNEL WORKING PRIVATE SECURITY

→ Clarifies that sworn CPD personnel may be employed as private security officers, provided they receive all required approvals from CPD itself (§2-156-142(f)).

- Enables businesses to hire off-duty CPD officers to work security.
- BUT: if a CPD member *owns* a security firm, that firm may not contract or subcontract with the City to provide security for a City-owned facility or City event. Note: contracting with Park District facilities, like Soldier Field, is not been prohibited and would not be prohibited under this proposal.