

**Opening Statement for Stephen R. Patton
2017 Budget Hearing
October 28, 2016**

Good morning Chairman Austin and members of the City Council. On behalf of the Law Department (DOL), I want to thank you for the opportunity to testify in support of DOL's 2017 proposed budget. Before answering your questions, I want to briefly update you on our goals and objectives for the coming year, as well as our progress in achieving the goals and objectives laid out in my prior budget statements.

Let me start, however, with our proposed budget, which after being essentially flat for the last five years, includes a modest increase of 3.8 percent. This increase reflects the fact that DOL has never been busier and has continued to do more and more each year (try and defend more cases, close more transactions, provide more advice and solve more problems) while keeping our staffing and budget flat.

During the past year, this included the following, which are described in greater detail in my budget statement:

- quarterbacking the City's response to DOJ's civil rights investigation
- working with the Chicago Police Department (CPD) and subject matter experts to draft new use of force policies
- drafting a new police accountability ordinance and the creation of COPA
- helping to create and implement the City's new video policy

- ensuring transparency of police disciplinary files
- assisting CPD's efforts to ensure that investigatory stops are constitutional
- providing financial reparations to Burge victims
- reforming and funding the pensions of City employees
- successfully defending the City's regulation of ridesharing services
- continuing progress on the Barack Obama Presidential Center

DOL also continues to aggressively enforce our vacant and abandoned buildings and other "quality of life" ordinances and to pursue other initiatives to improve the lives of Chicago residents and make our communities safer.

Last year, DOL worked with CPD to draft and enact a new Summary Closure Ordinance, which provides another tool in prosecuting problem businesses by temporarily closing a business for up to six months when it operates in a manner that constitutes a threat to public safety.

DOL also continues to use all of the prosecutorial tools at its disposal to close nuisance businesses and eliminate drug and crime hot spots. As in past years, numerous establishments have been closed as a result of these initiatives.

DOL works with the CPD and the Department of Buildings (DOB) to reduce narcotic trafficking by criminal street gangs through its Drug and Gang House Enforcement and License Enforcement units. Thus far in 2016, we have prosecuted more

than 320 drug and gang house cases and more than 518 license violation cases, including 418 liquor and other license revocation proceedings.

Law also continues its efforts to stem the tide of vacant, abandoned buildings in our City. Through September, DOL had filed more than 317 cases seeking to save abandoned buildings and bring them into compliance with the Building Code. We also filed 355 new demolition cases to help minimize the negative impact of blighted properties on neighborhood safety and stability.

DOL has also continued our efforts to preserve occupied residential properties – and keep them safe and occupied. During this year, DOL has preserved almost 2,500 housing units, maintained heat in more than 1,500 residential units by prosecuting property owners whose tenants lack heat or hot water.

I also want to highlight a few recent examples of DOL's work in fighting to protect taxpayers and to recover taxpayer dollars.

DOL continues its ongoing efforts at enforcing existing taxes on new forms of economic activity. We have been successful in obtaining judgments against online travel companies, and they are now collecting the full hotel tax due. Airbnb is also collecting the hotel tax.

The Department is also continuing to enforce a recent consent decree against the City of Harvey to ensure timely payment of current water bills and to recover millions of dollars of delinquent water payments. Through September 2016, Chicago has collected \$24.7 million from Harvey pursuant to this decree.

We intervened in a suit filed against Redflex, the former vendor responsible for installing and operating the City's red light camera program, for damages resulting from Redflex's fraud in obtaining the contract in 2003. This litigation continues.

We recently won a significant court victory in our groundbreaking litigation against manufacturers of highly-addictive opioid-based pain relievers, whose usage has fueled a national health crisis felt here Chicago as well.

Overall, Law continued to be a major revenue generator for the City. Thus far this year, we collected \$137.6 million in fines, assessments, and other debts owed to the City, and we expect to exceed more than \$170 million this year.

Finally, DOL continues to implement a number of initiatives to reduce the City's legal costs. The early assessment strategy evaluates lawsuits promptly to determine whether they should be settled or tried. By attempting to settle cases the City is likely to lose before potential damages and attorneys' fees skyrocket, our lawyers conservatively estimate that we have saved taxpayers at least \$105 million since 2011.

At the same time, we have continued DOL's policy of trying all defensible cases. Through September, our police and torts divisions alone tried 33 cases to verdict. They won 20, or more than 60 percent, of those cases.

As reported previously, this policy has resulted in a decline in the number of new police cases filed against the City and reduction in the backlog of police cases pending against the City by 30 percent, from 658 cases in 2010, the last full year before

this administration took office, to 470 cases pending as of the end of September.

We also continue to work with other City departments to employ risk management practices, and identify and address circumstances that can lead to lawsuits to prevent them from recurring in the future. As you may have heard me say before, the cheapest lawsuit to defend is the one that is never filed.

The City also continues to benefit from the pro bono initiative I started five years ago, in which we partner with leading Chicago law firms who represent the City in significant matters on a pro bono basis. 29 firms have participated in this program to date, contributing their time to the City at either no cost or at greatly reduced rates. The value of the pro bono legal services contributed thus far totals more than \$28 million, including more than \$3.7 million in free legal services so far in 2016. I want to personally thank each of these firms, which are listed on page 28 of my statement, on behalf of a grateful City.

As I mentioned at the beginning of my remarks, all of the examples I've mentioned today, as well as others, are discussed in greater detail in my written statement. I encourage you to read that statement and to feel free to reach out to me if you have any questions, comments, or suggestions.

Once again, thank you Chairman Austin. I look forward to answering your questions.