

**CITY OF CHICAGO**

---

# Board of Ethics



---

**Annual Report**  
**2006-2007**

---

---

Richard M. Daley, Mayor  
Steven I. Berlin, Acting Executive Director

# BOARD MEMBERS

**Miguel A. Ruiz, Esq. - Chair**

**(Chair as of October 2007)**

Partner, Pretzel & Stouffer, Chartered

Appointed 2002

**Darryl L. DePriest, Esq.**

**(Chair through July 31, 2007)**

Former General Counsel, American Bar Association

Appointed 1990

**Alison C. Chisolm**

**(from October 31, 2007)**

Development Director, Young Women's Leadership Charter School

Appointed 2007

**Thomas J. McCarthy, CPA**

Manager, Michael J. Liccar & Co.

Appointed 2007

**Michael F. Quirk**

President, De La Salle Institute

Appointed 1996

**Mary Beth S. Robinson, Esq.**

Vice President, Senior Claims Counsel

Attorneys' Liability Assurance Society, Inc.

Appointed 2002

**John L. Wilhelm, M.D.**

Executive Director, Infant Welfare Society

Appointed 2006

**City of Chicago Board of Ethics**

740 N. Sedgwick, Suite 500

Chicago, IL 60610

312-744-9660

[www.cityofchicago.org/Ethics](http://www.cityofchicago.org/Ethics)

email: [sberlin@cityofchicago.org](mailto:sberlin@cityofchicago.org)

---

# BOARD STAFF

**Steven I. Berlin**

Acting Executive Director (since October 1, 2006)

**Dorothy J. Eng**

Executive Director (through September 30, 2006)

**Michael Haggerty**

Deputy Director (through September 14, 2007)

**Richard J. Superfine**

Legal Counsel

**Edward Primer**

Program Director

**Briana N. Billingslea**

Attorney/Investigator

**Carolyn Bowens**

Administrative Services Officer

**Pauly Sepúlveda-Casillas**

Staff Assistant

**Jef Johnson**

Special Projects Coordinator

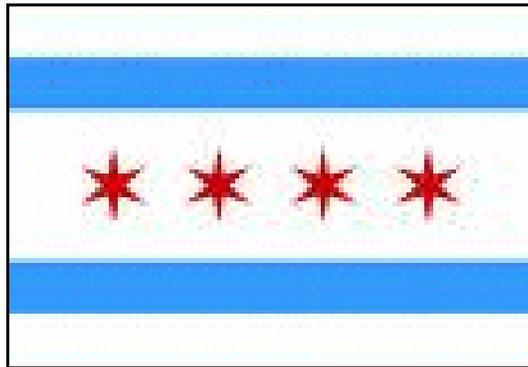
**Doretha L. Jackson**

Assistant to the Director

---

# TABLE OF CONTENTS

<b>I.</b>	<b>CHAIR'S REPORT</b>	1
<b>II.</b>	<b>THE BOARD OF ETHICS</b>	3
<b>III.</b>	<b>THE 2006-2007 REPORTING YEAR</b>	5
A.	Education and Training	5
B.	Guidance and Casework	7
1.	Inquiries and Cases	7
Table I:	Subject Matter of Inquiries/Yearly Comparisons	8
Table II:	Subject Matter of Cases/Yearly Comparisons	8
2.	Summaries of Relevant Inquiries and Opinions	10
◆	Campaign Financing	10
◆	Representation of Other Persons	11
◆	Employment of Relatives/Domestic Partners	11
◆	Statements of Financial Interests/Acceptance of Travel Expenses	12
◆	Gifts	12
◆	Gifts/Lobbyist Regulation	13
◆	Interest in City Business/Conflicts of Interests	14
C.	Regulation and Enforcement Activities	16
1.	Campaign Financing	16
2.	Statements of Financial Interests	16
3.	Lobbyist Registration and Activity	17
Table III:	Business Interests of Clients Represented by Lobbyists	19
4.	Complaints, Preliminary Inquiries and Investigations	20
Table IV:	Subject Matter of Investigations, Complaints and Preliminary Inquiries	22
5.	Personnel Rule XXIX Disclosures	23
6.	City Council Members' Disclosures	23
D.	Examination of Public Disclosures	24



This Annual Report summarizes the activities of the Board of Ethics from August 1, 2006 through July 31, 2007 (the "reporting year"). It is issued pursuant to §§2-156-380(j) and 2-164-070(j) of the Municipal Code of Chicago.

---

**"Rules of conduct, whatever they may be, are not sufficient to produce good results unless the ends sought are good."**

*—Bertrand Russell*

The reporting year just ended was a "building and consolidation year" for the agency, now entering its 21<sup>st</sup> year. As the reader of this Report will be able to see, the work of the Board is ever-expanding—the number of inquiries that the agency receives continues to reach and exceed all-time highs; the number of City employees and officials filing Statements of Financial Interests is at decade-high levels; and the number of lobbyists and campaign financing enforcement matters, while large, has stabilized over the past few years. We are justly proud of the agency's—and the City's—on-line and in-person educational programs, which are respected as a model by other governmental ethics professionals throughout North America. We are also proud that in 2006 the City achieved 100% compliance with the legal requirement that all aldermen and full-time City employees complete that training, and that the City is, at this writing in early November, 95% compliant with that requirement for 2007.

But what happens "behind" these impressive statistics, and what allows for them, is also vitally important. The agency has forged collaborative relationships with the City's Compliance Office and Inspector General's Office, and the Illinois State Board of Elections. Its jurisprudence continues to expand, allowing its dedicated legal staff to advise people seeking guidance more quickly and authoritatively, and reducing the need to produce written opinions. The agency has streamlined the processes by which it reviews publicly and available and filed documents, including Statements of Financial Interests, City Council Journal Proceedings, and campaign disclosure reports filed with the Illinois State Board of Elections.

As with any governmental entity, however, particularly such a small one with such a large mission in an era of tight funding, major challenges remain. The most important of these involve employing technology to allow for greater transparency in government. Foremost among them is development of a more comprehensive, web-based, searchable database of registered lobbyists and the many "data points" which the law requires them to disclose to the Board about themselves and their clients. Similarly, the agency will create links to various State databases, allowing anyone to search information contained in them about contributors to City elected officials and political committees. We expect both of these to be launched in the coming reporting year.

None of this could be accomplished without the dedication and skills of our staff and volunteer Board members (past and present), all named in this Report. In particular, I wish to acknowledge the contributions of Darryl L. DePriest, who retired from his position as the Board Chair after 10 years, and before that 6 as a Board member. His leadership, dedication to the public good, and basic decency provide a model for all of us to emulate. But while there have been several personnel changes at the staff and Board levels, a red thread remains constant: the dedication of every person affiliated with this agency to "good ends," namely integrity in local government, to the laws as written and to the values and spirit they embody, and to customer service.

As the new Board Chair, I wish to express my gratitude to the citizens, employees and officials of this City, and pledge that this agency will continue to work hard to merit the confidence placed in it by those citizens, employees and officials. I am honored to present this Twentieth Annual Report of the City of Chicago Board of Ethics.

Respectfully submitted,



Miquel A. Ruiz, Chair



## **ABOUT THE BOARD OF ETHICS**

Now in its twenty-first year, the Board of Ethics was established to administer and enforce the City's Governmental Ethics and Campaign Financing Ordinances. The City adopted these laws to help ensure that its officials and employees perform their public responsibilities impartially and do not use public employment or office for private gain, to assist them in that endeavor, and to foster public confidence in the integrity of City government. To these ends, the Ordinances authorize the Board of Ethics to provide confidential advice and guidance to persons seeking it, to design and conduct educational programs for City officials, City employees and others, to regulate lobbyists and campaign contributors, to distribute and maintain disclosures filed by City employees and officials, and to receive, investigate and make determinations as to complaints that allege violations of these Ordinances.

The Board's members and its Executive Director are appointed by the Mayor and confirmed by City Council. The Board meets each month; its members serve without pay. The Board is staffed by nine full-time employees, including its Acting Executive Director. The agency's budget for fiscal year 2007 was \$699,900.

## **THE BOARD'S PROGRAM AREAS**

### **Education**

*These and the Board's other educational programs are summarized on pages 5-6 of this Annual Report.*

As Ben Franklin said, "an investment in knowledge always pays the best interest." One of the agency's paramount responsibilities is informing City employees and officials, persons with or seeking City contracts, lobbyists and the public about the requirements of and standards expected by the Ordinances before they take particular actions. The Governmental Ethics Ordinance was recently amended to make Chicago one of the very few jurisdictions in the country to require all its aldermen and full-time City employees to complete an annual ethics education program. For 2006, the first year of the training--(which ended during this past reporting year)-the City and the Board achieved 100% compliance. The Ordinance also requires about 10% of the City's workforce to attend quadrennial "face-to-face" ethics seminars designed and conducted by the Board. In addition to operating these "mandatory" programs, the Board designs and conducts ethics seminars upon request, and regularly updates its educational materials.

### **Advice and Guidance**

*More information about this program can be found on pages 7-15 of this Annual Report.*

By law, the Board serves as an advisory agency, enabling those with questions about complying with the Ordinances to receive reliable, confidential guidance. During the reporting year, the Board handled a record 4,733 requests for information or specific guidance—a figure that is well more than double the amount for the previous reporting year. Most came from City employees and officials, but many also came from the public, the media, and other governmental agencies. All requests and questions are handled confidentially, in accordance with the provisions of the Ordinances.

### **Regulation and Public Disclosure**

An old adage (coined by Supreme Court Justice Louis D. Brandeis) has it that "sunshine is said to be the best of disinfectants." In accordance with that belief, the value of transparency in government, and state law and City Ordinance, the Board makes available for public examination and duplication the following documents:

- > Statements of Financial Interests filed annually by approximately one-third of the City's workforce;

*More detailed information about these programs can be found on pages 16-19 of this Annual Report.*

- Disclosure forms filed by married employees pursuant to Personnel Rule XXIX;
- Disclosures filed by City Council members regarding pending matters;
- Disclosures filed by City employees and officials regarding gifts and miscellaneous recusals; and
- Registration statements and activity reports filed regularly by nearly 600 registered lobbyists.

**Investigation and Enforcement**

The Board of Ethics is authorized to receive complaints and investigate alleged violations of the ethics and campaign financing laws by City employees, officials, contractors, lobbyists, campaign contributors and others. The Board:

*More detailed information on the Board's investigation and enforcement activity can be found on pages 20-23 of this Annual Report.*

- monitors contributions made to elected City officials and candidates for elected City office to ensure that contributors comply with the limitations imposed by the City's Campaign Financing Ordinance;
- commences enforcement actions or investigations based on its audits of information reported in public filings of City employees, officials, registered lobbyists, and candidates for elected City office; and
- receives, assesses and investigates complaints of alleged violations, and recommends or implements appropriate corrective action or sanctions.





## **A. Education and Training**

The goal of all Board education programs is to inform City employees, officials, and others in advance about the requirements of and standards of conduct expected by the Governmental Ethics and Campaign Financing Ordinances. These programs are:

### **Mandatory Annual Ethics Training**

The Governmental Ethics Ordinance was amended in late 2005 to require all aldermen and full-time City employees to complete, each year, an ethics training program designed by the Board. In 2006, the annual training program's first full year of operation, the City achieved 100% compliance with this requirement: 37,650 full-time employees and all 50 aldermen completed their training. For 2006, the Board produced three distinct on-line, interactive programs: one for aldermen, another for Police and Fire employees, and the third for all other employees. Approximately 92% of the City's workforce completed this training through one of the on-line programs (all password-protected, accessible only from City personal computers, lasting about 35 minutes, and containing five chapters covering five separate subjects). The remainder completed their training through a video version of the training produced by the Board.

For 2007, the second year of the program, the Board completely revised the training, which also covers five separate subjects. The Board produced two distinct versions: one for aldermen, another for all City employees. The final chapter of this latter program was produced with the cooperation of the Office of Compliance and Office of the Inspector General, and covers rules and policies related to professional conduct but not found in the Governmental Ethics Ordinance. The Board also produced video versions of the training for those without ready access to City personal computers. City personnel began completing these programs in March 2007. At the end of the reporting year, nearly 23,000 employees—more than 60% of the City's workforce—had completed their 2007 training.

During the reporting year, the Board added a "library" function, which enables every employee and alderman who has completed training to access and review read-only versions of all Board training programs at any time.

### **Mandatory Quadrennial Ethics Training**

Since October 1997, the Governmental Ethics Ordinance has required all aldermen, aldermanic staff, City Council Committee staff and senior executive employees of the City to attend an ethics training seminar every four years. Approximately 10% of the City's workforce is subject to this requirement. Persons failing to attend are subject to a \$500 fine. Upon entering City service in a position requiring attendance at ethics training, an employee or official has 120 days to attend, and then must attend again every four years. The Ordinance also mandates that the Board design and conduct training that will allow persons to satisfy this requirement. The Board identifies persons required to attend, notifies in writing them of their requirement, schedules them for classes, and confirms their attendance or non-attendance in writing. During the past reporting year, the Board conducted 24 classes for the 422 City employees and officials required to attend.

### **Other Training**

The Board designs and conducts other ethics training seminars or presentations for City and non-City personnel upon request. This past reporting year, training offered by the Board included:

- ➔ 7 customized classes, held upon request, covering the Board's work and the Governmental Ethics and Campaign Financing Ordinances, attended by more than 935 City employees and contractors from four departments;

- ➔ 3 presentations to 65 visiting dignitaries and officials from foreign countries, including the Peoples' Republic of China and the Czech Republic; and
- ➔ 1 presentation (together with panelists from other agencies) to the Chicago Chapter of the National Forum for Black Public Administrators.

## **Publications**

The Board publishes and distributes a variety of materials summarizing different aspects of the Ordinances, including campaign financing, lobbying, and a guide for aldermen. During this past reporting year, which included a municipal election cycle, the Board created a guide for Candidates for Elected City Office, which was posted on the agency's website and distributed to candidates at the offices of the Chicago Board of Election Commissioners. The Board also produced new brochures for City employees and members of the public.

**All Board educational publications are posted on the agency's website; hard copies of all are available upon request.**

## **Departmental Ethics Officers**

Ethics Officers from every City department and aldermanic office assist the Board by directing their fellow employees to the Board to have their questions addressed. They also perform certain invaluable services: distributing to their employees written notices informing them of the Ordinance's post-employment restrictions, education requirements, outside employment restrictions, and the filing of Statements of Financial Interests. Forms used by departmental and aldermanic Ethics Officers are available on the Board's website, as is a list of current Ethics Officers and their contact information.

## **Web-based Training**

The Board has two additional electronic training programs. One covers the City's post-employment restrictions, and can be found at:

**<http://egov.cityofchicago.org/city/postEmploymentQuiz/index.jsp>**



The other program covers the restrictions in the Ordinances imposed on City contractors, and can be found at:

**<http://www.cityofchicago.org/Ethics/Media/EthicsTrainingProgram.html>**



## **B. Guidance and Casework**

The Board of Ethics serves in an advisory capacity to City employees, officials, lobbyists, contractors, campaign contributors, and others. Much of the Board's daily work involves responding to requests for information from or giving confidential guidance to City employees and officials, persons from other governmental entities, lobbyists, businesses, contractors, campaign contributors, and the press and the public. Requests for information or guidance arrive by telephone, fax, email, letter, or in person. The Board categorizes these requests as either "inquiries" or "cases."

### **INQUIRIES AND CASES**

#### **Inquiries**



The Board handles as "inquiries" those instances where persons contact the office and request information or professional guidance, but do not request or receive a written response. This past reporting year, the Board handled 4,733 inquiries (this represents a very slight increase as compared with the number handled in the year that ended July 31, 2006). Most notably—and least surprisingly, given that the reporting year encompassed a municipal election cycle—the number of inquiries received with respect to the Campaign Financing Ordinance and the restrictions on political activity each doubled.

The majority of people who contact the Board request guidance in order to comply with the City's ethics and campaign financing laws; others have more general questions. As appropriate, Board staff provides general information or specific guidance based on previously rendered written Board advisory opinions. All inquiries are handled in accordance with the confidentiality provisions of the Governmental Ethics and Campaign Financing Ordinances.

#### **Cases**



The Board handles as "cases" instances where persons contact the office and request a written opinion, raise complex legal issues the Board has not yet addressed, or file a written complaint. The Board will, as appropriate, render a written opinion, formally approve advice given orally by Board staff, dismiss a complaint, or commence and conduct an investigation and then issue a report containing its determinations and recommendations (including investigations and preliminary inquiries initiated by the Board based on public filings made by City employees and officials, registered lobbyists and committees of candidates for elected City office). All these matters are handled and resolved as "cases." Board staff relies upon these written opinions in handling related future inquiries. All advisory opinions, complaints filed with the Board, and Board investigations and recommendations are confidential in accordance with the Ordinances.

This past reporting year, the Board approved oral or issued written advice in 47 cases, and issued 119 reports containing determinations or recommendations resulting from concluded investigations.

**Table I - Subject Matter of Inquiries/Yearly Comparisons**

		Inquiries Received/handled for Years Ending July 31		
<b>Table I</b>	<b>Subject Matter</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
shows the number and subject matter of inquiries received and handled by the Board during the reporting years ending July 31, 2005, 2006 and 2007.	Outside Employment	59	73	107
	Post-Employment	63	94	79
	Gifts/Travel/Honoraria	151	247	304
	Interest in City Business	47	71	36
	Campaign Financing	27	52	132
	Lobbying Activity/Disclosure	418	414	439
	Financial Interest Disclosure	775	2547	2396
	Political Activity	2	29	60
	City Property	26	18	50
	Fiduciary Duty	11	19	26
	Conflicts/Improper Influence	24	38	38
	Money for Advice	11	2	24
	Representation	7	20	22
	Employment of Relatives	32	52	40
	Confidential Information	1	51	14
	General Information	45	13	76
	No Jurisdiction <sup>†</sup>	53	59	73
	Prohibited Conduct	3	9	9
	Other	53	48	54
	Classes/Education	341	787	693
Freedom of Information	9	57	61	

<sup>†</sup> Where possible, the Board referred these matters to other City, governmental, or private agencies.

**Table II - Subject Matter of Cases/Yearly Comparisons**

		Cases Resolved for Years Ending July 31		
<b>Table II</b>	<b>Subject Matter</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
shows the number and subject matter of the cases resolved <sup>†</sup> by the Board for the reporting years.	Outside Employment	4	2	1
	Post-Employment	15	20 <sup>2</sup>	16 <sup>3</sup>
	Gifts/Travel/Honoraria	6	5	11
	Interest in City Business	6	4	6
	Campaign Financing	69 <sup>4</sup>	33 <sup>5</sup>	58 <sup>6</sup>
	Lobbying Activity/ Disclosure	29	92 <sup>7</sup>	26 <sup>8</sup>
	Financial Interest Disclosure	116	126 <sup>9</sup>	35 <sup>10</sup>
	City Property	0	1	5
	Fiduciary Duty	2	7	4
	Conflicts/Improper Influence	4	3	3
	Representation	3	2	0
	Employment of Relatives/ Domestic Partners	1	2	5
	No Jurisdiction <sup>11</sup>	12	14	15
	Political Activity	1	0	1
	Ethics Education	0	0	1 <sup>12</sup>
	Freedom of Information	0	0	1
	Money for Advice	0	0	1

Notes to Table II

1. As in past years, these figures include all cases in which oral or written advice or opinions were issued. It also includes 14 complaints referred to other agencies or dismissed before investigations were commenced or concluded, preliminary inquiries, and cases in which the Board issued written reports resulting from concluded investigations. See Table IV, on p. 22, for more specific information on complaints received and investigations commenced and concluded during the reporting year.
2. This includes two withdrawn requests for written advisory opinions.
3. This figure includes one complaint that the Board declined to investigate after determining that the alleged conduct was already under investigation by another City agency.
4. This figure includes 68 concluded investigations pertaining to contributors' violations of the contribution limitations in the City's Campaign Financing Ordinance, and 1 case in which the Board rendered written advice. It does not include 15 cases commenced with respect to contributors alleged to have violated the contribution limitations of the Campaign Financing Ordinance, but not concluded during this reporting year.
5. This figure represents 33 concluded investigations pertaining to contributors' violations of the contribution limitations in the City's Campaign Financing Ordinance, and 1 case in which the Board rendered written advice. It does not include 15 cases commenced with respect to contributors alleged to have violated the contribution limitations but not concluded during this reporting year.
6. This figure includes 55 concluded investigations and preliminary inquiries pertaining to contributors' violations of the contribution limitations in the Campaign Financing Ordinance, 1 case in which the Board rendered a written interpretation of the law, and 2 complaints received, investigated and closed, both involving allegations that candidates for elected City office had not filed their Statements of Financial Interests, as required by that Ordinance. See Section III.C.1, on p. 16, for more information.
7. This figure includes 1 staff request for a Board interpretation (pertaining to recording lobbyists' filings), 3 complaints (all of which were dismissed for lack of reasonable cause to investigate), and 88 investigations commenced and concluded during the reporting year, all pertaining to timely lobbyists' filings.
8. This figure includes 1 case in which written advice was given and approved by the Board, and 25 investigations commenced and concluded during the reporting year (all of which pertained to timely lobbyists' filings).
9. This includes 31 cases closed involving individuals who, the Board determined, violated the Ordinance for failing to timely file their 2005 Statements of Financial Interests, and 95 cases commenced but closed involving individuals who filed their 2006 Statements prior to a Board determination that they had violated the Ordinance for failure to timely file.
10. This figure represents 34 cases closed with respect to employees and officials who failed to file their 2006 Statements of Financial Interests, and 1 case closed with respect to an employee who had failed to file a 2005 Statement. See Section III.C.2, on pp. 16-17, for more information.
11. Where possible, the Board referred these cases to other City, governmental, or private agencies.
12. Pursuant to § 2-156-405(a) of the Governmental Ethics Ordinance, the Board suspended its investigation upon being informed that a law enforcement agency is investigating the matter.

## SUMMARIES OF RELEVANT INQUIRIES AND OPINIONS



All of the following summaries are based on actual inquiries received or opinions issued by the Board during the reporting year. They are included in this Annual Report for educational purposes only, and are not intended to constitute legal advice. Board opinions may be relied upon only by persons involved in the specific transactions or activities with respect to which the opinions are rendered. Any person with a question about a specific situation should contact the Board for personal guidance.

As provided by Ordinance, the Board can render advisory opinions only when requested in writing by officials, employees or any other persons directly and personally involved in the specific situation. Board opinions concern only the application of the City's Governmental Ethics and Campaign Financing Ordinances to the facts presented in the opinions, and do not analyze other rules or laws that may apply.

The Board handles all inquiries in accordance with the confidentiality requirements of the Ordinances. Copies of all Board opinions issued since 1986, with identifying and other confidential information removed, are available on request. All opinions rendered by the Board since January 1, 1998 are also available on the Board's website, [www.cityofchicago.org/Ethics](http://www.cityofchicago.org/Ethics).

To the extent that these summaries differ from the language of the Ordinances or Board opinions, the language in the Ordinances and opinions controls.

### Campaign Financing

The Campaign Financing Ordinance limits at \$1,500 the amount that certain persons or business entities may contribute to: 1) candidates for elected City office during a single candidacy; 2) elected City officials during a "reporting year" (July 1 through June 30); and 3) City officials or employees seeking election to any other office. Among the persons subject to this limitation are those who have "done business" with the City within the previous four reporting years (meaning sales, purchases, leases or contracts to, from or with the City in excess of \$10,000 in any consecutive twelve month period). The Ordinance also provides that, for purposes of this \$1,500 limitation, a contribution to any political fundraising committee which, during the reporting year in which the contribution is to be made, has itself made contributions or given financial support in excess of 50% its total receipts for the reporting year to a particular candidate, elected official, or their authorized fundraising committee, is then considered to be a contribution to that particular candidate or elected official.

**Question:** A company that is doing business with the City (and thereby subject to the \$1,500 limitation) has already contributed \$1,500 during the reporting year to several aldermanic candidates. The company's representative asks whether the company would violate the Ordinance by contributing to a political action committee (PAC), in the same reporting year, knowing that the PAC will then contribute to these same aldermanic candidates' committees during the reporting year.

**Advice:** It depends. This additional contribution to the PAC would violate the Ordinance unless the following two conditions are met: 1) this company (or its representatives) does not exercise a high degree of control over the PAC or over which candidates it contributes to; and 2) no candidate, elected official (or their committee) to which this company has already contributed \$1,500 during the reporting year receives in excess of 50% of the PAC's total receipts during the reporting year.

### **Representation of Other Persons**

The Governmental Ethics Ordinance prohibits a City employee from “representing” or having an “economic interest” in the “representation” of any person other than the City in any formal or informal proceeding or transaction before any City agency in which the agency’s action is non-ministerial.

**Question:** A City employee serves as an officer of his local neighborhood association (for which he receives no compensation). The association is seeking to have a speed bump installed on a local residential street. The employee asks whether he can sign a petition (which will then be submitted to the alderman), and meet with the alderman regarding the speed bump.

**Advice:** “Representation” includes a broad range of activities where one person acts as a spokesperson for another, such as making personal appearances before City agencies, making telephone contact with City employees or officials, or submitting written requests and proposals to City agencies. Installing a speed bump is a City action that is non-ministerial—it involves discretion and judgment. Therefore, the Ordinance prohibits him from meeting with the alderman on behalf of the association (other members or officers from the association may, of course, meet with the alderman). However, the Ordinance does not prohibit a City employee from exercising his or her rights as a citizen or homeowner. So he is not prohibited from signing this petition to be submitted to his alderman if he is signing in his capacity as a homeowner and member of the neighborhood association.

### **Employment of Relatives or Domestic Partners**

The Ethics Ordinance prohibits City employees from “employing” or advocating for employment any of their relatives (or their domestic partner) in a City agency in which they serve or exercise authority. “Employ” means, in part, supervising, or making, taking part in or approving promotion, vacation, salary or leave decisions about another.

**Question:** A City employee asks whether the Ordinance would prohibit her from serving, in an “acting up” capacity for 90 days, as an “acting” foreman of a crew in which her brother is also employed.

**Advice:** The Ordinance prohibits her from serving in an “acting up” capacity if her brother (who is a “relative” for purposes of the Governmental Ethics Ordinance) is employed in the same crew. By serving as an “acting” foreman, even for 90 days, this employee would be “employing” her brother, which is prohibited by the Ordinance. The siblings are not prohibited from working together in the same department or crew, as long as neither one exercises—even temporarily—any employment supervision over the other.

The Ordinance also prohibits employees and officials from exercising “contract management authority” where any relative or domestic partner of theirs is employed by or has contracts with persons doing City work over which they have or exercise that authority, and from using or permitting the use of their positions to assist their relatives in gaining employment or contracts with persons over whom they exercise that authority. It defines “contract management authority” as personal involvement in or direct supervisory responsibility for the formulation or execution of a City contract.

**Question 2:** A City employee explains that her domestic partner has just become an employee of a company that has a contract with her City department. She also explains that the contract is with a different division of her department and that she has had no involvement with this company or its work in her City employment. She asks how the Ordinance applies to her situation.

**Advice:** The Ordinance prohibits her from exercising “contract management authority” with respect to any City contract on which her domestic partner’s company is doing work (for as long as her domestic partner works for this company, and for six months thereafter). She is also advised to submit to her Commissioner a written letter of “recusal” so that she can be effectively screened from participating in any City, contracts, work or matters involving her domestic partner’s company.

### **Statements of Financial Interests/Acceptance of Travel Expenses**

Article 2 of the Governmental Ethics Ordinance requires City employees whose annual budgeted rate of compensation from the City is at or above a specified rate (in 2007, that rate was \$72,500), City elected officials, and certain appointed City officials to file a Statement of Financial Interests every year. These forms are available for public inspection as provided in the Ordinance and the state’s Freedom of Information Act. The Ordinance requires filers to disclose on their Statements, among other things, the name of any person from whom they have received (during the previous year) one or more gifts or honoraria with a total value in excess of \$500.

**Question:** A City employee asks whether the Ordinance requires her to disclose on her Statement travel expenses she received from a non-profit organization for a trip she took in her official capacity. The trip involved meeting with government counterparts in a foreign country; the organization sponsoring the trip paid only for necessary travel expenses, and she received nothing of value beyond these expenses.

**Advice:** Under the Governmental Ethics Ordinance, travel expenses offered to City employees or officials for cultural or education trips, are not prohibited if: i) furnished by the sponsor of the event; and ii) furnished in connection with a public event; and iii) related to official City business; and iv) reasonable; and v) not based on a mutual understanding that the recipients’ City judgments or decisions would be influenced by the expenses. Provided they meet these conditions—as in this situation—hosting expenses are not “gifts” for purposes of the Ordinance, and therefore need not be reported on the Statement of Financial Interests.

### **Gifts**

The Governmental Ethics Ordinance prohibits any person from offering or giving, and any City employee or official from accepting, anything of value based on a mutual understanding that the receiving employee’s or official’s City decisions or actions would be influenced thereby. It also prohibits any person with an economic interest in a specific City business or transaction from giving cash or gifts to City personnel whose decisions or actions may affect that business or transaction (and it prohibits these City personnel from receiving such cash or gifts). This prohibition, however, does not apply to non-cash gifts worth less than \$50; the Ordinance also limits or “caps” at \$100 in a calendar year the value of the total amount of gifts a City employee or official may accept from any such a person.

**Question:** A City employee’s husband receives an invitation for two tickets to a Bears game from a company that the employee believes may be a vendor of a different City department. She says she has no input into this company’s City contract(s) and does no City work with respect to this company. The company representative who offered the tickets to her husband is a friend of his. She asks whether the Ordinance prohibits her and her husband from accepting.

**Advice:** The Ordinance does not prohibit her from accepting the tickets (even though they are a gift), because she is not in a position to substantially affect this company’s City business, and there is no mutual understanding that her City judgments or decisions would be affected by the gift.

Nonetheless, she is advised to discuss this with her department head to ensure that the department does not prohibit her from accepting the tickets.

**The Ordinance also requires any City official or employee who receives any gift or money for participating in the course of his or her public employment in speaking engagements, lectures, or discussion forums to report it to the Board of Ethics within 5 business days.**

**Question 2:** A City employee receives a \$750 honorarium for giving a speech at a forum hosted by a non-profit organization on a topic relevant to his City work. He asks whether, instead of accepting it, he can turn it over to his department for a social function.

**Advice:** Turning over the proceeds from the honorarium to the department still constitutes accepting the money. Because the money is an honorarium, this employee must report its acceptance to the Board of Ethics within 5 business days, and, because it is greater than \$500, the employee must also report it on his Statement of Financial Interests for the next calendar year. The Ordinance, however, does not prohibit him from accepting the honorarium, and does not restrict what he does with the proceeds; that is at his discretion.

### **Gifts/Lobbyist Regulation**

**The Governmental Ethics Ordinance also requires that registered lobbyists disclose, twice each year in publicly available filings, an itemized list of every gift given to any City official or employee. Registered lobbyists are also subject to the restrictions on offering or giving gifts, cited above.**

**Question 1:** A registered lobbyist asks whether it can offer a boxed lunch of nominal value to City employees. The lunch will be offered to the employees during a seminar (on an issue of mutual interest) they will be attending which the lobbyist is hosting at its company headquarters.

**Advice:** This lunch would be a gift from a lobbyist. It is not a prohibited gift under the Ordinance, but the lobbyist is advised: 1) to consult with the employees' department head to ascertain whether there is any departmental policy that would prohibit these employees from attending and/or accepting the lunch; 2) the lunch would be a gift from a lobbyist, and thus the lobbyist would need to disclose the name of each recipient and the nature and value of each gift on its next publicly available semi-annual lobbyist activity report.

**Question 2:** A lobbyist asks whether it is required to report, on its itemized list of gifts in its semi-annual lobbyist activity report, campaign contributions it has made to candidates for elected City office and/or elected City officials.

**Advice:** No. The candidate or elected official (actually, the campaign committee of the official or candidate) is required to report these contributions as a matter of state law on public filings made with Illinois's State Board of Elections. But a campaign contribution by a lobbyist, if duly reported by the candidate, official, or his/her authorized committee, is not a gift, and thus need not be reported on the lobbyist's semi-annual activity report filed with the Board. Note that registered lobbyists are subject to the campaign contribution limitations of the City's Campaign Financing Ordinance.

## **Interest in City Business/Conflict of Interests**

The Governmental Ethics Ordinance prohibits City employees and elected officials from having a “financial interest” in their own or another name in any contract, work or business of the City, or in the sale of any article, if the contract, work, business or sale is paid with funds belonging to or administered by the City (there is an exception for participating in certain programs administered by the Department of Housing). It also provides that no employee or elected official may have a financial interest in the purchase of any City-owned property or property that is sold for taxes and assessments, unless it is sold pursuant to a process of competitive bidding following public notice. “Financial interest” means, in relevant part, any interest: i) as a result of which the owner receives or is entitled to receive more than \$2,500 per year; or ii) with a cost or present of \$5,000 or more.

**Question 1:** A City employee asks whether the Governmental Ethics Ordinance prohibits her from purchasing, owning, renewing, or leasing to or from another a City of Chicago Taxicab medallion. According to Rules issued by the Department of Consumer Services (which regulates taxicabs), the City sells all taxicab medallions by sealed bid, after the notice of the auction is placed for 30 days on the City’s website and in various local newspapers. Successful bidders must pay a \$7,500 non-refundable deposit. A medallion owner may lease the medallion (and the license to operate a taxi) to another person. No fee for leases is paid to the City by the lessor or lessee, but the City does set maximum lease rates and requires the lessee to be a licensed chauffeur. The City does not require that leases be recorded.

**Advice:** The Ordinance does not prohibit City employees from purchasing taxicab medallions through this process, or leasing medallions according to these rules. The process constitutes public notice followed by competitive bidding. Therefore, purchasers do not have a financial interest in City business (even though the minimum purchase price is, in effect, \$7,500, clearly more than \$5,000). The public notice requirement is satisfied by the posting on the City’s website and the notice placed in the local papers. The competitive bidding requirement is satisfied by the fact that all bids are evaluated according to the same criteria, and all bidders are subject to the same terms and conditions and have an equal opportunity to respond to the notice. Similarly, the Ordinance does not prohibit City employees from leasing a medallion to or from another. The underlying purchase of the medallion does not constitute a financial interest in City business, thus the licensing of that medallion does not either, as no money is paid to the City in a lease (which is a transaction between two private parties).

The Ordinance also prohibits appointed City officials (persons who serve on City Boards and Commissions, typically appointed by the Mayor and confirmed by the City Council) from engaging in transactions that would amount to a financial interest in City business (except for participating in certain programs administered by the Department of Housing), unless the transactions are “wholly unrelated” to their City duties and responsibilities.

**NOTE:** Questions 2 and 3 are both based on this situation:

**Question 2:** An appointed official (a Commissioner on a Board) asks whether he would be in violation of the Ordinance if his Commission votes to deposit its operating funds (approximately \$100,000) into an interest-bearing account (on which the bank would earn 8% per annum, and the depositor less than that) with a privately-owned bank of whose stock he owns .5%.

**Advice:** This transaction, clearly, would not be “wholly unrelated” to the work of his City Commission, because it involves the Commission’s own operating funds. The question then, is whether his interest in the deposit would amount to a prohibited financial interest in a City transaction, the transaction being the deposit of the City Commission’s operating funds. His interest in the transaction is determined by multiplying his ownership interest in the bank (.5%) by either the amount of the interest the bank earns per year ( $\$100,000 \times 8\% \times .5\% = \$40$ ) or of the principal plus interest ( $\$100,000 \times .5\% + \$40 = \$540$ ). Because either measure is less than

the monetary threshold that would amount to a financial interest in City business, he would not have a prohibited financial interest in this City transaction, if approved by the Board.

**The Ordinance also prohibits a City employee or official from making, participating in, or in any way attempting to use his or her City position to influence any City governmental decisions or actions in which he or she has (or has reason to know that he/she has) an economic interest distinguishable from that of the general. An economic interest means any interest that is or can be valued in monetary terms.**

**Question 3:** Can this same Commissioner, an appointed City official, vote on the matter regarding which bank to deposit the funds with?

**Advice:** No, he cannot. He has an economic interest in the bank (by virtue of his ownership interest in it), and economic interest in the matter of whether the Commission deposits its operating funds into his or another bank. Thus, he must “recuse” himself from—that is, formally announce that he is not taking part in and excuse himself from—the Commission’s decision to deposit the funds with his or another bank. And, he cannot in any way attempt to influence the outcome of that decision.



## **C. Regulation and Enforcement Activities**

**1**

### **Campaign Financing**

The City's Campaign Financing Ordinance limits the amount of money that certain persons may contribute during a political reporting year (July 1 through June 30) to candidates for elected City office, elected City officials, and City employees and officials seeking election to any other office (or to any of their authorized committees). These persons are: 1) lobbyists registered with the Board; 2) those who, within the last four political reporting years, have done business with the City or one of its "sister agencies"; and 3) persons seeking to do business with the City or one of its "sister agencies" (these are the Chicago Transit Authority, the Chicago Public Schools, the Chicago Park District, the Chicago City Colleges and the Metropolitan Pier and Exposition Authority).

The Board monitors contributors' compliance with these limitations by reviewing campaign financing disclosure reports that candidates' political committees file with the Illinois State Board of Elections (pursuant to state law). The Board compiles a database of contributors who have exceeded the limitations, then compares this database with City and sister agency contract records, matters referred to the City Council and/or Council committees, and lobbyists' registration statements filed with the Board, to determine whether these contributors were subject to the Ordinance's contribution limitations during the relevant time period.

Based on this review, during the reporting year the Board commenced 5 preliminary inquiries (one based on a filed complaint) and 29 investigations during the reporting year pertaining to contributors who appeared to have exceeded the contribution limitations. Of these 34 cases, the Board closed 25 after conducting investigations. In these closed cases, the contributors were determined to have violated the Ordinance, and the Board achieved compliance. In another case, the Board closed a preliminary inquiry after determining that the contributor had not exceeded the Ordinance's contribution limitations. In 7 of the remaining 8 cases, the Board determined that the contributor violated the Ordinance, but compliance had not yet been achieved; in the last of these 8 cases, the Board commenced a preliminary inquiry to determine whether the contributor had violated the Ordinance's contribution limitations. All 8 of these cases remained pending at the end of the reporting year.

The Board also commenced 2 investigations based on filed complaints alleging that 2 candidates had violated the Campaign Financing Ordinance by failing to file their Statements of Financial Interests, as required by that Ordinance. The Board commenced and concluded investigations in these matters, the subjects having complied with the Ordinance prior to a Board determination of a violation.

In addition, the Board closed 29 investigations it had commenced during the two previous reporting years, achieving compliance in 28. In the last of these cases, the Board vacated its determination that the contributor had violated the Ordinance after the contributor successfully rebutted the Board's finding.

At the close of the reporting year, the Board had completed its review of contributions made during the 2005-2006 political reporting year. It identified a total of 337 contributors who had made contributions in excess of \$1,500 to City elected officials or candidates for elected City office during that period. As a result, the Board was about to commence investigations with respect to 37 of these contributors who were subject to the Ordinance's contribution limitations.

**2**

### **Statements of Financial Interests**

City employees whose annual salary rate is at or exceeds the rate set by the Board each year (for 2007, the rate is \$72,500) and elected and certain appointed City officials are required to file Statements of Financial

Interests with the Board each Spring (except aldermen, who file their forms with the City Clerk), in accordance with Article 2 of the Governmental Ethics Ordinance. The Board distributes, collects, and reviews these Statements for compliance with the Ordinance.

For 2007, 14,551 City employees and officials were required to file Statements of Financial Interests with the Board by May 31, 2007 or be in violation of the Ordinance. (This figure represents an increase of 12% as compared with the number of employees and officials required to file in 2006.) Individuals required to file by May 31 but who filed after May 1 were also required to pay a \$20 late filing fee as mandated by the Ordinance. During the reporting year, the Board collected \$15,640 in late filing fees.

During the reporting year, the Board concluded 34 of the 122 cases it opened with respect to employees and appointed officials who, it determined, were in violation of the Ordinance for having failed to timely file their 2006 Statements of Financial Interests. In 19 of these cases, the individuals filed their forms, paid the appropriate late filing fees, and were disciplined by their departments as appropriate. In the remaining 15 cases, the Board vacated its determination. It also concluded the one remaining case involving an employee who, it had previously determined, violated the Ordinance for failure to file a 2005 Statement. The employee filed during the reporting year and the Board closed the case after the employee filed and his department reported that he had been on unpaid status for all of 2006.

As of July 31, 2007, there were 101 employees and 11 appointed officials who had yet to file their 2007 Statements of Financial Interests. The Board commenced investigations with respect to these individuals during the reporting year.

**3**

**Lobbyist Registration and Activity**

The Board of Ethics regulates persons who lobby City government. Article 3 of the Ethics Ordinance requires all lobbyists to register with the Board each January 20, and file reports about their lobbying activities with the Board each January 20 and July 20. The Ordinance also requires all registrants to pay a \$200 fee per person identified as a lobbyist in their registration statement. During the reporting year, the Board collected \$128,200 in lobbyist registration fees.

Persons that the Board of Ethics determines have failed to register as lobbyists as required are subject to fines, as are persons who retain or employ lobbyists who have failed to register as required. The Governmental Ethics Ordinance provides that a City contract performed or entered into with any person who has retained or employed a non-registered lobbyist for the purpose of negotiating, soliciting or otherwise seeking the contract, shall be voidable as to the City. During the reporting year, the Board commenced and closed 25 investigations with respect to lobbyists who had failed to timely file their reports, and/or had failed to correct deficiencies in their filings. Two of these cases resulted in determinations that the lobbyist had violated the Ordinance. All of the cases were closed during the reporting year. See Table IV, p. 23, below, for further information.

In their filings, lobbyists are required to identify their clients, list their lobbying-related compensation and expenditures, the City agencies they lobby and which legislative and administrative actions are the focus of their lobbying activity, provide itemized lists of gifts they have given to City officials and employees, and furnish a copy of any written agreement of retainer or employment pursuant to which they lobby or a written statement of the substance of any oral agreement pursuant to which they lobby.

In accordance with state law and the Governmental Ethics Ordinance, all lobbyists' filings are available for public inspection and duplication. The Board of Ethics maintains lobbyist filings for 7 years following the date of filing.

## **Who is Registered?**

### **Number of Lobbyists**

At the end of the reporting year (on July 31, 2007), there were 555 persons registered as lobbyists with the Board. During the reporting year, 89 lobbyists terminated their lobbyist registration. Together, these lobbyists represented 3,264 clients.

### **Lists of lobbyists and their clients**

The Board maintains a current list of registered lobbyists and their clients on its Website. The list is updated monthly. To view it, see <http://www.cityofchicago.org/Ethics>

## **Who Retains Lobbyists?**

The Governmental Ethics Ordinance requires registered lobbyists to disclose the name and business interests of all clients on whose behalf they lobbied during the six months prior to filing their semi-annual activity reports.

## **Gifts from Lobbyists**

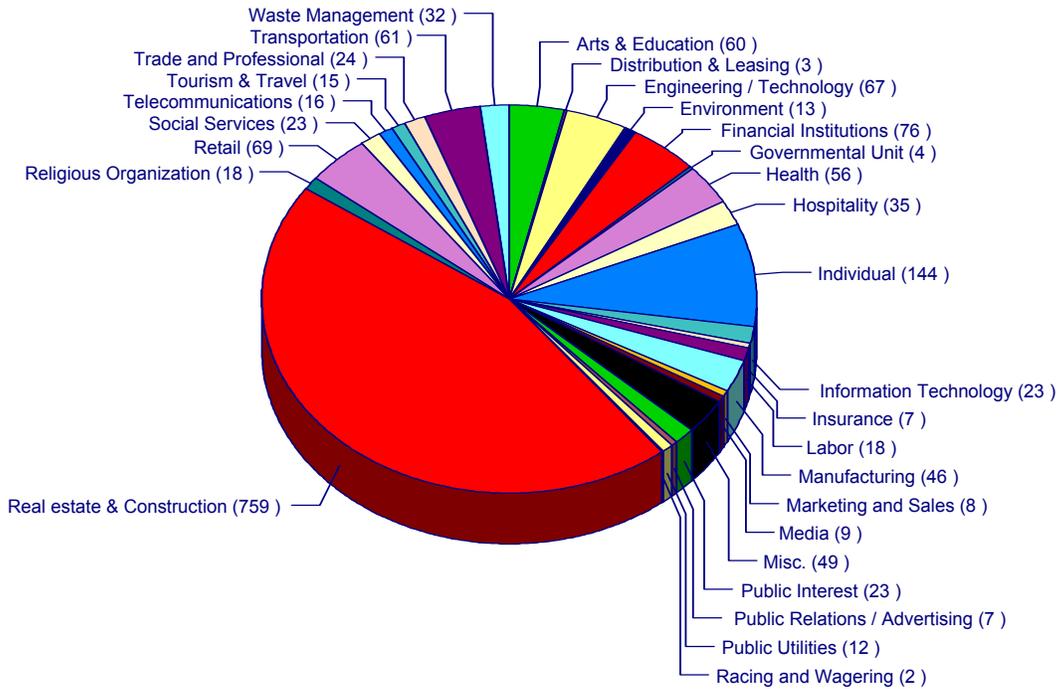
The Ordinance requires registered lobbyists to provide itemized lists of all gifts they have given to City officials and employees during the previous six month period. Filed reports shows that, during the period July 1, 2006 through December 31, 2006, 14 lobbyists gave 50 gifts to 33 City officials and employees, with a total value of \$1,617. The reports also show that, during the period January 1, 2007 through June 30, 2007, 14 lobbyists gave 36 gifts to 34 City officials and employees, with a total value of \$1,423.

### **NOTE:**

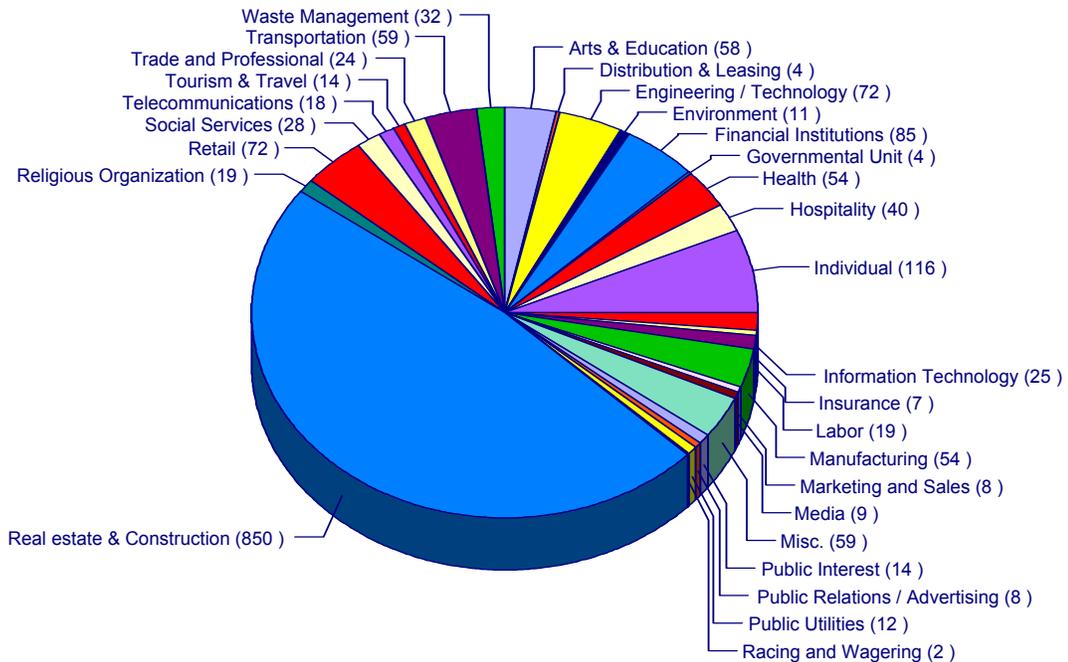
Registered lobbyists are subject to the political contribution limitations in the City's Campaign Financing Ordinance. Under state law, all local political committees must file semi-annual reports of their contributions. The Board's website has links to the website of the State Board of Elections, which collects and maintains data from reports filed with it by political committees. The data is searchable by name of contributor (including lobbyists) and name of candidate/elected official or committee. See [www.cityofchicago.org/Ethics](http://www.cityofchicago.org/Ethics)

**Table III** - The following two charts show the number and business interest of clients represented by lobbyists in the First Reporting period (the six months ending December 31, 2006) and Second Reporting Period (the six months ending June 30, 2007).

**July 1, 2006 through December 31, 2006**  
**First Period**



**January 1, 2007 through June 30, 2007**  
**Second Period**



4

**Complaints, Preliminary Inquiries and Investigations**

The Board has the authority to receive complaints, initiate preliminary inquiries, and conduct investigations into alleged violations of the Ordinances, issue subpoenas during the course of its investigations, make determinations into whether violations have occurred, and recommend or impose appropriate sanctions or further action.

All Board complaints, inquiries, investigations, reports and recommendations are subject to the confidentiality requirements of the Ordinances.

**Filed Complaints**

The Board received a record number of 29 complaints during the reporting year. This figure represents nearly twice the number of complaints received during the previous reporting year. As provided in both Ordinances and the Board's Rules and Regulations, Board legal staff promptly (that is, within two business days) reviewed and assessed each complaint and determined whether there was reasonable cause to initiate an investigation into the allegations. The determination as to whether there is reasonable cause to initiate an investigation is based on this question: if the allegations in the complaint turn out to be true (construing all inferences in favor of the complainant) would they amount to a violation of either Ordinance? If the answer is no, then, as provided in the Board's Rules and Regulations, the Executive Director dismisses the complaint and notifies the complainant of the dismissal. If the answer is yes, then, as provided in the Board's Rules and Regulations, the agency commences an investigation. As provided in the Board's Rules and Regulations, the Board has the authority to investigate only written complaints that contain: 1) the identity of the person against whom the complaint is filed; 2) a clear description of the essential facts and circumstances constituting the alleged violation of the City's Governmental Ethics or Campaign Financing Ordinances; 3) the identity of the person entering the complaint; and 4) allegations sufficient to conclude that there is reasonable cause to initiate an investigation. Complaints against aldermen must be signed and sworn to.

The Acting Executive Director dismissed 15 of these complaints because they raised issues outside the Board's jurisdiction. However, in 11 of these cases, the complainant was referred to other investigative agencies.

Of the 3 complaints received alleging violations of the Campaign Financing Ordinance, 2 alleged that candidates had not filed their Statements of Financial Interests, as required by that Ordinance. The Board commenced and concluded investigations in these matters, the subjects having complied with the Ordinance prior to a Board determination of a violation. In the third case, alleging violations of that Ordinance's contribution limitations, the Board initiated a preliminary inquiry. It was still pending at the end of the reporting year.

The Acting Executive Director dismissed 3 of the 4 complaints received alleging violations of the Employment of Relatives/Domestic Partners provision for failure to conform to the Board's Rules and Regulations, but then referred them to other City departments for further action. On the last complaint, the Board commenced and concluded an investigation, determining that there was a violation of the Ordinance, and recommending appropriate further action (see Table IV, below, for further information).

Of the 4 complaints received alleging violations of the prohibition regarding the use of City property without authorization, the Acting Executive Director dismissed 3 for failure to conform to the Board's Rules and Regulations (2 of these were referred then to other agencies for further action); the fourth was investigated (see Table IV, below, for further information).

The Board received 1 complaint alleging a violation of the Ordinance's post-employment restrictions, but declined to investigate it after being informed that the matter was already under investigation by another City department.

The Board also received a complaint alleging that the Ordinance's mandatory ethics training requirement had been violated. The Board, as required by Ordinance, suspended its investigation upon being informed that a law enforcement agency was investigating the matter.

The last complaint, alleging violations of the Ordinance's restrictions on acceptance of gifts, was dismissed by the Acting Executive Director for failure to conform to the Board's Rules and Regulations and failure to state reasonable cause for the Board to investigate.

**Note:** The full text of the Board's Rules and Regulations are available on the Board's website, at: [http://egov.cityofchicago.org/webportal/COCWebPortal/COC\\_EDITORIAL/rules-regs-4web.html](http://egov.cityofchicago.org/webportal/COCWebPortal/COC_EDITORIAL/rules-regs-4web.html)

### **Preliminary Inquiries**

Each year, the Board audits information disclosed on public documents filed with it (and with the Cook County Clerk's Office and State Board of Elections) by City officials, employees, lobbyists registered with the Board, and candidates for elected City office. These documents include Statements of Financial Interests, Lobbyist Registration Statements and Activity Reports, disclosures filed by City Council members, and campaign contribution reports filed by City elected officials and candidates for elected City office. If, based on the Board's review (which is sometimes occasioned by a filed complaint), a possible violation of the Governmental Ethics or Campaign Financing Ordinance is indicated, the Board commences a preliminary inquiry. From a preliminary inquiry, the Board may conclude that: i) there is reasonable cause to conclude that one or more provisions of the Ordinances may have been violated, in which case it will initiate an investigation; or ii) the inquiry should be closed on the basis that there is no reasonable cause to conclude that there is a potential violation (in such cases, the Board may advise the subject of the relevant provisions and penalties contained in the Ordinances).

#### **■ Statements of Financial Interests, Lobbyists' Filings and Disclosures filed by City Council Members**

During the reporting year, the Board did not commence any preliminary inquiries based on its review of Statements of Financial Interests filed by City employees and officials, lobbyists' filings, or City Council members' disclosures.

#### **■ Campaign Financing**

Based on its review of campaign contribution reports filed with the Illinois State of Board of Elections, City contract records, information provided by the "sister agencies," and matters referred to City Council Committees, the Board commenced 5 preliminary inquiries into whether campaign contributors had violated the City's Campaign Financing Ordinance. In 3 of these, the Board concluded that there was reasonable cause to commence an investigation; and after investigations were conducted, the contributor was determined to have violated the Ordinance, and compliance was achieved in 2 (the third remains pending). In the fourth case, the contributor was determined not to have violated the Ordinance's limitations, and the case was closed. In the fifth case, based on a filed complaint, the Board commenced a preliminary inquiry to determine whether the contributor had exceeded the Ordinance's contribution limitations, and the case was still pending at the end of the reporting year.

The Board also closed the 2 preliminary inquiries that it had initiated in the previous reporting year, achieving compliance in both cases.

### **Concluded or Suspended Investigations**

As summarized in Table IV, on page 22, during the reporting year, the Board concluded 35 cases with respect to City employees who failed to file Statements of Financial Interests within the time prescribed by law.

During the reporting year, the Board concluded 57 investigations with respect to the Campaign Financing Ordinance. In 2 of these cases, involving complaints alleging that candidates for elected City office had failed to file Statements of Financial Interests as required by that Ordinance, the Board commenced investigations but concluded them after the subjects complied with the law by filing prior to a Board determination of a violation. The remaining 55 cases involved violations of the Ordinance's contribution limitations. In 53 of these closed cases, the contributors were determined to have violated the Ordinance, and the Board achieved compliance; in the last 2, the Board closed the cases after determining that the contributors had not in fact exceeded the Ordinance's contribution limitations after considering evidence adduced by the contributors.

The Board also commenced and concluded 25 cases with respect to 19 lobbyists who had not filed activity reports or registration statements as required by the Ordinance, and 6 who had filed incomplete reports or statements. In all but 2 cases, the lobbyists complied with the Ordinance's requirements prior to a Board determination of a violation of the law. In those 2 cases, the Board determined that the lobbyists had violated the law; 1 lobbyist completed its filing, and the other filed a notice of termination of its lobbyist registration.

In the remaining 4 matters, all based on filed complaints, the Board concluded (or suspended) its investigations as follows. In the first case, it determined that an employee had violated the Employment of Relatives/Domestic Partners provision of the Governmental Ethics Ordinance and made appropriate recommendations for discipline and/or further action; in the second, involving the provision prohibiting the use of City property without authorization, the Board, after an investigation, closed the case without making findings, but made recommendations to other City departments for further action; in the third, involving an alleged violation of the Ordinance's post-employment provision, the Board declined to investigate after being informed that the alleged conduct was already under investigation by another City department; in the last, involving an allegation that the Ordinance's mandatory ethics training requirement had been violated, the Board, as required by the Ordinance, suspended its investigation upon being informed that a law enforcement agency was investigating the matter.

**TABLE IV - Subject Matter of Investigations, Complaints and Preliminary Inquiries**

**Table IV** shows the subject matter of complaints received, preliminary inquiries commenced and/or concluded, investigations initiated and investigations concluded by the Board during the reporting year just ended.

Subject Matter	Formal Complaints Received	Preliminary Inquiries Commenced or Concluded	Investigations Commenced	Investigations Concluded or Suspended
<i>Financial Interests Disclosure</i>	-	-	112 <sup>1</sup>	35 <sup>2</sup>
<i>Campaign Financing</i>	3	7 <sup>3</sup>	35 <sup>4</sup>	57
<i>Lobbyist Registration/Disclosure</i>	-	-	25	25 <sup>5</sup>
<i>No Jurisdiction</i>	15	-	-	-
<i>Employment of Relatives/ Domestic Partners</i>	4 <sup>6</sup>	-	1 <sup>6</sup>	1 <sup>6</sup>
<i>Post-employment</i>	1	-	-	1 <sup>7</sup>
<i>Gifts/Travel</i>	1	-	-	-
<i>Ethics Education</i>	1	-	-	1 <sup>8</sup>
<i>City Property</i>	4	-	1	1 <sup>9</sup>
<b>Total</b>	<b>29</b>	<b>7</b>	<b>174</b>	<b>121</b>

1. This figure represents 112 cases involving 101 employees and 11 officials with respect to whom the Board commenced investigations for failure to file 2007 Statements of Financial Interests. Each of these cases remained open at the end of the reporting year, as none of these individuals had yet filed their Statements.

2. This figure includes 34 investigations commenced during the 2005-06 reporting year but concluded during the 2006-07 reporting year with respect to the 122 employees and officials who, the Board determined, failed to timely file 2006 Statements of Financial Interests. In 19 of these cases, the individuals filed, paid the late filing fees, and were disciplined by their departments as appropriate. In the remaining 15 cases, the Board vacated its determination. It does not include 39 cases in which the employees filed after the Board determined that they had violated the Ordinance, but whose cases remain open because their department(s) have yet to report to the Board on disciplinary measures taken. It does include 1 case closed with respect to an employee who, during the reporting year, filed his 2005 Statement after having been in an unpaid status for all of 2006.
3. This includes 5 preliminary inquiries commenced during the reporting year (3 of which were also closed, and 2 of which remained open at the end of the reporting year), and 2 preliminary inquiries commenced during the previous reporting year, but closed during this one.
4. This figure includes 2 investigations involving candidates alleged to have failed to file Statements of Financial Interests, both of which were closed after the subjects complied but prior to a Board determination, and 29 investigations and 4 preliminary inquiries (all of which became investigations) involving contributors who appeared to exceed the Ordinance's contribution limitations.
5. This figure represents investigations commenced and concluded by the Board with respect to lobbyists who failed to timely file Registration Statements or Activity Reports. Six of these were commenced due to deficient filings by lobbyists; the remaining 19 were commenced due to failure of the lobbyists to timely file required documents. In 2 of these lobbyist non-filer cases, the Board determined that the lobbyists had violated the Ordinance. One case resulted in the lobbyist completing the required filing, and the other resulted in the lobbyist terminating its registration. All 25 were closed during the reporting year, compliance having been achieved.
6. These figures include 3 complaints that were dismissed for failure to conform to the Board's Rules and Regulations, but were then referred to other City departments for further action. They also include one complaint on which the Board conducted a full-scale investigation, found that the subject employee had violated the Ordinance, and recommended and received a report as to appropriate discipline and/or follow-up action taken.
7. This figure includes one complaint that the Board declined to investigate after determining that the alleged conduct was already under investigation by another City agency.
8. As required by the Ordinance, the Board suspended its investigation after being informed that a law enforcement agency was investigating the matter.
9. This figure represents a case that the Board voted to close, without findings, after concluding an investigation. The Board made recommendations to other City departments for further action based on this case.

5

**Personnel Rule XXIX Disclosures**

Personnel Rule XXIX (formerly Mayoral Executive Order 97-1, effective December 1, 1997), imposes restrictions on the conduct of employees in all executive departments, the Mayor's Office, the Mayor's security detail and City department heads. It also requires employees in executive departments to make written disclosure to the Board of Ethics each year of their spouses' ownership interest in entities that contract with persons doing City business. During the reporting year, the Board published the disclosure form (which is also posted on the Board's website), coordinated the distribution of notice of the requirement to file the form to all City employees, collected and audited all returned forms, and referred to the Law Department 5 forms requiring further review.

6

**City Council Members' Disclosures**

The Conflicts of Interest provision of the Governmental Ethics Ordinance requires members of City Council to file written notice with the Board of Ethics as to certain matters in which they have an interest if those matters are pending before the City Council or its committees, and to disclose their interests in these matters on the records of Council proceedings and abstain from voting on them. After receiving these disclosures, the Board reviews records of Council proceedings and other documents to ensure compliance with the law. As provided by the Ordinance, the Board also maintains and makes these disclosures available for public inspection upon request. In the reporting year ended July 31, 2007, the Board received 46 of these disclosures, covering 276 distinct pending matters or items.



Scanned copies of all disclosures filed by City Council members received by the Board during the most recent 4 month period are posted on the web. See:

[www.cityofchicago.org/Ethics/DisclosuresnNotifications](http://www.cityofchicago.org/Ethics/DisclosuresnNotifications).



## **D. Examination of Public Filings**

To help achieve transparency in City government, and to assist the Board in regulating the conduct of those who are subject to the City's ethics and campaign financing laws, the Ordinances authorize the Board to publish, distribute and audit documents and disclosures filed by City government personnel. In accordance with the Governmental Ethics and Campaign Financing Ordinances and state law, the Board maintains and makes available for public inspection and duplication all of the Statements of Financial Interests, City Council members' disclosures, advisory opinions, gift disclosures and lobbyist filings it maintains.

During the reporting year, the Board received 40 requests to examine Statements of Financial Interests filed by 123 individual City employees and officials, 2 requests to examine aldermanic disclosures (each one for all disclosures filed by one alderman), and 33 requests to examine a total of 411 distinct filings made by 33 separate lobbyists. The Board also received 13 requests to view other materials; these included 2 requests to view advisory opinions; 1 request to view records not in the Board's control, 1 request to view a list of aldermanic candidates filing Statements of Financial Interests with the Board, and 1 request for the Board's Record Disposal Certificate approved by the Local Records Commission of Cook County.

All these records are available for inspection upon written request. During the reporting year, the Board added a feature on its website explaining procedures for requesting to examine these documents, along with the required request forms.

More information on how to file a "FOIA" request to examine and/or obtain copies of public documents maintained by the Board can be found on the Board's website:  
[www.cityofchicago.org/Ethics](http://www.cityofchicago.org/Ethics)

## FOR MORE INFORMATION

Board of Ethics staff members are available to answer any inquiries you may have about the Board, or to provide you with guidance about the requirements of the City's Governmental Ethics or Campaign Financing Ordinances. To reach us, please call 312-744-9660 (TT/TDD 312-744-5996), send us a FAX at 312-744-2793, or email the Acting Executive Director at [sberlin@cityofchicago.org](mailto:sberlin@cityofchicago.org)

To obtain an advisory opinion or guidance about a specific situation, or to file a complaint, please contact **Steven I. Berlin, Acting Executive Director**, or write or stop in to the Board's office:

**CITY OF CHICAGO BOARD OF ETHICS**  
740 North Sedgwick, Suite 500  
Chicago, Illinois 60610

Also, please visit our web site: [www.cityofchicago.org/Ethics](http://www.cityofchicago.org/Ethics)

There, you will find complete texts of the Governmental Ethics and Campaign Financing Ordinances, profiles of Board members, the Board's last five Annual Reports, the current list of registered lobbyists and their clients, blank downloadable copies of all forms required to be filed with the Board, educational brochures, instructions on how to file requests to examine or receive documents maintained by the Board, including Statements of Financial Interests and disclosures filed by City Council members regarding potential conflicts of interests, links to allow a search of political contributions, contributors and recipients, and other helpful information.

---