

Executive Director's Report
1/13/20

Amendments to the Ordinance and potential legislative action in Springfield and elsewhere

1. On December 18, the City Council voted into law several amendments to the Governmental Ethics, in which this Board played a major role in drafting. These take effect on April 14, 2020, and:

- prohibit City elected officials from acting as lobbyists on behalf of private clients before any other government unit in the State, or from receiving compensation or income from such lobbying by others.
- require City employees and officials who file annual Statements of Financial Interests with the Board of Ethics to disclose the names of relatives who are registered as lobbyists not only with the City (which is current law), but also with the Secretary of State, or with the Cook County Clerk, or in any other local unit of government in Illinois.
- prohibit elected officials of any other unit of government within the State of Illinois from lobbying the City of Chicago or any of its officials, employees, agencies, departments, boards or commissions.
- the amendment does not prohibit or inhibit government officials or employees from lobbying on behalf of their constituents, or from performing their official governmental public responsibilities (activity that could be considered "lobbying" in some jurisdictions), nor impinge on the practice of law by legislator-attorneys.

2. One more piece of the ethics legislation that was passed into law on July 24, 2019 became effective on December 17: it prohibits alderman and other City elected officials and employees from representing or deriving any income or other tangible benefit from the representation of persons in any judicial or quasi-judicial proceedings (a) where the City is an adverse party; or (b) that may result in an adverse effect on City revenue or finances, or the health, safety, welfare or relative tax burden of any City residents.

3. As has now been widely publicized, the Mayor has asked the Board to delay implementation of the non-profit lobbying provisions (also passed on July 24) to April 20. I will discuss this more in Executive Session. We are working to amend our Rules and Regulations to implement this law, and of course are issuing as many advisory opinions as we can. On today's agenda, there are three (3) formal opinions to be issued, covering 46 hypothetical situations. We will continue diligently to issue them as they arise.

We have posted on our website a color-coded version of the Ordinance showing all changes made since January 2018.

Testimony Before State Joint Commission on Ethics and Lobbying Reform

On Wednesday, January 15, I will testify on Chicago's governmental ethics and lobbying laws, including the most recent amendments prohibiting "cross lobbying," before this Bipartisan Commission. Also likely testifying that day will be representatives from various reform groups: the BGA, Change Illinois, Common Cause, and Reform for Illinois.

Education

Classes and other presentations

Since the Board's last regularly scheduled meeting, 54 employees and officials attended classes conducted here on December 19 and January 7. 81 are scheduled for classes here on January 16 and 328, and February 6.

All Board classes cover sexual harassment.

On December 9, 10, 11 and 20, we will make a total of four (4) presentations to other City staff on the new lobbying law.

On January 10, I made a presentation to the Chicago Bar Association's Election Law Committee, at the invitation of its Chair.

On January 27, I will serve as a panelist on a webinar program hosted by the American Bar Association on Recent Developments in Campaign Financing and Pay-to-Play laws.

On February 5, we will meet with representatives from the nonprofit community at a forum hosted by the Marshall Square Resource Network, at the invitation of I am reaching out on behalf of the Marshall Square Resource Network, a coalition of 40+ nonprofit organizations on the southwest side. The invitation was extended by one of its members, the Community Programs Director of Latinos Progresando.

In the next few weeks we will also meet with representatives from Forefront and attorneys for various private foundations to discuss their concerns over the nonprofit lobbying amendments.

On February 25, we will present our annual class to all new SSA Commissioners at the request of the Department of Planning & Development.

On-line Training

For appointed officials. The PowerPoint for all appointed officials, including members of this Board, will be sent out in the next week, and they will have until May 1 to complete it. We are grateful for the assistance of the Office of Inter-governmental Affairs (IGA), which is responsible for coordinating the appointments of all Mayoral appointees/appointed officials.

For all employees and aldermen. To date, approximately 19, 820 employees and 8 aldermen have completed the program. 227 are in progress. This represents approximately 63% of the total required to complete the training before April 1, 2020.

Council on Governmental Ethics Laws (“COGEL”)

As the new President of COGEL, I am pleased to announce that its 2019 annual conference was held in Chicago, at the Michigan Avenue Marriott from December 15-18. We had a record attendance of 454 ethics, campaign financing, lobbying, freedom of information, and election administration officials from across the U.S. and Canada to attend, and private practitioners and academics. Our Chair, Bill Conlon, welcomed the attendees at a reception on Sunday evening, December 15, and Mayor Lightfoot addressed the attendees in a plenary session on Monday, December 16.

Executive Editorship – Public Integrity/Guardian issue

I am a member of the Executive Editorial Board of the journal Public Integrity, which is affiliated with the American Society for Public Administration. It is published by Taylor & Francis six (6) times a year. We are in the midst of a joint project between this journal and the COGEL Guardian to bridge gaps between academics and practitioners. The first edition of the 2019 COGEL Guardian was published on May 31, and the second on August 27. The third issue was published on November 20.

Sister Agency Ethics Officers

On January 22, we will have our next meeting with our ethics counterparts at other local governmental agencies: the Cook County Board of Ethics, Chicago Public Schools, Chicago Park District, Chicago Transit Authority, City Colleges of Chicago, the Cook County Assessor’s Office, and Chicago Housing Authority.

2020 Statements of Financial Interests. On or before March 1, notices to about 3,750 City employees and officials will be sent via email and U.S. first class mail advising them of the requirement to file 2020 Statements of Financial Interests before **May 1**. This will include individuals identified by each Ward or alderman who fall into the definition in the Ordinance of “City Council employee” even though they are paid as independent contractors. Forms will be posted on our website as soon as they are processed by staff – our goal is to have all filed forms posted within 24 hours of when they are filed. Once posted, they reside on the Board’s website for seven (7) years from the date of filing, after which they are removed and destroyed, pursuant to the Board’s Document Retention Schedule kept with the Illinois Secretary of State and Local Records Commission of Cook County.

Advisory Opinions

Since the Board's last meeting on December 6, we have issued 331 informal advisory opinions. The leading categories were, in descending order: Lobbying; Gifts; Travel; City Property; Political Activity; Campaign Financing; Post-employment; and Outside Employment (including outside volunteer service).

The leading City departments from which requesters came in this period were (in descending order): City Council; Mayor's Office; Chicago Police Department; Department of Law; Department of Public Health; Department of Family and Support Services; and Department of Planning & Development.

For calendar year 2019, we issued a total of 4,108 informal advisory opinions and nine (9) formal advisory opinions and declined to issue one (1) opinion as requested.

Informal opinions are not made public but are logged, kept, and used for training and future advisory purposes. (This same practice occurs with our colleagues at the New York City Conflicts of Interest Board, who issue roughly the same number of informal opinions.) They form the basis for much of our annual and periodic educational programs. Formal opinions are made public, in full text, with names and other identifying information redacted out.

Summary Index of Formal Advisory Opinions/Text of all Formal Advisory Opinions

Every formal Board opinion issued since 1986 is posted on the Board's website (more than 906 of them), redacted in accordance with the Ordinance's confidentiality provisions. Redacted opinions are posted once issued by or reported to the Board. Further, summaries and keywords for each of these opinions are available on the Board's searchable index of opinions. Only a handful of other ethics agencies have comparable research tools.

We are unaware of jurisdictions that make their *informal* opinions public—though others issue them confidentially and enable requesters to rely on them in the event of an investigation or enforcement.

Waivers

Since July 1, 2013, the Board has had authority to grant waivers from certain provisions in the Ethics Ordinance. The Board has granted three (3), each involving a former City employee. A request for a fourth waiver is on today's agenda. By law, we make all granted waivers public.

Summary Index of Board-Initiated Regulatory Actions/Adjudications/pre-2013 Investigations

We post the summary index of all investigations, enforcement and regulatory actions undertaken by the Board since its inception in 1986 (other than those for violations of filing or training requirements or campaign financing matters). It includes an ongoing summary of all regulatory actions the Board undertook without an IG investigation.

The Board makes public the names of all violators and penalties it assesses where authorized by law to do so. There have been, to date, 125 such matters (including two (2) on today's agenda), but only in those that occurred after July 1, 2013 can the Board release the names of those found to have violated the Governmental Ethics Ordinance. Since July 1, 2013, alone, there have been 53 such matters.

Summary Index of Ongoing IG/LIG Investigations/Adjudications

We post and continually update, on our website, an ongoing investigative record showing the status of every completed investigative report brought to the Board by both the IG (a total of nine (9) since July 1, 2013, the last of which is on today's agenda for a finding of probable cause) and the former Office of the Legislative Inspector General ("LIG"), since January 1, 2012, and the status of all 50 petitions to commence investigations presented to the Board by the LIG. It is updated as appropriate, consistent with the Ordinance's confidentiality provisions.

Whenever the IG presents the Board with a completed ethics investigation in which the IG believes there have been violations of the Governmental Ethics Ordinance, the procedure that follows is governed by §2-156-385(3) and (4) of the Ordinance: the Board reviews the IG's report, recommendations, and the entirety of the evidence submitted in its completed ethics investigation, including a review to ensure that the IG conformed with the requirement that it complete ethics investigations within two (2) years of commencing them (unless there is evidence that the subject took affirmative action to conceal evidence or delay the investigation), and that ethics investigations were commenced within two (2) of the last alleged act of misconduct.

Then, if the Board finds that the evidence presented warrants a *prima facie* finding of probable cause to believe the subject violated the Ordinance, it notifies the subject of the allegations and affords the subject the opportunity to present written submissions and meet with the Board, together with an attorney or other representative present. The Ordinance provides that this meeting is *ex parte* – no one from the City’s Law Department or IG is present. Note that the Board may request clarification from the IG as to any evidence adduced in its investigation before making a probable cause finding (and indeed has done so). The Board cannot administer oaths at this meeting but can and does assess the subject’s credibility and the validity and weight of any evidence the subject provides.

If the subject is unable to rebut the Board’s *prima facie* probable cause finding, the Board may enter into a settlement agreement – all settlement agreements are made public – or the Board or subject may decide to proceed to a merits hearing that is not open to the public. That hearing would be held before an administrative law judge (ALJ) appointed by the Department of Administrative Hearings. The City would be represented by the Law Department (or a specially hired Assistant Corporation Counsel for that purpose), and the subject by his or her attorney. At the conclusion of the hearing, the ALJ submits his or her findings of fact and law to the Board, which can accept or reject them, based solely on the written record of the hearing. The Board will then issue a public opinion in which it finds one or more violations of the Ethics Ordinance (or finds none) and impose appropriate fines.

This process may seem cumbersome. However, it was added to the Ordinance and became effective on July 1, 2013, based on specific recommendations of Mayor Emanuel’s Ethics Reform Task Force in Part II of its 2012 Report – the primary purposes being (i): to guarantee due process for all those investigated by the IG (or former LIG); (ii) to ensure that *only* the Board of Ethics could make determinations as to whether a person investigated by the IG or LIG violated the Ordinance, given the Board’s extensive jurisprudence and unique expertise in ethics matters; and (iii) to balance due process for those investigated by the IG with an accurate and precise adjudication by the Board of Ethics and the public’s right to know of ethics violations.

On our website, we have a publication that describes this process in detail:

<https://www.chicago.gov/content/dam/city/depts/ethics/general/Publications/EnforceProcedures.pdf>

On today’s agenda are referrals in two (2) cases from the IG, but in these (one involving an aldermanic newsletter; the other, an aldermanic website), it did not conduct any formal investigation. Instead, it referred to us written materials and/or screen prints, for action the Board deems appropriate. A third IG case, pending since October 2019, is also on today’s agenda for discussion of potential settlement. That case involves potential violations of the Ordinance’s post-employment, prohibited conduct, confidential information, and conflicts of interest provisions.

Please note finally that, in all matters adjudicated or settled on or after July 1, 2013, the Board makes public the names of all violators and penalties assessed, or a complete copy of the settlement agreement.

Disclosures of Past Violations

July 2013 amendments to the Ordinance provide that, when a person seeks advice from the Board about past conduct, and discloses to the Board facts leading it to conclude that he or she committed a past violation of the Ordinance, the Board must determine whether that violation was minor or non-minor. If it was minor, the Board, by law, sends the person a confidential letter of admonition. If it was non-minor, then, under current law, the person is advised that he or she may self-report to the IG or, if he or she fails to do so within two (2) weeks, the Board must make that report.

Since the time this provision (§2-156-070(b)) became effective on July 1, 2013, the Board has advised three (3) aldermen, two (2) aldermanic staffers, one (1) mid-level City employee in an operating department, one (1) department head and one (1) former department head that their past conduct violated the Ordinance. In three (3) of these cases, one (1) involving an alderman, the second an aldermanic staffer, and the third a former department head, the Board concluded that the apparent violations were *not* minor or technical, and the aldermen and aldermanic staff self-reported to the former LIG, and the former department head self-reported to the IG. Since the time that all matters involving the former LIG were consolidated with the IG, the IG has informed us that it has no record that the LIG ever commenced an investigation in the matter involving the alderman, and that the matter involving the aldermanic staff was closed, apparently without further investigation by the LIG.

In the three (3) cases in which the Board determined that minor violations had occurred, the Board sent confidential letters of admonition, as required by Ordinance.

City Council Handbook

The project of completing a handbook for the operations of aldermanic offices has been resurrected. We updated the content for which we are responsible and submitted it this week. We do not know when the final product will be released, or which aldermen will shepherd it. Previously, the role of shepherding this work fell with former 40th Ward Alderman O'Connor.

Lobbyists-regulation and enforcement

To date for 2020, there are 197 registered lobbyists, and we have collected \$53,575 in lobbying registration fees. But the deadline for lobbyists to register is by the close of business on Monday, January 20. I anticipate that about 850-875 lobbyists will be registered after the deadline passes.

Note that we discovered a recent glitch in the ELF (Electronic Lobbyist Filing) system, whereby the compensation reported by lobbyists for the second, third and fourth quarter is combined with compensation reported in previous quarters, and then posted erroneously into the public interface of the program, which is on a SOCRATA platform. Programmers at the Department of Innovation and Technology are close to a fix for this problem.

Freedom of Information Act

Since the last regularly scheduled Board meeting, the office has received four (4) new requests under the Freedom of Information Act.

The first was for subpoenas received by us since 2015; we had one and forwarded that to the requestor.

The second was for records pertaining to usage of City and non-City email addresses; we had no records and advised the requestor.

The third was for staff's office and cell phone numbers, and email addresses; we had a list of office phone numbers and forwarded that to the requestor, but no one in this agency has a City-issued cell phone, and the requestor was advised of that.

The fourth was for emails sent in the last 45 days to or from staff to certain City officials and employees on a proposed amendment to the Municipal Code of Chicago regarding expediter registration and training; we had no records and so advised the requestor.