



BOARD OF ETHICS  
CITY OF CHICAGO

**MEMORANDUM**

**To:** The Honorable Carrie M. Austin  
Chairman, Committee on the Budget and Government Operations

**From:** Steve Berlin  
Executive Director  
Board of Ethics

**CC:** Deanne Millison  
Mayor's Office of Legislative Counsel and Government Affairs

**Date:** October 30, 2017

**Re:** Request for Information from Annual Appropriation Committee Hearing

**ID#:** 78-01

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The attached information is in response to questions posed at our department's hearing on October 26, 2017, to discuss the proposed 2018 budget.

Aldermen Lopez and Arena each asked for any suggestions we have for aldermen to improve the City's Governmental Ethics Ordinance.

As is informally recognized best practice in the government ethics world, the Board keeps a "wish list" of potential changes that could be considered by the City Council and Administration to strengthen the Ordinance. Here is a summary of what is on our current list:

1. Consider amending the definition of "lobbyist" and "lobbying" in §2-156-010(p) to provide that persons who otherwise lobby would not be required to register as lobbyists unless they spend or are compensated (or are promised compensation of) more than a specified amount in a calendar year for lobbying. \$250, or even \$125, would be reasonable amounts. This has been a lively subject of debate among Board members, but to our knowledge, no other jurisdiction regulates uncompensated/non-expensed lobbying.
2. Consider amending Article III of the Ordinance, which covers the filing of annual Statements of Financial Interests, so that the deadline is close of business May 1 each year rather than before June 1. This would shorten the filing time from three to two months, but may eliminate

violations from those confused by the fact the State/County Statement of Economic Interests is due by close of business May. Each year we experience dozens of late filers who say they have already file their City form, when in fact they have merely filed their State/County form, due May 1.

3. In §2-156-445(a), entitled **Limitation of contributing to candidates and elected officials**, consider correcting what we believe is a scrivener's error in the definition of "seeking to do business." It should read:

For purposes of this subsection only "seeking to do business" means: (i) the definition set forth in Section 2-156-010(x); or (ii) any matter that was pending before the city council or any city council committee in the six months prior to the date of the contribution if that matter involved the award of loan funds, grant funds or bond proceeds, bond inducement ordinances, leases, land sales, zoning matters, the creation of tax increment financing districts, concession agreements or the establishment of a Class 6(b) Cook County property tax classification.

4. Consider revising the fines and penalties section in the Ordinance, §2-156-465. Specifically, amend the "omnibus" fine provision, §2-156-465(b)(7), so that the Board can impose fines for violations where no fines are otherwise specified in amounts between \$500 and \$5,000 for each violation, rather than \$500 and \$2,000 for each violation, in current law. This change would bring this omnibus fine provision (which is the one that applies to most ethics violations other than lobbying, filing or training violations) into conformance with other fines in the Ordinance, and serve as a greater motivator for people to settle ethics violations rather than take them to a confidential, administrative hearing, which is costly. It should read:

*(7) Violation of Chapter provisions.* Any person who violates any other provision of this chapter, where no other fine is specifically provided, shall be subject to a fine of not less than \$500.00 and not more than \$5,000.00 for each offense.

5. Clarify §2-156-505, entitled **Training and filing violations – Executive director's authority**, the provision by which the Board's Executive Director imposes fines on City employees, officials and lobbyists who file required disclosures or complete training after the deadline, to clarify that the Ordinance does in fact allow for a one week "grace period" before fines can be imposed, even though the person is still in violation of the Ordinance for filing or training late. It should read:

Upon determining that a person has violated Section 2-156-145, 2-156-146, 2-156-190, 2-156-245, or 2-156-270, the executive director of the board is authorized to impose upon such person an appropriate fine as provided in Section 2-156-465. The executive director is authorized to impose or levy such fine no earlier than on the seventh calendar day after the executive director sent notice to the person of the violation, and no fine shall begin accruing until the eighth calendar day after the Executive director has sent notice to the person. The person may contest the imposition of such fine as provided by rule. The process set forth in Sections 2-156-385 and 2-156-392 are not a prerequisite to the imposition of fines pursuant to this section.