

**BOARD OF ETHICS**  
**OPEN SESSION MINUTES**

July 17, 2013 - 3:10 p.m.  
740 North Sedgwick, Suite 500

**BOARD MEMBERS PRESENT**

Stephen W. Beard, Chair  
Russell F. Carlson  
Mary T. Carr  
Frances R. Grossman  
Hon. Michael J. Gallagher  
Hon. Julia M. Nowicki

**STAFF PRESENT**

Steven I. Berlin, Executive Director  
Lisa S. Eilers, Deputy Director  
Edward Primer, Program Director  
Pauilly Casillas, Staff Assistant

**BOARD MEMBER ABSENT**

Daisy S. Lezama

**I. APPROVAL OF MINUTES**

The Board VOTED 6-0 (Daisy S. Lezama, absent) to approve the Open Session Minutes of the June 19, 2013 meeting.

**II. CHAIR'S REPORT**

Deferred.

**III. EXECUTIVE DIRECTOR'S REPORT**

**A. EDUCATION-CLASSES**

Since the last Board meeting, we have held two (2) classes in our offices, on June 27 and July 11. A total of 39 City employees attended.

There are currently 38 employees scheduled to attend classes on July 25 and August 15. Two training classes for all of the City's Division and Ward Superintendents from the Department of Streets & Sanitation are scheduled for July 31 and August 1. On August 8 staff will make a presentation to members of SSA #25. 2 classes are being set up for all part-time employees in City Council, on dates to be established in August.

On July 1, we made a 60-minute presentation to the entire group of Mayor's Fellows, at the request of his office.

**B. ON-LINE TRAINING**

There are currently 31,730 employees scheduled to complete the training (including “contract employees” who are required to do so for the first time under the newly amended ethics ordinance). To date, 3,425 have done so—about 11% of the total—and another 140 are in progress.

The aldermanic training program is currently posted on the City’s test server, and we intend to release it by the end of the week. And, as happens every year, we have prepared a DVD version of the employee training for those departments with substantial numbers of employees without pc access. That DVD will be ready by week’s end too. We are working to adapt the training for appointed officials.

On July 11, 2013, three (3) employees settled fines assessed by the Board earlier in the year for failing to complete their 2012 training. The first settled his \$7,600 plus \$350 costs case for \$1,350; the second received a continuance to appear before an administrative law judge until August 15, 2013 (his fine is \$7,600 plus \$350 costs); the third settled her \$7,000 fine plus \$350 costs case for \$200.

**C. LOBBYISTS**

As of today’s date, we have 649 registered lobbyists, and have collected \$331,050 in registration fees this calendar year. The next quarterly reporting period ended on June 30, and lobbyists’ quarterly reports are due by July 20 (actually July 22, as July 20 is a Saturday). On June 28, our ELF system sent reminder notifications to all registered lobbyists regarding the July 22 deadline. As of today, we have received and processed 342 reports from lobbyists (about 53%).

As of July 1, 2013, 43 lobbyists had not provided proof of training completion, and were sent a due process notice (as required by Section 2-156-505 of the Ethics Ordinance). That letter gave these lobbyists until July 15 to train and/or explain why they had not completed the training by the June 30 deadline. 15 of these lobbyists provided proof that they had in fact completed training by the deadline. As of today, there remain 20 lobbyists who have not yet trained (or at least provided proof as required that they trained), and eight (8) who trained late.

Six (6) of the eight (8) who trained late were issued a single day fine of \$200, and four (4) have paid to date; two (2) lobbyists were not fined because they provided sufficient reasons for not training, and completed the training as soon as they could. The other 20 are being fined (beginning on July 16) in an amount of between \$200 and \$750 per day.

**D. STATEMENTS OF FINANCIAL INTERESTS**

As of 2:30 p.m. today, we have received and processed 3,471 Statements of Financial Interests from those persons required to file them by May 31, out of a total of 3,478 required filers. All but six (6) appointed officials and one (1) employee have filed. This puts the City at 99.8% compliance. 20 employees and officials who filed after May 31 will be the subject of further discussion in closed session.

**E. INFORMAL ADVISORY OPINIONS**

To date in 2013, we have been asked for and issued 3,152 informal advisory opinions via telephone, email and in person. The breakdown for the leading subjects is:

Travel .....	193
Gifts .....	569
Post-Employment .....	138
Fiduciary Duty (includes service on outside boards) .....	89
Political Activity.....	63
Campaign Financing.....	57
Representation (includes service on outside boards).....	59
Use of City-Owned Property (includes service on outside boards).....	84
Conflicts of Interest/Improper Influence .....	39
Aspirational Code of Conduct .....	37
Relatives .....	79
Interest in City Business.....	66
Outside Employment .....	88
Prohibited Conduct.....	35
Confidential Information.....	29
Other .....	102
Statements of Financial Interests.....	495
Lobbying .....	518
Classes.....	177
No Jurisdiction .....	82
General Information .....	153

70% of these opinions were issued to City employees and elected and appointed officials (about 10% of these to elected officials and department heads). 13% were from lobbyists. Of the remainder, 2/3 were from vendors, political committees or political contributors. Together, the preceding populations make up the “regulated community.” The rest were from, in decreasing order of quantity: other, non-City government agencies; the media; and citizens.

We have set up an expedited email system to respond to travel requests, as all travel to be paid by an outside person (in whole or in part) must be approved in advance by the Board.

**F. UPDATED BROCHURE**

At the request of the Mayor’s Office and the Office of Legislative Counsel and Government Affairs, we updated those sections of the brochure for appointed officials that cover ethics rules. The remaining portions cover the Freedom of Information and Open Meetings Acts, and are being updated by the Law Department. This brochure is distributed to all City appointed officials.

**G. RULES & REGULATIONS**

Staff released the draft Rules & Regulations for public comment, as well as to the City Council, Mayor’s Office, Corporation Counsel, Department of Administrative Hearings and the two

Inspectors General. We have received comments from the Department of Administrative Hearings, and are scheduled to meet with the Law Department and Inspector General in the next few weeks to discuss their comments. Once all comments are received, we will prepare another draft for submission to City Council. The Rules & Regulations would become effective 45 days after we submit them, unless the City Council votes (by majority vote) to disapprove them.

**H. SUMMER INTERNS**

We have two students serving as interns with us, whom we wish to introduce to the Board: Kylah Bell, a rising sophomore at Texas Christian University, studying Criminology, who comes to us through the One Summer Chicago Program, and Carolina Manriquez, a rising senior at Richards Career Academy High School, comes to us through the Chicago Public Schools. Each began July 1 and will be with us through August 9. Interns are paid \$8.25/hour. They are assisting us in database preparation, routing phone calls, filing paper Statements of Financial Interests and lobbyists' reports, updating the office's Municipal Code, helping to design documents, and other tasks that arise ad hoc.

**I. BUDGET SUBMISSION**

On July 12, we submitted the first half of our budget request for 2014. Our total request decreased by \$15,519 from our 2013 appropriation, all in non-personnel accounts (this is a 16% decrease in non-personnel accounts). Our overall budget--including personnel expenses, which have not changed from 2013--decreased by 2%, to \$819,072. The decrease comes mostly from Professional and Technical Services account, which we have in the past used to pay for upgrades to our on-line training system. We requested supplemental funds to pay for UPS messenger services, given that the mailroom in 740 N. Sedgwick has been closed by the City. On July 26, a memorandum explaining what would happen were we to have to cut 10% from our budget, and our updated goals and highlights statement are due; this latter statement may be incorporated in part into the Mayor's budget address.

**J. SEMI-ANNUAL REPORT**

Curiously (and somewhat mysteriously), as a calendar matter, the Board's fiscal year ends on July 31. For the August Board meeting, I will work with the Chair and have a draft of our semi-annual report to you for public release. Obviously, there have been many changes in the last 12 months, all of which will be summarized.

**K. FREEDOM OF INFORMATION ACT**

Since the last regularly scheduled Board meeting, the office has received no new requests under the Freedom of Information Act.

**L. LITIGATION REPORT**

As reported previously, the City was sued by members of the Fraternal Order of Police, seeking refunds of the late (financial interests statement) filing fees charged by the Board from 43 named plaintiffs. Legal Counsel appeared with our attorneys in the Law Department in the Municipal

Division of Cook County Circuit Court on July 2. The City made a jury demand, and the case is scheduled for a further status hearing on July 22.

**IV. DEPUTY DIRECTOR'S REPORT**

None.

**V. OLD BUSINESS**

None.

**VI. NEW BUSINESS**

None.

The Board VOTED 6-0 (Daisy S. Lezama, absent) to adjourn into Executive Session at 3:35 p.m. under 5 ILCS 120/2(c)(1) to discuss the appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body or legal counsel for the public body, including hearing testimony on a complaint lodged against an employee of the public body or against legal counsel for the public body to determine its validity; and under 2 (c)(11) to discuss:

Litigation, when an action against, affecting or on behalf of the particular public body has been filed and is pending before a court or administrative tribunal, or when the public body finds that an action is probable or imminent, in which case the basis for the finding shall be recorded and entered into the minutes of the closed meeting.

## **THE RECONVENED OPEN SESSION**

After the Executive Session, the Open Session of the meeting reconvened at 5:28 p.m.

**VII. MATTERS CONSIDERED BY THE BOARD IN EXECUTIVE SESSION**

**I. APPROVAL OF EXECUTIVE SESSION MINUTES**

The Board VOTED 6-0 (Daisy S. Lezama, absent) to approve the minutes of the June 19, 2013 meeting in executive session.

## II. CASES

### A. STATEMENTS OF FINANCIAL INTERESTS

#### Attended Meeting

1. Case No. 13026.18.FIS
2. Case No. 13027.03.FIS
3. Case No. 13027.19.FIS
4. Case No. 13027.22.FIS
5. Case No. 13027.23.FIS
6. Case No. 13027.24.FIS
7. Case No. 13027.32.FIS

#### Request for Leniency

8. Case No. 13027.02.FIS
9. Case No. 13027.07.FIS
10. Case No. 13027.17.FIS
11. Case No. 13028.02.FIS
12. Case No. 13026.13.FIS

#### Administrative Closings

13. Case No. 13028.03.FIS
14. Case No. 13027.11.FIS
15. Case No. 13027.26.FIS
16. Case No. 13027.29.FIS
17. Case No. 13027.33.FIS
18. Case No. 13027.39.FIS
19. Case No. 13027.40.FIS
20. Case No. 13027.41.FIS
21. Case No. 13026.07.FIS

#### Vacate - Appointed Official

22. Case No. 13026.04.FIS

#### Vacate - Employee

23. Case No. 13027.01.FIS
24. Case No. 13027.43.FIS

#### Further Information

25. Case No. 13027.14.FIS
26. Case No. 13027.15.FIS

In cases 1-7, above, the Board, having heard these subjects' (or their representatives') explanations for their late filings, VOTED 6-0 (Daisy S. Lezama, absent) to determine that they had not violated the Ordinance, and dismissed these cases. In cases 8-12, the Board VOTED 6-0 (Daisy S. Lezama, absent) to determine that the subjects had violated the Ordinance, but imposed only a minimum fine, \$250. In cases 13-21, the Board VOTED 6-0 (Daisy S. Lezama, absent) to approve the staff's administrative closings of these cases without a finding of a violation. In cases 22-26, the Board VOTED 6-0 (Daisy S. Lezama, absent) to vacate its June 2013 determinations that these persons had violated the Ordinance for failure to timely file.

**B. OFFICE OF LEGISLATIVE INSPECTOR GENERAL**

- 27. Case No. 13035.OLIG, Petition to Board
- 28. Case No. 13036.OLIG, Petition to Board

In these cases, the Board VOTED 6-0 (Daisy S. Lezama, absent) to find that there is reasonable cause for the Legislative Inspector General to investigate these signed and sworn complaints.

**C. DISMISSED/REFERRED COMPLAINTS**

- 29. Case No. 13034.Q, Referral to the Legislative Inspector General

The Board VOTED 6-0 (Daisy S. Lezama, absent) to approve staff's decision to dismiss and refer this complaint to the Legislative Inspector General for investigation.

**III. OTHER BUSINESS**

**D. RECONSIDERATION**

- 25. Case No. 13021.A

Pursuant to its Rules and Regulations, the Board VOTED 6-0 (Daisy S. Lezama, absent) to deny the petition for reconsideration of its advisory opinion, issued at its June 2013 meeting. The request was filed by the opinion's subject. The Board had determined that this employee violated the Ordinance, and recommended that the employee's department take steps to terminate her.

At 5:42 p.m., the Board VOTED 6-0 (Daisy S. Lezama, absent) to adjourn the meeting.