

ETHICS IN CHICAGO GOVERNMENT

A PLAIN ENGLISH GUIDE FOR CITY EMPLOYEES AND ELECTED OFFICIALS



BOARD OF ETHICS

RAHM EMANUEL, MAYOR
STEPHEN W. BEARD, CHAIR

The City's Governmental Ethics Ordinance establishes standards of conduct for all City employees and officials. These standards cover conflicts of interest, working outside jobs, accepting gifts, employing relatives, engaging in political activity, and other topics. They restrict what you can do in and after City service.

In 2012 and 2013, Mayor Emanuel introduced important changes to the Ordinance, and the City Council adopted them. It is important to understand the ethics restrictions generally, so that you can spot "ethics issues" and get advice.

This guide outlines key restrictions. It is not intended to be all-inclusive, provides summary information only, and is not a substitute for confidential Board advice.

If you have questions about whether an action complies with the City's ethics laws and standards, please ask for a confidential advisory opinion from the Board of Ethics.

The Board is an important resource. Please use it.

ADVISORY OPINIONS

Board advisory opinions are confidential. But the Board can render binding opinions only as to future conduct. If someone discloses a past violation that is not minor, the matter must be referred to an Inspector General.

ASPIRATIONAL CODE OF CONDUCT

All new employees and officials must sign and abide by a code of conduct. It requires them, among other things, to: disclose waste, fraud, abuse and corruption to the appropriate authorities; give a full day's work for a full day's pay; act impartially in performing their duties so that no private organization or individual is given preferential treatment; and remember that they are public servants.

FIDUCIARY DUTY

☞ You **owe a fiduciary duty** to the City at all times in the performance of your public duties.

USE OF CITY PROPERTY

☞ You **may not use** or permit the use of **City-owned property for any unauthorized purpose**, including prohibited political activity.

GIFTS

You, your spouse/domestic partner or family members living with you **may not solicit or accept:**

☞ any gift, item or service given **anonymously**

☞ any gift, item or service (such as lunch) if it is understood that the purpose is **to influence your official actions or decisions**

☞ any single gift or combination of gifts **worth more than \$50 from a single source in a calendar year**

☞ any gift from another City employee or official over whom you are an official superior (there are exceptions, such as items worth less than \$10, and gifts given for infrequent life occasions, like weddings)

☞ money or anything of value in return for your advice or assistance on matters concerning City business, unless that advice or assistance is wholly unrelated to your City responsibilities.

There are some **exceptions**:

- ▶ anything for which you pay fair market value;
- ▶ anything offered to the public on the same terms, like sales promotions;
- ▶ gifts from your relatives;
- ▶ gifts from your personal friends, unless you have reason to believe your friend offered it to you because of your City position;
- ▶ gifts solicited or accepted on the City's behalf;
- ▶ reasonable hosting expenses related to official business, if offered by the sponsor or host;
- ▶ materials or travel expenses related to public or governmental educational purposes, if the Board approves it, and you report it to the Board within 10 days of your return; and
- ▶ gifts offered to you because of your outside, non-City business or employment.



HONORARIA

☞ **Honoraria are prohibited:** you may not accept any gift or money for participating in speaking engagements, lectures or discussion forums in the course of your City service. Make sure you turn down or immediately return any checks or other things of value offered or sent to you in exchange for your speech.

☞ **But, you may accept:**

- ▶ **honoraria** for speaking engagements that are **not related to your City job**; and
- ▶ **reasonable travel expenses to the location of your speech**, even if it's related to your City job; these can include air, ground transport, lodging and food; but you must receive advance clearance from your Department Head (or alderman) and from the Board of Ethics, and you must report your travel in writing to the Board of Ethics within 10 days of your return.

REPRESENTING OR "LOBBYING" FOR NON-CITY PERSONS

☞ You may **not represent or derive any income or compensation from representing** any person (like a non-profit, a company, or a friend) **before a City agency in a formal or informal meeting or transaction**. This does not preclude you from performing your official City duties.

☞ You may **not derive any income or compensation from the representation of any person in any judicial or quasi-judicial proceeding** if the City is a party and that person's interest is **adverse to the City's**.

☞ A City elected official may not contact another City official or employee regarding any matter involving a person or organization with whom the elected official has a business relationship that creates a financial interest, or from whom or which the official has derived or expects to derive compensation or income.

POST-EMPLOYMENT/REVOLVING DOOR RESTRICTIONS

☞ **For one year after you leave City service**, you may **not** work on a transaction involving the City if, while in City service, you were personally and substantially involved in its subject matter.

☞ **For two years after leaving City service**, non-clerical Mayoral staff members and department heads may not lobby the City, and other Shakman-exempt employees may not lobby their former department.

☞ If you have **exercised management authority over a City contract**, you may **not** assist anyone other than the City (such as a new client or employer) with **that contract**.

☞ If you **participated personally and substantially or were counsel of record** in a judicial or quasi-judicial proceeding involving the City, you may not assist anyone other than the City in that proceeding.

☞ You may not **negotiate the possibility of future employment** with any person (except another government agency) that has a **matter pending before you**.

REVERSE REVOLVING DOOR RESTRICTION

☞ You may not personally participate in a decision-making capacity **for two years** after your start date of City service in any matters that benefits your immediate pre-City employer or **immediate pre-City client whom you represented or to whom you consulted** or on whose behalf you lobbied.

LOANS FROM LOBBYISTS AND CITY CONTRACTORS

☞ You, your spouse/domestic partner, or entities in which either of you have ownership interests worth more than \$1,000, **may not apply for, solicit, accept, or receive loans from a person doing or seeking to do business with the City**, or any lobbyist, except for ordinary market rate loans negotiated at arm's length and made by banks or financial lenders.

CONTRACTING WITH THE CITY

You may **not have a financial interest** (meaning an ownership interest that is worth more than \$1000) in

- ▶ your own name, or in the name of any other person (such as a company or firm in which you have an ownership interest) **in any City contract, work, sale or business** (except for participation in certain designated housing assistance programs)
- ▶ the purchase of City property, unless it is sold through a process of competitive bidding following public notice.

DUAL EMPLOYMENT

☞ City Personnel Rule XX provides that a City employee **may not engage in a profession, business, trade, investment, occupation or other activity that results in a conflict of interest** with City employment.

☞ It also requires a City employee **to obtain written permission from his/her Department head** to engage in dual employment/outside business activities.

RELATIVES AND DOMESTIC PARTNERS

☞ You **may not hire or advocate for the hiring of your relatives/domestic partner** in any City agency in which you serve or exercises authority

(except for personal staff of an alderman hired as City employees)

☞ You **may not exercise supervisory authority over a relative or domestic partner** (except for personal staff of an alderman hired as City employees)

☞ You **may not use your City position to help your relative or domestic partner acquire a position** with anyone whose City work you oversee

☞ You **may not exercise contract management authority over City work done by any person or organization that employs or contracts with your relative/domestic partner.**

POLITICAL ACTIVITY

☞ You **cannot perform political activity during any City compensated time** (when you're at your City job, or time for which you're credited for minimum City work time requirements).

☞ You **cannot ever use (or be on) City property or resources while engaging in or performing any political activity**, even on your vacation, furlough, or lunch.

☞ You **cannot solicit, accept or make a political contribution while on City property or during compensated time.**

☞ If you exercise contract management authority in your City job, **then you cannot serve on a political fundraising committee"** But you can still be politically active as long as you follow the other rules described.

☞ Unless you're a candidate for elected office, you **cannot knowingly solicit or accept a political contribution from any person or firm doing business with the City.**

☞ You **cannot require other City employees or officials to perform political activity** as part of their job duties or during their time off, or compel or coerce them to make, not make or solicit political contributions.

CONFLICTS OF INTEREST/ IMPROPER INFLUENCE

☞ You **may not make**, participate in, or try to **use your position to influence any City governmental decision** or action on any matter from which you have **derived any income or compensation in the previous year, or expect to derive any income or compensation in the next year, or have an ownership interest that is worth \$1,000 or more**, or have any kind of financial interest distinguishable from that of the general public.

STRICTER DEPARTMENTAL RULES ALLOWED

The Ordinance is a floor, not a ceiling. Any department or aldermanic office may adopt stricter rules. This is especially true with respect to gifts—some departments have imposed a gift ban—and outside employment. Always check with your department first.

MANDATORY ETHICS TRAINING

Lobbyists, full-time employees, aldermen, City Council “contract employees” and appointed officials must complete an annual ethics training program designed by the Board. Aldermen, City Council employees and all Senior Executive City employees must also attend face-to-face ethics training every four years. Persons who do not complete required training are subject to a \$250 fine, and their names and violations will be made public.

STATEMENTS OF FINANCIAL INTERESTS

Elected officials, certain appointed officials, and City employees with managerial responsibilities must file, a Statement of Financial Interests annually with the Board of Ethics. Filings can be done on-line. All filed Statements are open for public inspection under the Freedom of Information Act. The Board keeps them on file for seven years after filing. Statements filed in 2009 and after are available on the City’s website. Persons who fail to file their Statements as required training are subject to a \$250 fine. Their names and violations will be made public.

COMPLAINTS AND INVESTIGATIONS

The Board can accept and refer for investigation complaints alleging violations of the Ordinances by City employees, officials and others subject to their provisions. If, after a complaint is investigated by the appropriate Inspector General, the Board concludes that there is reasonable cause to believe the law was violated, it may settle the matter, or hold an evidentiary hearing to determine whether the Ordinance was actually violated. All complaints, Board investigations, determinations and recommendations thereon are confidential in accordance with the Ordinances, though settlement agreements and findings of violations must be made public.

PENALTIES FOR VIOLATIONS

The Board determines whether violations of the Ordinance have occurred, and can impose or recommend penalties, including employment sanctions, removal from office, censure, fines or invalidation of contracts. Summaries of concluded cases can be made public, according to the law.



FOR MORE INFORMATION

Please visit our website:
www.cityofchicago.org/Ethics

For confidential advice or guidance, contact:

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