

**CITY OF CHICAGO  
BOARD OF ETHICS**

In the Matter of:	)	
	)	
Evelyn Diaz,	)	
	)	Case No. 17023.IG
Respondent.	)	
	)	

This Settlement Agreement (“Agreement”) is made and entered into between the Chicago Board of Ethics (“Board”) and Evelyn Diaz (“Respondent”), pursuant to § 2-156-385(4) of the City of Chicago Governmental Ethics Ordinance (“Ordinance”). On June 13, 2017, the Board determined that there was probable cause to believe that the Respondent had violated the Ordinance based on the evidence adduced in an investigation conducted by the Office of the Inspector General (“OIG”) in this matter. The parties agree to the following terms to resolve this matter.

**RECITATION OF RELEVANT FACTS**

1. Respondent served as the Commissioner of the Department of Family and Support Services (“DFSS”) from May 16, 2011 through July 31, 2015.
2. Respondent is currently the President of a large non-profit social services organization (the “SSO”). The SSO provides services and advocacy focused on alleviating poverty and preventing injustice. Respondent has served as the President of the SSO since September 1, 2015.
3. During the course of her employment as the Commissioner of DFSS, Respondent negotiated for the possibility of future employment as the President of the SSO. Respondent interviewed and negotiated with the SSO from approximately January 2015 through May 2015.
4. During the time that Respondent negotiated possible future employment with the SSO, the OIG’s investigation found that the SSO had multiple contracts, contract amendments, modifications or release packages pending before DFSS. The OIG’s investigation also found that the Respondent provided no preferential treatment to the SSO in any of these matters.
5. Respondent completed the Board’s 2014 mandatory on-line ethics training which covered §2-156-111(c), the specific Ordinance provision Respondent potentially violated and for which she was investigated.
6. On June 3, 2015 the SSO announced publicly that it had hired Respondent as its new President.
7. On June 26, 2015, Respondent first contacted the Board staff to discuss and request a formal written advisory opinion regarding any restrictions to which she would be subject under the Ordinance in her future employment as the President of the SSO on September 1, 2015.

8. On October 21, 2015, the Board determined that Respondent's negotiations with the SSO while it had contracts pending before DFSS, if substantiated after an OIG investigation, would constitute a violation of §2-156-111(c) of the Ordinance. As the Board does not have investigative authority, Respondent was advised that she could self-report to the OIG within 14 days, pursuant to §2-156-070(b).<sup>1</sup>

9. On November 2, 2015, following the advice of the Board, Respondent self-reported to the OIG.

#### **STATEMENT OF RELEVANT LAW**

10 § 2-156-111(c) of the Ordinance provides: "No city employee or official shall knowingly negotiate the possibility of future employment with any person, except with a government agency, that has a matter currently pending before such employee or official."

#### **BOARD CONCLUSIONS AND DETERMINATIONS**

11. At its June 13, 2017 meeting, the Board:

- a. Determined that there was probable cause to believe that Respondent had violated § 2-156-111(c) of the Ordinance by negotiating the possibility of future employment with the SSO while it had multiple matters pending before the Respondent in her capacity as Commissioner of DFSS.
- b. Recognized that Respondent stated she provided no preferential treatment to the SSO and that the evidence adduced by the OIG in its investigation supports this statement.
- c. Determined that this matter would be appropriate for resolution by settlement with the Respondent pursuant to § 2-156-385(4) of the Ordinance.

#### **TERMS OF THE SETTLEMENT AGREEMENT**

The above Recitation of Facts, Statement of Law, and Board Conclusions and Determinations are incorporated into and made a part of this Agreement.

12. The parties agree to enter into this Agreement to resolve all factual and legal issues that arose in this matter and to reach a final disposition without the necessity of an evidentiary hearing, pursuant to § 2-156-392 of the Ordinance, to determine whether the Respondent violated the Ordinance.

13. Respondent acknowledges that, from the record before it, the Board has determined that there is probable cause to believe that she violated § 2-156-111(c) of the Ordinance.

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<sup>1</sup> Section 2-156-070(b) provides in pertinent part: "If any person requests the opinion of the board regarding past or ongoing conduct, and if the board determines, pursuant to its rules... that the conduct involves a violation of this chapter which is not a minor violation... the board shall advise such person to stop the conduct and inform the person of this subsection's timeline for self-reporting. Such person may, if the person wishes, self-report the violation to the inspector general ... within 14 days."

14. Respondent maintains that she has acted at all times pertinent to this matter in a manner which she believed in good faith was in compliance with the requirements of the Ordinance, and the Board has not made a final determination otherwise.

15. Respondent has cooperated at all times with the Board of Ethics on this matter.

16. Pursuant to § 2-156-385(4), the Board may seek to settle this matter by fine.

17. Pursuant to § 2-156-465(b)(7), the Board has the authority to impose a fine of between \$500 and \$2,000 for a violation of this chapter, and the Board determined that it would be appropriate to seek to settle this matter by assessing a \$1,500 fine against the Respondent.

18. In recognition of the foregoing, Respondent agrees to pay a fine of ONE THOUSAND FIVE HUNDRED AND 00/100 DOLLARS (\$1,500.00) to the Board within thirty (30) days of this disposition, which shall be the date of the final execution, by money order, cashier's or certified check, made payable to the "Board of Ethics," and that, if the Board has not received such amount by that date, Respondent shall pay interest of nine percent (9%) per annum on the unpaid balance until paid in full; provided, however, that no interest shall be due and owing that is greater than that provided for in 815 ILCS 205/4.

19. Respondent acknowledges that this Agreement is a public and final resolution of the potential violations found and recommendations made by the OIG in its investigative report as presented to the Board of Ethics and that the Board shall make it public pursuant to § 2-156-385(4), and, except as may be provided by applicable law, all writings or records with respect to the settlement agreement or its negotiations in the Board's possession will remain confidential.

20. Respondent confirms that she has entered into this Agreement freely, knowingly and intentionally, without coercion or duress, and after having had the opportunity to be represented by the attorney of her choice, accepting all terms and conditions contained herein without reliance on any other promises or offers previously made or tendered by any past or present representative of the Board, and that she fully understands all the terms of this Agreement. The terms of this Agreement are contractual and not mere recitals. If any of the provisions of this Agreement shall be found invalid or unenforceable, the validity, legality and unenforceability of the remaining provisions shall not in any way be affected or impaired thereby.

21. Respondent understands and voluntarily waives and assigns, on her and her successors' behalf, any and all: (i) procedural rights under the City's Municipal Code, including a merits hearing pursuant to § 2-156-392 of the Ordinance, or to subpoena witnesses to testify, confront and cross-examine all witnesses; and (ii) rights to commence any judicial or administrative proceeding or appeal before any court of competent jurisdiction, administrative tribunal, political subdivision or office of the State of Illinois or the United States.

22. Respondent releases and holds harmless the Board and its staff from any potential claims, liabilities, and causes of action arising from the Board's enforcement and settlement of the violation described in the Agreement and to contest the lawfulness, authority, jurisdiction, or power of the Board in imposing the sanction which is embodied in this Agreement, and the right to make any legal or equitable claim or to initiate legal proceedings of any kind against the Board, or any members or employees thereof relating to or arising out of this Agreement or the matters recited herein.

23. Once executed and dated by Respondent and her attorney, the Board staff shall submit this Agreement to the Board Chair for execution, but no later than at its next regularly scheduled meeting. The Board has determined by a majority vote that it has approved the substance of the Agreement and the Board must execute and date the Agreement before the Agreement becomes effective; provided, however, that, prior to such meeting, and based upon the Board's vote at its August 16, 2017 meeting, the Board Chair is authorized to execute the Agreement prior to the next regularly scheduled Board meeting.

24. The parties agree that this Agreement shall become invalid in the event that the Board Chair refuses to approve it. Respondent acknowledges that if the Agreement is not approved or executed by the Board Chair that the Board may seek to proceed to a hearing on the merits, pursuant to § 2-156-392 of the Ordinance. Respondent further agrees that no member of the Board or its staff shall be disqualified from participating in any subsequent proceedings in this matter held pursuant to § 2-156-392 of the Ordinance. If this Agreement is not approved by the Board, the parties agree that no statements or representations of any kind made in the course of negotiating this Agreement will be used by either party for the purpose of establishing liability at any future hearing or proceeding.

25. Respondent agrees that failure to comply with the terms of this Agreement constitutes a breach of the Agreement and that the Board can proceed to a hearing on the merits or take any other action as permitted by law.

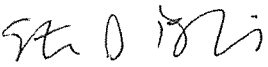
26. In consideration of the Respondent's full compliance with all of the terms pursuant to this Agreement, the Board waives any further penalties or fines against Respondent for any further proceedings arising out of the investigation and/or recommendations described in this Agreement.

27. The Agreement contains the entire agreement between the Board and the Respondent and it may not be modified unless the modified Agreement is re-executed and re-dated by both parties. This Agreement is entered into in the State of Illinois and shall be construed and interpreted in accordance with its laws.


28. This Agreement shall not be effective until all parties have affixed their signatures below.

Dated as written above and executed below.

**FOR THE CITY OF CHICAGO BOARD OF ETHICS**

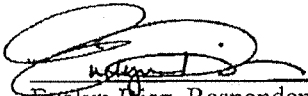
  
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Steven I. Berlin, Executive Director

9-7-2017  
Date

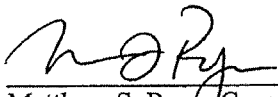
  
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William F. Conlon, Board Chair

9-8-17  
Date

**FOR THE RESPONDENT**

  
\_\_\_\_\_  
Evelyn Diaz, Respondent

9/7/2017  
Date

  
\_\_\_\_\_  
Matthew S. Ryan, Counsel for the Respondent

9/7/2017  
Date