



BOARD OF ETHICS  
CITY OF CHICAGO

In the Matter of: )  
 )  
Arthur Olvera ) Case No. 18023.IG  
Respondent )  
 )  
 )

**SETTLEMENT AGREEMENT**

This Settlement Agreement (“Agreement”) is made and entered into between the Chicago Board of Ethics (“Board”) and Arthur Olvera (“Respondent”), a former City employee, pursuant to §2-156-385(4) of the City of Chicago Governmental Ethics Ordinance (“Ordinance”). On December 14, 2018, after meeting with the Respondent, the Board sustained its finding that there was probable cause to conclude that the Respondent violated the Ordinance. The Board concluded that the evidence at this stage of the proceeding, including the results of an investigation conducted by the Office of the Inspector General (“OIG”) and Respondent’s testimony made to the OIG and his responses to the Board, shows that the Respondent violated the Ordinance’s Gift and Other Favors provision, §2-156-142, and the Statement of Financial Interests (“FIS”) provision, §2-156-150. The parties agree to the following terms to resolve this matter.

**RECITATION OF RELEVANT FACTS**

- (1) At all times relevant to this matter, Respondent was an employee of the City of Chicago.
- (2) Respondent began working for the City of Chicago’s Department of Water Management (“DWM”) in or about June 1987. In December 2015, he was promoted to the position of DWM mason inspector. Respondent retired from his City employment in June 2017.
- (3) Respondent was required to file FIS forms with the Board of Ethics in 2011, 2012, 2016, and 2017. FIS forms are conflict of interest disclosures provided for in §2-156-150 *et seq.*, of the Ordinance. Respondent filed every year he was required to file and each year reported that he had received no gifts in excess of \$250.
- (4) Respondent accepted access for two to a rooftop venue for a 2016 Chicago Cubs NLCS playoff game valued at \$600, from John McGuire, the President of Pro Sewer, Inc. (“President”) a company subject to regulation by the DWM and that he was inspecting in his position with DWM

- (5) Respondent did not pay for his attendance to the 2016 Chicago Cubs NLCS playoff game, and accepted the rooftop access as a gift from the President.
- (6) Respondent did not disclose on his 2017 FIS form that he accepted a gift whose value exceeded \$250, as required in question 10.
- (7) Respondent completed his annual ethics trainings every year, including attending an in-person class in November 2016. All Board ethics trainings cover the topic of “Gifts and Other Favors.” Respondent also signed an ethics rule statement on February 27, 1996, which summarized the law on Gifts.

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

- (8) The specific issues in this case were whether Respondent violated the Ordinance by: (i) accepting the gift of access for two to a 2016 Chicago Cubs NLCS playoff game at a rooftop venue, in excess of \$50 in a calendar year, or whether the gift was permissible because it was given by a “personal friend”; and (ii) failing to report that gift on his 2017 FIS form.
- (9) Section 2-156-142(a) of the Ordinance, entitled *Gifts and Other Favors*, prohibits a City employee from accepting a gift from a single source that exceeds \$50 in a calendar year, with certain stated exceptions.

In §2-156-010(m), the Ordinance defines “gift” to mean “anything of value given without fair-market consideration.”

Section 2-156-(d)(6), however, is an exception allowing City employees and officials to accept gifts worth more than \$50 per calendar year from a personal friend. It allows, “any gift from a personal friend, unless the ... employee has reason to believe that, under the circumstances, the gift was given because of the official position ... of the ... employee.”

- (10) Section 2-156-150, *et seq.* of the Ordinance, entitled *Statements of financial interests*, requires an individual to report the name of any person who gave him one or more gifts having a value in excess of \$250 in the preceding year.

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

- (11) At its December 14, 2018 meeting, based on the evidence adduced to date in the record of this matter, including the investigative report issued by the OIG and the corroborating evidence supplied by the OIG therewith, and statements of Respondent during a meeting held with the Respondent and his attorney, pursuant to §2-156-385 of the Ordinance, the Board reached the following factual conclusions:
  - a) Respondent was an employee of the City of Chicago when he accepted a gift that gave him access to the Cubs NLCS playoff game on October 22, 2016.

- b) Respondent and the President were not personal friends as contemplated under the Ordinance. A business acquaintance, a casual acquaintance, or a person with whom a City employee's or official's sole contacts are through work does not qualify as a "personal friend" for purposes of §2-156-(d)(6).<sup>1</sup> Thus, the Board need not reach the issue of whether the gift was given because of the recipient's official position, because the Board concluded that the facts and evidence shows that the Respondent and the President were not "personal friends" for purposes of the Ordinance.<sup>2</sup>
  - c) Respondent did not pay the President for letting him and a guest attend the Cubs NLCS playoff game at a rooftop venue on October 22, 2016.
  - d) Respondent was required to file a FIS form in 2017.
  - e) Respondent did not disclose that he accepted a gift that exceeded \$250 in value on his 2017 FIS form.
  - f) Respondent did not contact the Board of Ethics for advice or guidance regarding whether he could accept as a gift, access to the Cubs NCLS playoff game from a City contractor.
- (12) At its December 14, 2018 meeting, the Board sustained its preliminary determination, made at its July 23, 2018 meeting, that there is probable cause to conclude that the Respondent violated Ordinance §§2-156-142 and -150.

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

The above fact recitation, statement of law and Board conclusions and determinations are incorporated into and made a part of this Agreement.

- (13) 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.
- (14) Respondent acknowledges and agrees that, from the record before it, the Board has determined that there is probable cause to conclude that he accepted a gift in excess of \$50, which gave him access to the Cubs NLCS playoff game on October 22, 2016, and

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<sup>1</sup> The term "personal friend" is not defined in the Ordinance. We are issuing a companion opinion to this settlement agreement that expansively discusses the "personal friend" exception to the gift rules. *See* Case No. 18043.A. Some of the considerations leading to the Board's conclusion that Respondent and the President were not "personal friends" included the fact that their interactions all occurred in the context of work-related matters, there was no evidence of their socializing outside of work, they had not met each other's families, and had not had any contact since June 2017.

<sup>2</sup> The Board notes that there is a high burden for a City employees or officials to show that a gift from a person being regulated or inspected by them personally or their City department was not given because of their official City position. The Board believes that instances when that burden will be met will be extremely rare.

then that he did not disclose that gift, which exceeded \$250, on his 2017 FIS form. Respondent further acknowledges and agrees that, were the matter to proceed to an evidentiary hearing, pursuant to §2-156-392 of the Ordinance, the Board would make a final determination that he violated the Ordinance on these facts.

- (15) Pursuant to §2-156-385(4)(i), the Board may seek to settle the matter by fine.
- (16) Pursuant to §2-156-465 (b)(7), the Board has the authority to impose a fine between \$500 and \$2,000 for any single violation of §2-156-150, and under §-465(b)(4), the Board has the authority to impose a fine between \$1,001 and \$5,000 for a violation of the gift provision. In this case, the Board may assess a fine that ranges from \$500 to \$7,000, for violations of the gifting and FIS provisions. The Board determined that it would be appropriate to seek to settle this matter by assessing a \$500.00 fine against the Respondent.
- (17) In recognition of the foregoing, Respondent agrees that the evidence adduced in the matter shows that he violated the Ordinance by accepting a prohibited gift on October 22, 2016, and then failing to disclose that gift on his 2017 FIS form. Respondent agrees to pay a fine of FIVE HUNDRED and 00/100 DOLLARS (\$500.00) to the Board within thirty (30) days of this Disposition, 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 provided for in 815 ILSC 205/4. Respondent further agrees that within thirty (30) days of this Disposition, he will file a corrected 2017 FIS form that accurately reflects his acceptance of a gift in 2016 that exceeded \$250.
- (18) Respondent acknowledges that this Agreement is a public and final resolution of the potential violations and recommendations made by the OIG in its investigative report as presented to the Board of Ethics in this matter. Respondent also acknowledges that the Board shall make this Agreement 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.
- (19) Respondent confirms that he has entered into this Agreement freely, knowingly and intentionally, without coercion or duress; and, after having had the opportunity to be represented by an attorney of his choice, accepts all the 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. Respondent confirms that he 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 enforceability of the remaining provisions shall not in any way be affected or impaired thereby.
- (20) Respondent understands and voluntarily waives and assigns, on his and his 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 Ethics 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, arising out of the Respondent's Gifts and Other Favors and FIS ethics violations.

- b:
- (21) 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 agrees not 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.
  - (22) Once executed by Respondent, the Board staff shall submit this Agreement to the Board at its next regularly scheduled meeting. The Board must determine by a majority vote that it approves the Agreement and the Board must execute and date the Agreement before the Agreement becomes effective.
  - (23) The parties agree that this Agreement shall become invalid in the event that the Board refuses to approve it. Respondent acknowledges that if the Agreement is not approved or executed by the Board that the Board may seek to proceed to a hearing on the merits, pursuant to §2-156-392 of the Ethics 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 Ethics 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.
  - (24) 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.
  - (25) In consideration of 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.
  - (26) 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.
  - (27) This Agreement shall not be effective until all parties have affixed their signature below.

Dated as written above and executed below:

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



\_\_\_\_\_  
Steven I. Berlin, Executive Director

1-18-19

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Date



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William Conlon, Board Chair

1-18-19

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Date

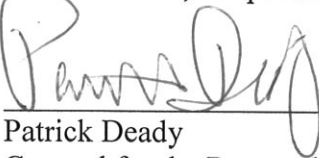
**FOR THE RESPONDENT**



\_\_\_\_\_  
Arthur Olvera, Respondent

1-09-2019

\_\_\_\_\_  
Date



\_\_\_\_\_  
Patrick Deady  
Counsel for the Respondent

1-14-2019

\_\_\_\_\_  
Date