



CITY OF CHICAGO



BOARD OF ETHICS

To: The Honorable Pat Dowell, Chair,  
Honorable Members, City Council Budget and Government Operations Committee  
Date: September 30, 2021  
From: Steven I. Berlin, Executive Director

## OPENING STATEMENT/FISCAL YEAR 2022 BUDGET

**Overview and Mission:** Good morning, Madame Chair and Members of the Committee on Budget and Government Operations. I appreciate the opportunity to address you. Now in its 34<sup>th</sup> year, the Board of Ethics administers, interprets, and enforces Chicago's Governmental Ethics Ordinance (the "Ordinance"). We promote integrity, transparency and accountability in City government by giving thousands of pieces of confidential advice each year, educating City employees and officials, vendors, lobbyists, and others subject to the Ordinance, regulating their conduct, and enforcing the Ordinance by adjudicating cases of apparent violations of it. The Board has five major program areas.

### **Highlights of 2021 Achievements and 2022 goals:**

**1. EDUCATION:** 98% of the City's workforce (including appointed officials) and all 50 City Council members have completed our latest on-line ethics training program. Our next program will be available in December, and through 2022. We are migrating this program to the City's e-learning system so users can complete it from any pc, not just City pcs or those with VPN connections. All registered lobbyists completed their latest annual training program; our next lobbyists' program will be published in October. We revise all programs annually; all cover sexual harassment. We also have 29 educational guides posted on our website; we revise these regularly. In 2022, we intend to produce ethics training videos.

We suspended in-person classes in March 2020 due to the pandemic. Conditions allowing, in 2022 we will restart in-person training. We will also continue to focus on public outreach and offer speakers at neighborhood meetings and aldermanic ward nights. During the pandemic, we have continued outreach efforts to explain the law governing lobbying by paid representatives of non-profit organizations and discuss potential amendments to it.

**2. CONFIDENTIAL GUIDANCE AND CASEWORK:** In my 28+ years with the Board, I've come to learn that *the most effective way to prevent misconduct and foster a culture of ethical conduct is to enable and encourage persons to seek confidential ethics advice before they act*. Thus, our agency's advisory function, coupled with regular education, is our most critical responsibility. Since October 2020, we have issued 3,579 confidential advisory opinions: 73% to City personnel (City Council remains the department to whose officials and employees we issued the most opinions, followed by the Mayor's Office, then the Chicago Police Department). 12% were issued to lobbyists or potential lobbyists; the rest were issued to attorneys, contractors, candidates, and campaign contributors. Of these 3,579, 10 were *formal* opinions. We publish formal opinions on our website, with confidential information redacted out (a common practice among government ethics agencies). We also have a searchable index and summary of all 915+ formal opinions issued by the Board since its inception in 1986. The rest are *informal*, either telephonic or by email. They remain confidential but we use them for educational purposes. Persons who receive Board opinions can rely on them in the event of an investigation or if their conduct is questioned.

The Board also works with other City departments on their specific conflict of interest or gift policies; in 2021, we have assisted three departments, and worked on revisions to the City's Personnel Rules. We also meet regularly with ethics officers from our

“sister agencies”: the CTA, CPS, CCC, CHA, Park District, and Cook County, to discuss ongoing matters of mutual concern and render assistance and advice.

**3. FINANCIAL DISCLOSURE:** By law ~3,750 employees and officials must file annual Statements of Financial Interests. We distribute, collect, and make publicly available forms going back seven years from the date of filing. In 2021 we achieved 100% compliance but found 112 employees and officials in violation of the Ordinance for filing past the May 1 deadline. We made their names, violations, and fines public, as required by law. We assessed \$11,500 in late filing fees. We work closely with our ethics liaisons in all departments and ward and committee offices to ensure that new hires required to file do so timely.

**4. LOBBYING/REGULATION:** By law all individuals who lobby City personnel must register with the Board annually (there is a \$350 annual registration fee and \$75 client fee per client after the first; the Board waives fees for individuals lobbying on behalf of non-profits) and file quarterly activity reports. To date in 2021, 867 individuals are registered; we have collected \$410,275 in fees (47.2% of our 2021 budget appropriation; 44.6% of our 2022 request).

Since October 2020, 21 lobbyists were determined to have violated the Ordinance for failure to timely re-register or file activity reports. 16 were assessed \$19,000 in fines. Two were fined \$1,000/day and their fines continue. 17 were determined to have violated the Ordinance for failure to complete annual training on time. One was assessed \$200 in fines and 3 were assessed \$200/day as a continuing fine. By law, we make their names and violations public.

In May we assisted the Chair of the Committee on Ethics and Governmental Oversight and IGA in convincing the General Assembly to exempt Chicago’s lobbying regulations and laws from a new State law that, among other things, would have subjected departing employees and officials to weaker revolving door restrictions.

**5. ENFORCEMENT: Adjudications of Inspector General (“IG”) Investigations.** Since October 2020, the IG has submitted two ethics investigations to the Board for adjudication. In the first, the Board determined that a City employee had a prohibited financial interest in a Public Building Commission (“PBC”) subcontract by owning a company that subcontracted with another company to do work on a PBC contract; the sub- and prime contracts were paid with funds belonging to or administered by the City (this is not true of all PBC contracts). The Board considered mitigating factors and publicly settled the matter for the minimum \$500 fine. In the second, the Board has found probable cause to conclude that an individual failed to register on behalf of three clients for whom the individual lobbied. The individual can try to rebut this finding; if unsuccessful they are subject to fines. Fines for unregistered lobbying are \$1,000 per City business day beginning on the fifth day after a person first engages in lobbying and continuing until the person registers.

**Board-Generated Enforcement Actions.** The Board finds probable cause where available evidence indicates the Ordinance was violated but no factual investigation by the IG is needed. The Board affords respondents the right to present evidence and arguments before it to rebut the probable cause finding. If the Board then finds Ordinance violations, it may publicly settle the matter for fines, or if no settlement is reached, make its determination public and impose appropriate fines. Board determinations are appealable to the Cook County Circuit Court. Since October 2020, the Board has handled seven such cases. These are described in detail on the Board’s website.

**Minor Violation.** Since October 2020, the Board has determined that one person, a new City employee, committed a minor violation of the Ordinance’s “representation of other persons” provision by submitting a permit application for a private client with whom they were working before beginning City employment. The permit was unrelated to the employee’s City work. The employee self-reported this to the Board and was sent a confidential admonition, as required by law.

Detailed information about all ongoing and concluded adjudications and enforcement matters, and a guide to ethics enforcement procedures, are posted on our website and updated regularly. Names are named where permitted by law.