



# Office of the City Clerk



O2012-8082

Office of the City Clerk

## City Council Document Tracking Sheet

**Meeting Date:** 11/15/2012

**Sponsor(s):** Emanuel, Rahm (Mayor)  
Burns, William D. (4)

**Type:** Ordinance

**Title:** Amendment of Titles 2-156, 2-55 and 2-56 of Municipal Code amended by adding new sections 2-156-382, 2-156-385, 2-156-392 and various sections regarding ethics

**Committee(s) Assignment:** Committee on Committees, Rules and Ethics

RULES



OFFICE OF THE MAYOR  
CITY OF CHICAGO

RAHM EMANUEL  
MAYOR

November 15, 2012

TO THE HONORABLE, THE CITY COUNCIL  
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Executive Director of the Board of Ethics, I transmit herewith, together with Alderman Burns, an ordinance amending various provisions of the Municipal Code regarding ethics.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

Mayor



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## ORDINANCE

### BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

**SECTION 1.** Chapter 2-156 of the Municipal Code of Chicago is hereby amended by adding new sections 2-156-382, 2-156-385, 2-156-392, 2-156-396, 2-156-402, 2-156-505 and 2-156-530, by deleting the language struck through and by inserting the language underscored, as follows:

#### **2-156-010 Definitions.**

*(Omitted text is not affected by this ordinance)*

(d) "City" means the City of Chicago.

(d-1) "City council employee" has the meaning ascribed to the term in Section 2-55-010.

*(Omitted text is not affected by this ordinance)*

(f) "Compensation" means money, thing of value or other pecuniary benefit received or to be received in return for, or as reimbursement for, services rendered or to be rendered.

(f-1) "Confidential information" means any information that is exempt from disclosure under the Illinois Freedom of Information Act, codified at 5 ILCS 140/1, et seq.

*(Omitted text is not affected by this ordinance)*

(m) "Gift" means any thing of value given without fair-market-value consideration.

(m-1) "Hearing officer" means an administrative law officer appointed by the department of administrative hearings, in consultation with the board of ethics, to the dedicated function of conducting probable cause findings or merit hearings pursuant to this chapter.

(m-2) "Investigating authority" means the inspector general or the legislative inspector general, as appropriate. When used in the plural, the term means both officials.

*(Omitted text is not affected by this ordinance)*

(p) "Lobbyist" means any person who, on behalf of any person other than himself, or as any part of his duties as an employee of another, undertakes to influence any legislative or administrative action, including but not limited to:

- (1) A bond inducement ordinance;
- (2) A zoning matter;
- (3) A concession agreement;
- (4) The creation of a tax increment financing district;
- (5) The establishment of a Class 6(b) Cook County property tax classification;
- (6) The introduction, passage or other action to be taken on an ordinance, resolution, motion, order, appointment or other matter before the city council;
- (7) The preparation of contract specifications;

- (8) The solicitation, award or administration of a contract;
- (9) The award or administration of a grant, loan, or other agreement involving the disbursement of public monies; or
- (10) Any other determination made by an elected or appointed city official or employee of the city with respect to the procurement of goods, services or construction.

Provided, however, that a person shall not be deemed to have undertaken to influence any legislative or administrative action solely by submitting an application for a city permit or license or by responding to a city request for proposals or qualifications.

The term "lobbyist" shall include, but is not be limited to, any attorney, accountant, or consultant engaged in the above-described activities; provided, however, that an attorney shall not be considered a lobbyist while representing clients in a formal adversarial hearing. ~~The term "lobbyist" shall not include any volunteer, employee, officer or director of a not-for-profit entity who seeks to influence legislative or administrative action solely on behalf of that entity. Provided further, that if (1) any person is paid or otherwise compensated to influence legislative or administrative action on behalf of a not-for-profit entity; and (2) such not-for-profit entity lobbies on behalf of for-profit entities or individuals engaged in a for-profit enterprise, such person shall be deemed to be a lobbyist within the meaning of this chapter.~~

*(Omitted text is not affected by this ordinance)*

(v-1) "Prohibited political activity" means:

*(Omitted text is not affected by this ordinance)*

- (7) Soliciting votes on behalf of a candidate for elective office or a political organization or for or against any referendum question or helping in an effort to get voters to the polls.

*(Omitted text is not affected by this ordinance)*

**2-156-015 Ethics pledge – When required.**

(a) *Persons required to file pledge.* The following persons shall comply with the requirements of this section:

(1) Any person who serves as (i) a non- clerical employee of the Office of the Mayor, or, starting six months from the effective date of this amendatory ordinance of 2012, a non-clerical city council employee or (ii) a department head; and

(2) Any employee who holds an exempt position, as defined in Section 2-156-010, in a City department, board or agency on or after May 16, 2011, other than a person described in item (1) of this subsection (a); and

(3) Any person who is appointed by the Mayor to the board of any board, commission, authority or agency, on or after May 16, 2011.

*(Omitted text is not affected by this ordinance)*

**2-156-070 Use or disclosure of confidential information -- Exceptions.**

(a) Except as otherwise provided in this section, No no current or former official or employee, including any current or former official or employee of the board or the investigating

authorities, shall use or disclose, other than in the performance of his official duties and responsibilities, or as may be required by law, confidential information or any non-public information, including the identity of the subject of an investigation, gained in the course of an investigation or by reason of his position or employment. For purposes of this section, "confidential information" means any information that may not be obtained pursuant to the Illinois Freedom of Information Act, as amended.

(b) Notwithstanding any provision of this section to the contrary, if any person requests the opinion of the board regarding past or ongoing conduct that violates this chapter, the board shall advise such person to stop the conduct and self-report the violation to the appropriate investigating authority, within 14 days. If the board finds that the person did not self-report the violation as instructed by the board, the board shall provide the person's name, the violation reported, and all related information the board deems relevant, to the appropriate investigating authority. This subsection applies to conduct that occurred or is occurring on or after the effective date of this amendatory ordinance of 2012.

(c) Any person may use an advisory opinion issued by the board regarding such person's future conduct as evidence supporting the person's position or as otherwise appropriate in any investigation or disciplinary proceeding. Once the person uses the board's opinion in accordance with this subsection, the board, if requested in writing citing this subsection by the person or one of the entities referred in this subsection, shall disclose all confidential or non-public information related to the advisory opinion that does not compromise a third party's confidentiality to the investigating authorities or any city department or agency conducting the investigation or disciplinary proceeding.

#### **2-156-105 Post-employment restrictions on lobbying.**

(a) Any person who serves as (i) a non-clerical employee of the Office of the Mayor or, starting six months from the effective date of this amendatory ordinance of 2012, a non-clerical city council employee, or (ii) a department head or alderman, shall be prohibited from lobbying the City of Chicago or any city department, board or other city agency for a period of two years after leaving that position.

*(Omitted text is not affected by this ordinance)*

#### **2-156-230 Information required of registrants.**

*(Omitted text is not affected by this ordinance)*

(d) The registration statement required under this section shall be accompanied by a written statement certifying that all information contained therein is true and correct, and a registration fee of \$350.00 per person identified as a lobbyist in the registration statement. In addition to this registration fee of \$350.00 per person, there shall also be an annual fee of \$75.00 for each additional registered client after the first client. Provided, however, that the board shall consider and may, in accordance with objective criteria established by rule, grant a waiver or reduction of the registration and client fees required under this subsection (d) for a specific lobbyist, upon written request in a format and accompanied by such proof as may be specified by the board, based on the following: (1) The lobbyist is a person paid to lobby by a non-profit entity with for-profit members and either (i) the person's primary lobbying responsibilities are to foster small business initiatives primarily within a single official community area or neighborhood within the

meaning of Section 1-14-010, or (ii) the non-profit entity has been approved or is pending approval by the city council to be a special service area service provider for the city, or (2) the lobbyist is a volunteer, employee, officer or director of a not-for-profit entity who seeks to influence legislative or administrative action solely on behalf of that entity.

**2-156-250 Reports of lobbying activities.**

No later than January 20th, April 20th, July 20th and October 20th of each year, each registrant shall file with the board of ethics a written report of lobbying activities during the previous three calendar months. The report shall be on a form prescribed by the board, which may include electronic submission, and shall contain:

- (a) The registrant's name, permanent address, and temporary address (if any) while lobbying;
- (b) With respect to each client:
  - (i) The name, business and permanent address and nature of business of the client and of any other business entities on whose behalf lobbying was performed;
  - (ii) A statement of the amount of compensation received from each client ~~to the nearest \$1,000.00;~~
  - (iii) The name of each city agency before which the registrant lobbied and a brief description of the legislation or administrative action involved;

*(Omitted text is not affected by this ordinance)*

**2-156-270 Failure to file reports.**

If a registrant fails to file a report as required herein, the board of ethics shall, within 15 days of the due date, notify the registrant, in a manner prescribed by the board, of his failure to file by the required date. The registrant shall thereafter file his report within ten days of the issuance of the notice. Any registrant who fails to file within the ten days shall be subject to suspension of his lobbyist registration and the penalty or penalties, as applicable, provided in Article VII of this ~~Chapter~~ chapter. Failure to file within the ten days shall constitute a violation of this chapter.

Any registrant who is required to file a report hereunder may effect one 30-day extension of time for filing the report by filing with the board of ethics, not less than ten days before the date on which the statement is due, a declaration of his intention to defer the filing of the report. The filing of such declaration shall suspend application of the penalty provisions contained herein for the duration of the extension. Failure to file by the extended date shall constitute a violation of this chapter and shall ~~be subject~~ the registrant to suspension of his lobbyist registration and the penalty or penalties, as applicable, provided in Article VII of this ~~Chapter~~ chapter.

The board of ethics shall not accept a lobbyist registration statement from any person who owes a fine pursuant to this section until the fine has been paid in full. The registration of any person who fails to file a timely report for three or more reporting periods may be suspended by the board for a one year period.

**2-156-310 Appointment of members.**

- (a) There is hereby created and established the board of ethics. The board shall consist of seven members appointed by the mayor, with consent of the city council. Members of the board shall (i) reside within the corporate boundaries of the city; (ii) not hold other elected or appointed public or political party office nor endorse, nor engage in any political or campaign activity on behalf of any candidate for public office; (iii) not be an employee of the city or any subdivision thereof; (iv)

have no financial interest in any work or business of or official action by the city, or any other governmental agency within the jurisdiction of the ~~State of Illinois~~, County of Cook, or the City of Chicago.

(b) A member of the board shall be appointed for a term of office of four years and hold office until his successor has been appointed and has qualified, except that members first appointed shall be appointed for the following terms of office: two for one year, two for two years, two for three years and one for four years. Vacancies on the board shall be filled in the same manner that original appointments are made and shall be filled for the unexpired term of the member whose place has become vacant.

(c) An executive director of the board of ethics, who shall not be a member of the board, shall be appointed by the mayor ~~from capable individuals recommended by the board~~, subject to approval of the city council. The executive director shall (i) reside within the corporate boundaries of the city; (ii) not hold other elected or appointed public or political party office nor endorse, nor engage in any political or campaign activity on behalf of any candidate for public office; (iii) have no financial interest in any work or business of or official action by the city, or any other governmental agency within the jurisdiction of ~~the State of Illinois~~, the County of Cook, or the City of Chicago.

#### **2-156-320 Political activities of board members and certain employees.**

No member or employee of the board shall engage in political activity ~~as defined in Chapter 2-156 of the Municipal Code of Chicago, as amended in connection with an election of municipal or county officials. Nothing in this section shall apply to activity in connection with an election of a local school council under Article 34 of the Illinois School Code, as amended. Provided, however, the prohibition in this section shall not be construed to prevent or limit a member or employee of the board from engaging in political activity protected or guaranteed under any law or regulation of the United States or the State of Illinois that preempts home rule.~~

#### **2-156-360 Records.**

The board shall keep minutes of its proceedings, showing the vote of each member upon every question or, if absent or failing to vote, indicating such fact, and shall also keep records of its investigations and other official actions. Every rule, regulation, amendment or repeal thereof, and every order, requirement, decision, or determination of the board shall be filed in the office of the board. The board shall post minutes of any of its public meetings no more than 14 days after the date of such meeting or as required by applicable law.

#### **2-156-380 Powers and duties.**

In addition to other powers and duties specifically mentioned in this chapter, the board of ethics shall have the following powers and duties:

(a) ~~to initiate and to receive and refer complaints of violations of any of the provisions of this chapter and to investigate and act upon such complaints as provided by this chapter to the investigating authority and to refer complaints of violations of the governmental ethics ordinance of a sister agency to the sister agency;~~

(a-1) pursuant to Section 2-156-385, to issue a finding as to whether evidence shows that there is probable cause to believe that there has been a violation of this chapter;

~~(b) to conduct investigations, inquiries and hearings concerning any matter covered by this chapter and to certify its own acts and records. The board may exercise appropriate discretion in determining whether to investigate and whether to act upon any particular complaint or conduct. When the board determines that assistance is needed in conducting investigations, or when~~



required by law, the board shall request the assistance of other appropriate agencies pursuant to Section 2-156-392, to issue a finding as to whether there has been a violation of this chapter and to impose a fine after conducting a merit hearing;

(c) ~~the board of ethics upon a showing of good cause, shall have authority to issue subpoenas, at the request of the person under subject of an investigation or hearing, or on its own motion, when conducting an investigation a probable cause finding or merit hearing authorized in accordance with this chapter, if (i) the board has a reasonable belief that a violation of the ethics ordinance this chapter has occurred and the party to whom the subpoena is to be issued has previously failed to respond to a written request for the production of documents and/or testimony within seven days of the receipt of said written request; and (ii) the testimony of the witness or the documents or items sought by the subpoena are relevant to the investigation probable cause finding or merit hearing.~~

(1) A subpoena shall be served in the same manner as subpoenas issued under the Rules of the Illinois Supreme Court to compel appearance of a deponent, and subject to the same witness and mileage fees fixed by law for such subpoenas.

(2) A subpoena issued under this section shall identify the person to whom it is directed and the documents or other items sought thereby, if any, and the date, time and place for the appearance of the witness and production of the documents or other items described in the subpoena. In no event shall the date for examination or production be less than seven days after service of the subpoena.

(3) No later than the time for appearance or production required by the subpoena, the person to whom the subpoena is directed may object to the subpoena, in whole or in part. The objection shall be in writing, delivered to the board of ethics, and shall specify the grounds for the objection. For seven days after receipt of a timely objection to a subpoena, the board of ethics shall take no action to enforce the subpoena or to initiate prosecution of the person to whom the subpoena is directed. During this seven day period, the board of ethics shall consider the grounds for the objection and may attempt to resolve the objection through negotiation with the person to whom the subpoena is directed. The seven day period may be extended by the board of ethics in order to allow completion of any negotiations. The extension shall be in writing addressed to the person to whom the subpoena is directed, and shall specify the date on which the negotiation period will end. Negotiations may include such matters as the scope of the subpoena and the time, place and manner of response thereto. The filing of an objection to a subpoena, and negotiations pursuant to an objection, shall not constitute refusal to comply with the subpoena, or interference with or obstruction of an investigation;

(d) to require the cooperation of city agencies, officials, employees and other persons whose conduct is regulated by this chapter, in investigating alleged violations of this chapter. Information reasonably related to an investigation shall be made available to the board by such persons on written request;

(d-1) to adopt, in consultation with the investigating authorities, and disseminate rules setting forth the rights of officials and employees as provided in Chapters 2-55, 2-56 and 2-156;

*(Omitted text is not affected by this ordinance)*

(h) to promulgate rules for the conduct of board activities, including procedural rules consistent with the ~~April 3, 1990~~ requirements of due process of law; rules related to: (i) the provision of notice, the submission of evidence and other procedural aspects relating to matters handled by hearing officers or presented to the board; (ii) the criteria that must be used to approve, modify or disapprove proposed settlement agreements; (iii) administering waivers; (iv) contesting

fines imposed for training and filing violations; (v) the manner of making settlements, or the board's opinions, determinations and findings available to the public; and (vi) the criteria that must be used to determine whether a complaint involves a minor potential violation. Provided, however, no such rules and regulations shall become effective until 45 days after their submission to the city council. And, provided further, no such rules and regulations shall become effective if, during said 45-day period, the city council, by majority vote of aldermen entitled to be elected, acts to disapprove said rules and regulations. The applicable administrative hearings procedures set forth in Chapter 2-14 and the applicable rules and regulations promulgated pursuant thereto shall apply to the procedural aspects of matters handled by hearing officers or presented to the board to the extent such procedural aspects are not covered by this chapter or the rules and regulations promulgated by the board;

*(Omitted text is not affected by this ordinance)*

(l) to render advisory opinions with respect to the provisions of this chapter based upon a real or hypothetical set of circumstances, when requested in writing by an official or employee, or by a person who is personally and directly involved. Advisory opinions shall be made available to the public, but the identity of the person requesting the opinion and of any person whose conduct is involved in the set of circumstances described in the request for the opinion shall be confidential. The board shall indicate, in writing, those advisory opinions that have precedential value, and organize such opinions in a searchable database that is accessible from the board's website; and

*(Omitted text is not affected by this ordinance)*

#### **2-156-382 Settlements.**

The investigating authority, at any point during the investigation of an alleged violation of this chapter, may negotiate a proposed settlement of the matter with the subject of the investigation. If the investigating authority and the subject agree to settle the matter, the investigating authority shall present the terms of the proposed settlement agreement to the board. The board may approve, modify or reject the terms of the settlement agreement. If the subject is a current employee and the settlement includes the imposition of discipline, such settlement shall not be final unless approved by the head of the city department, agency or office in which the employee works. The full final settlement agreement, including the name of the subject of the investigation and the disciplinary measure imposed on him, shall be made publicly available to the extent allowable under applicable law.

#### **2-156-385 Probable cause finding.**

The investigating authority may request the board to issue a finding as to whether evidence shows that there is probable cause to believe that the subject of an investigation (for purposes of this section, "subject") has violated this chapter, as follows:

(1) The investigating authority may request the board to make a probable cause finding only after notifying the subject in writing. Such notice shall specify all the charges to be brought against the subject, including a summary of the facts alleged to support such finding, and shall state that the investigating authority intends to request a probable cause finding by the board. Such notice must be served upon the subject at least 30 days before the request is made to the board.

(2) When requesting a probable cause finding, the investigating authority shall provide to the board a summary of his investigation and recommendation, including a summary of the evidence gathered through the investigation supporting the alleged violation of this chapter.

(3) A hearing officer shall review the report, recommendation and evidence provided by the investigating authority. If the hearing officer finds that the evidence does not show that there is probable cause to believe that the subject has violated this chapter, the hearing officer shall close the matter and so notify the investigating authority and the subject. If the hearing officer finds that the evidence shows that there is probable cause to believe that the subject has violated this chapter, the hearing officer shall serve notice of the allegations upon the subject. Such notice shall inform the subject of his right to provide a written response, written submissions and a summary of the evidence supporting his position. The notice also shall set a meeting date with the hearing officer to discuss the allegations and the evidence. The subject must submit all written material and documents supporting his position at least 10 days before the date of the meeting. At the meeting, all evidence presented in the matter shall be discussed and the subject shall be given an opportunity to respond to the evidence presented against him. The subject may be represented by counsel at the meeting. The entire meeting shall be reliably recorded or, alternatively, transcribed by a certified court reporter. All records of the meeting shall be kept confidential to the extent allowable under applicable law.

(4) After reviewing all the documents and evidence submitted by the parties, including oral and written responses, the hearing officer may: (i) seek to settle the matter; (ii) pursue an action for discipline; (iii) pursue an action for a fine; or (iv) take no action. A settlement agreement must be approved by the board, and, if the settlement involves the imposition of discipline and the subject is a current employee, must also be approved by the head of the city department, agency or office in which the employee works. If a settlement is reached, the full final settlement agreement, including the name of the subject of the investigation and the disciplinary measure imposed on him, shall be made publicly available to the extent allowable under applicable law.

(5) If the hearing officer determines to pursue an action for a fine, the matter shall proceed to a merit hearing as provided in Section 2-156-392.

(6) If the subject is a current employee and the hearing officer determines to pursue an action for discipline instead of a fine, the board shall review all the evidence presented in the matter and shall, within 40 days of the hearing officer's determination to pursue an action for discipline, submit a written recommendation, with all the evidence and documents supporting the board's recommendation: (i) to the mayor, if the employee is a department head or an appointed official; (ii) to the chairman of the city council committee or to the alderman for whom the employee works, if the employee is a city council employee; or (iii) to the head of the department or agency in which the employee works, if the employee is neither a department head, appointed official or a city council employee. A person to whom the board has transmitted its recommendation for action shall, within 30 days of receipt of the recommendation, report to the board in writing the actions taken on the recommendation and, to the extent that the person declines to take any recommended action, provide a written statement of reasons for his decision.

#### **2-156-392 Merit hearing -- fines.**

(a) If a hearing officer determines pursuant to Section 2-156-385 to pursue an action for a fine, a merit hearing shall be held on the matter no less than 60 days after that determination, as follows:

(1) A merit hearing shall be held in a closed session, to the extent allowable under applicable law, before a different hearing officer.

(2) The corporation counsel shall be the prosecutor in proceedings conducted pursuant to this section or any hearing reopened pursuant to Section 2-156-396. The prosecutor shall prepare a statement of charges, which shall be served upon the subject of the hearing (for purposes of this section and Section 2-156-396, "respondent") within 30 days of the hearing

officer's determination with: (1) a list of all witnesses the city may call at the hearing; (2) a copy of all documents the city intends to introduce at the hearing; (3) any potentially exculpatory material in the city's possession from the investigating authority's investigation; and (4) a notice of the hearing setting the date of the hearing.

(3) The respondent shall be given an opportunity to submit a written answer to the charges within 21 days after the statement of charges is served upon him. The respondent or the prosecutor may request, as a matter of right, a one-time extension of the date of the hearing for up to 30 days. If the respondent or the prosecutor requests subsequent extensions of the date of the hearing, the hearing officer may grant such extensions only upon a showing of good cause by the requesting party. No later than 10 days before the date of the hearing, the respondent shall provide to the prosecutor: (1) a list of all witnesses the respondent may call at the hearing, and (2) a copy of all documents the respondent intends to introduce at the hearing.

(4) The hearing officer may receive written submissions, witness testimony, argument and documents regarding the charge. The hearing officer shall present his report and recommendation on the charges to the board.

(5) The entire merit hearing, including any testimony presented to the hearing officer and argument by the parties, shall be reliably recorded or, alternatively, transcribed by a certified court reporter. All records of the merit hearing shall be kept confidential to the extent allowable under applicable law.

(6) Within 40 days after the merit hearing, the board shall vote on the hearing officer's recommendation, and shall issue a written opinion imposing a fine or stating that no violation has occurred.

(7) If the board imposes a fine, the board's written opinion shall include the name and, if the respondent is a city official or employee, position of the respondent found to have violated this chapter, and an analysis of the evidence and the provision of this chapter at issue. If the board finds that no violation has occurred, it shall so state in its written opinion that includes an analysis of the evidence and the provision of this chapter at issue, and which opinion shall not, unless the respondent requests otherwise, include his name or position. The opinion of the board shall be made publicly available.

(b) Upon the board's imposition of a fine, the respondent shall either: (i) pay the fine or (ii) petition the board to reconsider its opinion as provided in section 2-156-396.

(c) Upon a final determination by the board that the respondent did not commit a violation of this chapter, the respondent may submit a request to the board seeking reimbursement of reasonable legal expenses and costs incurred in defending the alleged violation. The request for reimbursement shall be granted if the board determines, using established legal principles, that the statement of charges was filed and pursued in bad faith. If the board determines that the statement of charges was filed and pursued in bad faith as provided in this section, such finding shall be made publicly available.

#### **2-156-396 Request for reconsideration and appeal.**

(a) Any respondent who is found by the board to have violated this chapter and who is the subject of a fine may, within 14 days of issuance of the board's opinion, petition the board to reconsider its opinion. Such petition shall be made only on the basis of newly discovered evidence or an intervening change of the law.

(b) Upon receiving a petition for reconsideration, the board may: (i) reopen the hearing process; (ii) modify its opinion; or (iii) deny the petition.

(c) The final decision of the board imposing a fine is subject to administrative review under the Illinois Administrative Review Law, codified at 735 ILCS 5/3-101, et seq., the provisions

of which are adopted and incorporated by reference and made a part of this section as if fully set forth herein.

**2-156-402 Waivers.**

When requested by a city official or employee, the board may grant a waiver from compliance with any of the following:

- (1) The gift restrictions in Section 2-156-142(a) to the extent they apply to material or travel expense for meetings;
- (2) The post-employment restrictions provided in Section 2-156-100;
- (3) The interest in city business restrictions provided in Section 2-156-110; and
- (4) The restrictions pertaining to matters related to a city official's or employee's immediate former employer or client as provided in Section 2-156-111(d).

Any waiver shall be in writing and shall be made publicly available.

**2-156-465 Sanctions.**

(a) *Employment sanction.* In addition to any other applicable penalty provided in this article, any employee found to have violated any of the provisions of this chapter, or to have knowingly furnished false or misleading information to the board of ethics ~~with the intent to mislead~~, shall be subject to employment sanctions, including discharge, in accordance with procedures under which the employee may otherwise be disciplined. Any official who intentionally knowingly files a false or misleading statement of financial interests, or knowingly fails to file a statement within the time prescribed in this chapter, or otherwise violates any provision of this chapter, shall be subject to removal from office.

(b) *Fines.* The following fines shall, as appropriate, apply to violations of this chapter:

*(Omitted text is not affected by this ordinance)*

(3) *Failure to register or file reports by lobbyists.* Any lobbyist who violates section 2-156-245 or section 2-156-270 shall be fined \$1,000.00 for each such violation. Each day that a violation continues shall constitute a separate and distinct offense to which a separate fine shall apply. Any lobbyist who violates any provision of Article IV of this chapter shall be subject to the suspension of his lobbyist registration.

*(Omitted text is not affected by this ordinance)*

(c) The board may recommend an employment sanction or impose a fine for any violation of this chapter in accordance with Section 2-156-385 or Section 2-156-392, respectively.

**2-156-505 Training and filing violations – Executive director's authority.**

Notwithstanding any other provision of this chapter to the contrary, upon determining that a person has violated Section 2-156-145, 2-156-146, 2-156-190, 2-156-245, or 2-156-270, the executive director of the board is authorized to impose upon such person an appropriate fine as provided in Section 2-156-465. The executive director is authorized to impose such fine starting

on the seventh day after the executive director notified the person of the violation. The person may contest the imposition of such fine as provided by rule.

**2-156-530 Annual public hearing on ethics.**

The board and the investigating authorities shall coordinate and conduct a joint annual public hearing before the city council to review major activities, including trainings, investigations, settlements, and opinions; to describe resource usage; to address trends in ethics issues; to suggest ethics compliance strategies; and to assess challenges and recommend areas of improvement regarding the city's ethics institutions, and investigation and adjudication processes.

**SECTION 2.** Chapter 2-55 of the Municipal Code of Chicago is hereby amended by deleting the language struck through and by inserting the language underscored, as follows:

**2-55-030 Legislative Inspector General – Appointment and qualifications.**

*(Omitted text is not affected by this ordinance)*

(d) ~~No~~ The legislative inspector general shall pledge in writing, at the time of his appointment, that, for one two years after the termination of his appointment for any reason, the legislative inspector general shall not: (i) become a candidate for any elective office in the City of Chicago; or (ii) hold any elected public office in the City of Chicago.

(e) Neither the legislative inspector general nor any employee of the office of legislative inspector general shall engage in any political activity as defined in Chapter 2-156 ~~of the Municipal Code of Chicago.~~

(f) This section shall not apply to the legislative inspector general or any employee of the legislative inspector general to the extent that it is inconsistent with any law or regulation of the United States or the State of Illinois that preempts home rule.

**2-55-060 Powers and duties.**

The legislative inspector general shall have jurisdiction over all aldermen and city council employees. In addition to other powers and duties specifically mentioned in this chapter ~~Chapters 2-55 and 2-156~~, the legislative inspector general shall have the following powers and duties:

(a) ~~To receive, and register and review written complaints, including anonymous written complaints, alleging misconduct against aldermen, and city council employees and lobbyists engaged in the lobbying of aldermen or city council employees. The legislative inspector general's powers and duties shall extend to misconduct concerning, but not limited to: (i) the improper receipt of gifts or favors; (ii) the improper receipt of money or other thing of value for advice or assistance on matters concerning city business; (iii) the improper and unauthorized use of city property; (iv) the improper use or disclosure of confidential information; (v) conflicts of interest not properly disclosed; (vi) the improper solicitation or acceptance of political contributions; (vii) the improper use of one's position to influence any city government decision or action in which one has any economic interest; and/or (viii) the breach of one's fiduciary duty to the city any violation or alleged violation of Chapter 2-156 by aldermen, city council employees and lobbyists engaged in the lobbying of aldermen or city council employees;~~

(b) To investigate ~~signed and sworn~~ written complaints alleging misconduct against aldermen, and city council employees and lobbyists engaged in the lobbying of aldermen or city

~~council employees only upon a finding of reasonable cause or issuance of a letter of direction by the board of ethics. The legislative inspector general may exercise appropriate discretion in determining whether to petition the board of ethics for a finding of reasonable cause and act upon any particular complaint or conduct, except where otherwise directed by the board of ethics;~~

(b-1) To initiate an investigation of aldermen, city council employees and lobbyists engaged in the lobbying of aldermen or city council employees, upon preparing a written memorandum explaining the initiation of such an investigation;

(c) Upon ~~approval of~~ initiating an investigation in accordance with this chapter by the board of ethics, the legislative inspector general shall have authority to issue subpoenas ~~when conducting an investigation authorized in accordance with this chapter~~, if: (i) the party to whom the subpoena is to be issued has previously failed to respond to a written request for the production of documents and/or testimony within seven days of the receipt of said written request; and (ii) the testimony of the witness or the documents or items sought by the subpoena are relevant to the investigation;

(1) A subpoena shall be served in the same manner as subpoenas issued under the Rules of the Illinois Supreme Court to compel appearance of a deponent, and subject to the same witness and mileage fees fixed by law for such subpoenas.

(2) A subpoena issued under this section shall identify the person to whom it is directed and the documents or other items sought thereby, if any, and the date, time and place for the appearance of the witness and production of the documents or other items described in the subpoena. In no event shall the date for examination or production be less than seven days after service of the subpoena.

(3) No later than the time for appearance or production required by the subpoena, the person to whom the subpoena is directed may object to the subpoena, in whole or in part. The objection shall be in writing, delivered to the legislative inspector general, and shall specify the grounds for the objection. For seven days after receipt of a timely objection to a subpoena, the legislative inspector general shall take no action to enforce the subpoena or to initiate prosecution of the person to whom the subpoena is directed. During this seven day period, ~~the board of ethics~~ legislative inspector general shall consider the grounds for the objection and may attempt to resolve the objection through negotiation with the person to whom the subpoena is directed. The seven day period may be extended by the legislative inspector general in order to allow the completion of any negotiations. The extension shall be made in writing addressed to the person to whom the subpoena is directed, and shall specify the date on which the negotiation period will end. Negotiations may include such matters as the scope of the subpoena and the time, place and manner of response thereto. The filing of an objection to a subpoena, and negotiations pursuant to an objection, shall not constitute refusal to comply with the subpoena, or interference with or obstruction of an investigation.

~~(d) To prepare and present reports to the board of ethics in accordance with Section 2-55-080; [Reserved]~~

(e) To promulgate rules for the conduct of investigations, including procedural rules consistent with the requirements of due process of law, within ninety days of the appointment of the legislative inspector general by the city council. Provided, however, that no such rules and regulations shall become effective until forty-five days after their submission to the city council and, provided further, that no such rules and regulations shall become effective if, during said forty-five day period, the city council, by majority vote of aldermen entitled by law to be elected, acts to disapprove said rules and regulations;

(f) To prepare and publish, from time to time but at least semi-annually, reports summarizing the legislative inspector general's activities and to present such reports to the

committee on committees, rules and ethics, including the number of complaints dismissed by the legislative inspector general in accordance with section 2-55-080(a) and the reasons for such dismissals, and the number of complaints referred to other agencies pursuant to subsection (g) of this section and the name of such agencies; and

(g) To refer to the city's office of inspector general ~~and the board of ethics or the appropriate sister agency~~ complaints against all persons over whom the legislative inspector general lacks jurisdiction.

**2-55-080 Complaints against aldermen, and city council employees and lobbyists.**

(a) ~~If the legislative inspector general receives a complaint alleging misconduct against an alderman, or city council employee or lobbyist engaged in the lobbying of aldermen or city council employees which is signed and sworn to by the person making the complaint, the legislative inspector general, may petition the board of ethics for a finding of reasonable cause after reviewing the complaint, may:~~ (1) dismiss the complaint if the legislative inspector general determines that the complaint is baseless on its face or the complaint does not relate to a violation of Chapter 2-156; or (2) transmit the complaint to the supervisor of the city council employee, or, if the complaint is against an alderman, to the committee on committees, rules and ethics, if the legislative inspector general determines pursuant to rules adopted by the board of ethics that the complaint is for a minor potential violation and such complaint can be resolved without investigation by the legislative inspector general; or (3) initiate an investigation.

(b) ~~Whenever the board of ethics receives from the legislative inspector general a petition for a finding of reasonable cause, the board of ethics shall:~~

- ~~i. dismiss the complaint, if it determines that the alleged misconduct would not constitute a violation of Chapter 2-156 of the Municipal Code of Chicago;~~
  - ~~ii. make an initial finding of reasonable cause and refer the complaint to the legislative inspector general for investigation, if the alleged misconduct would constitute a violation of Chapter 2-156 of the Municipal Code of Chicago; or~~
  - ~~iii. pursuant to a letter of direction issued by the board to the legislative inspector general, refer the complaint to the legislative inspector general for a limited fact-finding investigation, if additional investigation is required for the board of ethics to determine what action is appropriate; or~~
  - ~~iv. retain exclusive jurisdiction of the matter and take other action as it deems appropriate in accordance with Chapter 2-156 of the Municipal Code of Chicago; or~~
  - ~~v. refer the complaint to the appropriate law enforcement authorities, if the board has a reasonable belief that the alleged misconduct would violate a criminal statute; or~~
  - ~~vi. refer the complaint to the appropriate city council committee or alderman for whom an employee works, if the board determines that the alleged misconduct is minor in nature~~
- The legislative inspector general shall conclude his investigation pertaining to a violation of Chapter 2-156 no later than two years from the date of initiating the investigation; provided, however, that any period of time during which he has suspended his investigation in accordance with Section 2-55-110 shall not count towards the two-year period.

(c) ~~Within seven days of the initiation of an investigation pursuant to (b)(ii) or (iii), the legislative inspector general shall give the subject of the investigation notice of the substance of the complaint and an opportunity to present such written information as the subject may desire, including the names of any witnesses the subject wishes to have interviewed by the legislative inspector general. [Reserved]~~



(d) ~~At the conclusion of his investigation any point during an investigation that the legislative inspector general shall present his report to the board of ethics~~ conducts in accordance with this chapter, he may: (1) dismiss the matter, if he determines that the alleged misconduct would not constitute a violation of Chapter 2-156; or (2) negotiate a proposed settlement with the subject of the investigation and, subject to Section 2-156-382, settle the matter; or (3) refer the matter to the appropriate law enforcement authority, if he reasonably believes that the alleged misconduct would violate a criminal statute; or (4) request a probable cause finding in accordance with Section 2-156-385.

(e) ~~Except as otherwise provided in this chapter, Complaints~~ complaints submitted to the legislative inspector general, investigation files, memoranda explaining the initiation of an investigation prepared in accordance with Section 2-55-060(b-1) and reports on investigations shall be confidential in accordance with Section 2-156-400.

(f) ~~No alderman or city council employee shall be determined or found to have violated Chapter 2-156 of the Municipal Code of Chicago unless the Board of Ethics so determines that a violation has occurred only after a hearing conducted by the Board of Ethics in which due process rights are afforded, in accordance with Chapter 2-156 of the Municipal Code of Chicago.~~ [Reserved]

(g) ~~If the legislative inspector general receives a complaint alleging misconduct against an alderman or city council employee, which is not signed and sworn to by the person making the complaint, the legislative inspector general shall transmit said complaint to the committee on committees, rules and ethics.~~ [Reserved]

(h) ~~If the legislative inspector general receives a complaint against an alderman or city council employee, which the legislative inspector general deems insufficient to petition the board of ethics for a finding of reasonable cause, the legislative inspector general shall transmit said complaint to committee on committees, rules and ethics.~~ [Reserved]

#### **2-55-110 Investigation by other agencies.**

(a) If the legislative inspector general is reliably informed that a matter under investigation is also under investigation by a law enforcement agency, the legislative inspector general shall suspend his investigation. The legislative inspector general may reinstate his investigation upon the conclusion of the investigation by the law enforcement agency.

(b) If the legislative inspector general has a reasonable basis for concluding that an investigation has revealed criminal conduct, the legislative inspector general ~~shall inform the board of ethics;~~ may refer the matter to the appropriate law enforcement authority, and suspend his investigation.

#### **2-55-140 False claims – Penalty.**

Any person who makes a false statement, material to the issue or point in question, which ~~he~~ the person does not believe to be true, in any complaint relating to the legislative inspector general's investigations of an alderman or city council employee, ~~and which is certified by such person in accordance with Section 2-55-070~~ shall be guilty of knowingly furnishing false statements or misleading information. Any person who violates the provisions of this section shall be subject to a fine of not less than \$300.00 and not more than \$500.00 for each such offense, and/or imprisonment for a period not exceeding six months. Actions seeking the imposition of a fine only shall be filed as quasi-criminal actions subject to the provisions of the Illinois Code of Civil Procedure, as amended. Actions seeking incarceration, or incarceration and a fine, shall be filed and prosecuted as misdemeanor actions under the procedure set forth in Section 1-2-1.1 of the Illinois Municipal Code, as amended.

**SECTION 3.** Chapter 2-56 of the Municipal Code of Chicago is hereby amended by adding new section 2-56-155, by deleting the language struck through and by inserting the language underscored, as follows:

**2-56-020 Inspector general – Appointment and authority.**

The mayor shall create a Blue Ribbon Panel of five members to diligently search out qualified candidates for the position of inspector general and make recommendations to the mayor. The Blue Ribbon Panel shall consist of members of the community who have exhibited the highest moral character and integrity and who have demonstrated a commitment to public service, including but not limited to, deans of colleges, retired judges, and directors of neighborhood, civic or community organizations. The inspector general shall be appointed by the mayor from individuals recommended by the Blue Ribbon Panel, subject to approval of the city council, and shall have responsibility for the operation and management of the office of inspector general. He shall be appointed for a term of four years, which may be renewed at the discretion of the mayor, subject to approval of the city council.

**2-56-050 Conduct of city officers, employees and other entities.**

(a) The powers and duties of the inspector general shall extend to the conduct of the following: (a) except as limited in this section all elected and appointed officers of the city government in the performance of their official duties; (b) except as limited in this section, all employees of the city government in the performance of their official duties; (c) all contractors and subcontractors in the providing of goods or services to the city pursuant to a contract; (d) business entities in seeking contracts or certification of eligibility for city contracts; and (e) persons seeking certification of eligibility for participation in any city program. Notwithstanding anything to the contrary contained herein, the office of inspector general shall have no power or authority over any member of the city council, or any city council employee, as defined in Section 2-55-010 of the ~~Municipal Code of Chicago~~. If the office of inspector general receives any complaint alleging misconduct, inefficiency or waste against any member of the city council or any city council employee, as defined in Section 2-55-010 of the ~~Municipal Code of Chicago~~, the inspector general shall promptly transmit said complaint to the legislative inspector general. Nothing in this section shall preclude the inspector general from referring a complaint or information concerning a member of the city council or any employee or staff person of any member of the city council or any employee or any staff person of any city council committee to the legislative inspector general, the appropriate sister agency, the appropriate federal, state or local law enforcement authorities.

(b) (1) Notwithstanding any other provision in this chapter to the contrary, if the office of the inspector general receives a complaint alleging a violation of Chapter 2-156 against any city official, city employee or any other person subject to Chapter 2-156 except an alderman, city council employee or lobbyist engaged in the lobbying of aldermen or city council employees, as the term "city council employee" is defined in Section 2-55-010, the inspector general, after reviewing the complaint, may: (1) dismiss the complaint if he determines that the complaint is baseless on its face or does not relate to a violation of Chapter 2-156; or (2) transmit the complaint to the supervisor of the city employee or, if the complaint is against a department head, appointed official or other person subject to Chapter 2-156, to the mayor, if the inspector general determines pursuant to rules adopted by the board of ethics that the complaint is for a minor potential violation and such complaint can be resolved without investigation by the inspector general; or (3) initiate an investigation.

(2) The inspector general shall conclude his investigation of any violation of Chapter 2-156 under his jurisdiction no later than two years from the date of initiating the investigation.

(3) Notwithstanding any other provision in this chapter to the contrary, at any point during an investigation that the inspector general conducts on matters pertaining to violations of Chapter 2-156, the inspector general may: (1) dismiss the matter, if he determines that the alleged misconduct would not constitute a violation of Chapter 2-156; or (2) negotiate a proposed settlement of the matter with the subject of the investigation and, subject to Section 2-156-382, settle the matter; or (3) refer the matter to the appropriate law enforcement authority, if he reasonably believes that the alleged misconduct would violate a criminal statute; or (4) request a probable cause finding in accordance with Section 2-156-385.

**2-56-070 Confidentiality of informants – Exceptions.**

The summary report shall not mention the name of any informant, complainant, witness or person investigated, except in the following instances:

(a) Where the copy of the report given to the head of any department or agency recommends disciplinary action against an employee of that agency;

(b) Where the copy of the report given to the chief procurement officer makes recommendations concerning any contractor, subcontractor, applicant for a contract, or person seeking certification of eligibility for a contract;

(c) Where the copy of the report given to the head of a department or agency makes recommendations concerning a person seeking certification of eligibility for a program administered by the department or agency;

(d) Where the copy given to the mayor recommends disciplinary action against the head or any employee of any executive department or agency;

(e) Where the copy of the report is given to the board of ethics or a hearing officer in compliance with a probable cause finding or a merit hearing or as otherwise provided in Chapter 2-156.

**2-56-110 Files and reports confidential – Public statements authorized when.**

Except as otherwise provided herein, all investigatory files and reports of the office of inspector general shall be confidential and shall not be divulged to any person or agency, except to the United States Attorney, the Illinois Attorney General or the State's Attorney of Cook County, or as otherwise provided in this chapter or Chapter 2-156. The inspector general is authorized to issue public statements in the following circumstances: (a) if an investigation exonerates a person who is publicly known to have been under investigation, where such person requests such a statement; (b) ~~subject to the conditions set forth in subsection (b) of this section~~; if an investigation, audit or inspection concerns inefficient or wasteful management; and (c) in a public summary of each investigation resulting in sustained findings of misconduct. The public summary shall briefly state, without disclosing the name of any individual who was the subject of such investigation, (i) the nature of the allegation or complaint; (ii) the specific violations resulting in sustained findings; (iii) the inspector general's recommendation for discipline or other corrective measures; and (iv) the city's response to and final decision on the inspector general's recommendation.

**2-56-120 Quarterly reports to city council.**

No later than the fifteenth day of January, April, July and October of each year, the inspector general shall file with the city council a report, accurate as of the last day of the preceding month, indicating: the number of investigations initiated since the date of the last report; the number of investigations concluded since the last report; and the number of investigations pending

as of the reporting date; the number of complaints dismissed in accordance with subsection (b) of section 2-56-050 and the reasons for such dismissals; and the number of complaints referred to other agencies pursuant to subsection (a) of section 2-56-050 and the name of such agencies. The report shall also include the number of investigations of the conduct of employees; the number of investigations of the conduct of appointed officials; the number of investigations of the conduct of elected officials; the number of investigations of the conduct of contractors, subcontractors and persons seeking city contracts; the number of investigations of the conduct of persons seeking certification of eligibility for city contracts or other city programs; the number of investigations involving alleged misconduct; the number of investigations involving alleged waste or inefficiency.

**2-56-150 Political activities prohibited.**

(a) No inspector general or employee of the office of the inspector general may, during his term of appointment or employment: (i) hold, or become candidate for, any other elective or appointed public office except for appointments to governmental advisory boards or study commissions or as otherwise expressly authorized by law; or (ii) actively participate in any campaign for any elective office.

(b) The inspector general shall pledge in writing, at the time of his appointment, that, for two years after the termination of the inspector general appointment for any reason, the inspector general shall not: (i) become a candidate for any elective office in the City of Chicago; or (ii) hold any elected public office in the City of Chicago.

(c) Neither the inspector general nor any employee of the office of inspector general shall engage in any political activity as defined in Chapter 2-156 of the Municipal Code.

(d) This section shall not apply to the inspector general or any employee of the inspector general to the extent that it is inconsistent with any law or regulation of the United States or the State of Illinois that preempts home rule.

**2-56-155 Statute of limitations on ethics investigations.**

An investigation of any violation of Chapter 2-156 may not be initiated more than two years after the most recent act of alleged misconduct.

**SECTION 4.** The Municipal Code of Chicago is hereby amended by repealing sections 2-55-070, 2-156-390, 2-156-395, 2-156-405, and 2-156-408, in their entirety.

**SECTION 5.** Following passage and publication, this ordinance shall take effect on March 1, 2013.