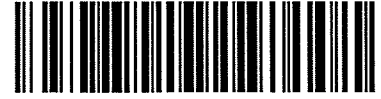




Office of the City Clerk



SO2012-3846

Office of the City Clerk

City Council Document Tracking Sheet

Meeting Date: 6/6/2012

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

Type: Ordinance

Title: Amendment of Chapter 2-156 of Municipal Code of Chicago
by adding various new sections regarding associated
provisions of Governmental Ethics

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

SUBSTITUTE
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 2-156-005, 2-156-017, 2-156-018, 2-156-019, 2-156-135, 2-156-142, 2-156-143, 2-156-144, 2-156-148, 2-156-200, 2-156-425, 2-156-435, 2-156-445, 2-156-455, 2-156-465, 2-156-510, and 2-156-520, by deleting the language struck through and by inserting the language underscored, as follows:

CHAPTER 2-156
GOVERNMENTAL ETHICS

ARTICLE I. GENERAL

2-156-005 Code of conduct.

(a) The code of conduct set forth in this section shall be aspirational and shall guide the conduct of every official and employee of the city. All officials and employees of the city shall:

- (1) remember that they are public servants who must place loyalty to the federal and Illinois constitutions, laws, and ethical principles above their private gain or interest.**
- (2) give a full day's work for a full day's pay.**
- (3) put forth honest effort in the performance of their duties.**
- (4) treat members of the public with respect and be responsive and forthcoming in meeting their requests for information.**
- (5) act impartially in the performance of their duties, so that no private organization or individual is given preferential treatment.**
- (6) refrain from making any unauthorized promises purporting to bind the city.**
- (7) never use any nonpublic information obtained through the performance of city work for private gain.**
- (8) engage in no business or financial transaction with any individual.**

organization or business that is inconsistent with the performance of their city duties.

- (9) protect and conserve city property and resources, and use city property and resources only for authorized purposes or activities.
- (10) disclose waste, fraud, abuse, and corruption to the appropriate authorities.
- (11) adhere to all applicable laws and regulations that provide equal opportunity for all persons regardless of race, color, religion, gender, national origin, age, sexual orientation, or handicap.

(b) At the time of employment or becoming a city official, every city official or employee shall sign, in a form prescribed by the board of ethics, a commitment to follow the city's code of conduct set forth in this section. The department of human resources shall administer such commitment and provide a copy of the commitment to each employee at the time of hiring. The board shall administer such commitment and provide a copy of the commitment to each city official at the time of the swearing in or appointment of the official.

(c) This section is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the city, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

2-156-010 Definitions.

Whenever used in this chapter, the following terms shall have the following meanings
The following definitions shall apply for purposes of this chapter:

(a) "Administrative action" means any decision on, or any proposal, consideration, enactment or making of any rule, regulation, or any other official nonministerial action or non-action by any executive department, or by any official or employee of an executive department, or any matter which is within the official jurisdiction of the executive branch.

(b) "Agency" means the city council, any committee or other subdivision thereof, any city department or other administrative unit, commission, board, or other division of the government of the city.

(c) "Alderman" means any person holding the elected office of alderman of the city council.

(c-1) "Board of ethics" or "board" means the board of ethics established in this chapter.

(c-2) "Candidate for city office" means any person who seeks nomination for election, election to or retention in any elected office of the government of the city, whether or not such person is elected. A person seeks nomination for election, election or retention if he or she (1) takes the action necessary under the laws of the State of Illinois to attempt to qualify for nomination for election, election to or retention in public office, or (2) receives contributions or makes expenditures, or gives consent for any other person to receive contributions or make expenditures with a view to bringing about his or her nomination for election or election to or retention in such office. For

purposes of this definition, the term "expenditure" has the meaning ascribed to that term in Article 9 of the Illinois Election Code, codified at 10 ILCS 5/9-1 et seq.

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

(e) "City contractor" means any person (including his agents or employees acting within the scope of their employment) who is paid from the city treasury or pursuant to city ordinance, for services to any city agency, regardless of the nature of the relationship of such individual to the city for purposes other than this chapter. A "city contractor" shall not include officials and employees.

(e-1) "City property" means any building or portion thereof owned or exclusively leased by the city or any city agency. "City property" does not, however, include any portion of a building that is rented or leased from the city or any city agency by a private person or entity.

(e-2) (4) "Clerical" means an employee who carries out tasks of a mechanical/secretarial/ administrative nature (for example, copying, filing, word-processing) with no discretion on issues of substance.

(e-3) "Compensated time" means any time worked by or credited to an employee that counts toward any minimum work time requirement imposed as a condition of employment with the city, but does not include any designated city holidays or any period when the employee is on an approved vacation or leave of absence.

(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.

(g) "Contract management authority" means personal involvement in or direct supervisory responsibility for the formulation or execution of a city contract, including without limitation the preparation of specifications, evaluation of bids or proposals, negotiation of contract terms or supervision of performance.

(g-1) "Covered relative" means the spouse or domestic partner of any official, candidate for city office, or employee, or the immediate family, and relatives residing in the same residence with the official, candidate for city office, or employee.

(h) "Doing business" means any one or any combination of sales, purchases, leases or contracts to, from or with the city or any city agency in an amount in excess of \$10,000.00 in any 12 consecutive months.

(i) ~~[Reserved] "Economic interest" means any interest valued or capable of valuation in monetary terms; provided, that "economic interest" is subject to the same exclusions as "financial interest".~~

(j) "Employee" means an individual employed by the City of Chicago, whether part-time or full-time, but excludes elected officials and city contractors.

(j-1) (4) "Exempt position" means a position that is classified as exempt under the City's Hiring Plan, as amended from time to time, but excluding City Council employees.

(k) "Expenditure" means a payment, distribution, loan, advance, deposit, or gift of money or anything of value.

(l) ~~"Financial interest" means (i) any interest as a result of which the owner currently receives or is entitled to receive in the future more than \$2,500.00 per year; (ii) any interest with a cost or present value of \$5,000.00 or more; or (iii) any interest representing more than ten percent of a corporation, partnership, sole proprietorship, firm, enterprise, franchise, organization, holding company, joint stock company, receivership, trust or any legal entity organized for profit; provided, however, financial interest shall not include (a) any interest of the spouse or domestic partner of an~~

~~official or employee which interest is related to the spouse's or domestic partner's independent~~

occupation, profession or employment; (b) any ownership through purchase at fair market value or inheritance of less than one percent of the shares of a corporation, or any corporate subsidiary, parent or affiliate thereof, regardless of the value of or dividends on such shares, if such shares are registered on a securities exchange pursuant to the Securities Exchange Act of 1934, as amended; (c) the authorized compensation paid to an official or employee for his office or employment; (d) any economic benefit provided equally to all residents of the city; (e) a time or demand deposit in a financial institution; (f) an endowment or insurance policy or annuity contract purchased from an insurance company an interest held by an official or employee that is valued or capable of valuation in monetary terms with a current value of more than \$1,000.00, provided that such interest shall not include (1) the authorized compensation paid to an official or employee for any office or employment; (2) a time or demand deposit in a financial institution; or (3) an endowment or insurance policy or annuity contract purchased from an insurance company; or (4) any ownership through purchase at fair market value or inheritance of the shares of a mutual fund corporation, regardless of the value of or dividends on such shares, if such shares are registered on a securities exchange pursuant to the Securities Exchange Act of 1934, as amended; or (5) any ownership through purchase at fair market value or inheritance of not more than \$15,000.00 worth of the shares of a corporation, or any corporate subsidiary, parent or affiliate thereof, regardless of the dividends on such shares, if such shares are registered on a securities exchange pursuant to the Securities Exchange Act of 1934, as amended. Such interest also shall not include any ownership by a current official or employee through purchase at fair market value or inheritance of less than one percent of the shares of a corporation, or any corporate subsidiary, parent or affiliate thereof, regardless of the value or dividends on such shares, if such shares are registered on a securities exchange pursuant to the Securities Exchange Act of 1934, as amended, and if such ownership existed before November 1, 2012.

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

(Omitted text is not affected by this ordinance)

(t-2) "Political committee" means a political committee as defined in Article 9 of the Illinois Election Code, codified at 10 ILCS 5/9-1 et seq.

(u) "Political fundraising committee" means any fund, organization, political action committee or other entity that, for purposes of influencing in any way the outcome of any election, receives or expends money or anything of value or transfers money or anything of value to any other fund, political party, candidate, organization, political action committee, or other entity.

(v) "Professional services" means services in any occupation requiring advanced or specialized education and training, including without limitation law, accounting, insurance, real estate, engineering, medicine, architecture, dentistry, banking, finance, public relations, education or consulting.

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

- (1) Preparing for, organizing, or participating in any political meeting, political rally, political demonstration, or other political event.
- (2) Soliciting contributions, including but not limited to purchasing, selling, distributing, or receiving payment for tickets for any political fund-raiser, political meeting, or other political event.
- (3) Soliciting, planning the solicitation of, or preparing any document or report regarding anything of value intended as a campaign contribution.
- (4) Planning, conducting, or participating in a public opinion poll in connection with a campaign for elective office or on behalf of a political organization for political purposes or for or against any referendum question.
- (5) Surveying or gathering information from potential or actual voters in an election to determine probable vote outcome in connection with a campaign for elective office or on behalf of a political organization for political purposes or for or against any referendum question.
- (6) Assisting at the polls on election day on behalf of any political organization or candidate for elective office or for or against any referendum question.
- (7) Soliciting votes on behalf of a candidate for elective office or a political or for or against any referendum question or helping in an effort to get voters to the polls.
- (8) Initiating for circulation, preparing, circulating, reviewing, or filing any petition on behalf of a candidate for elective office or for or against any referendum question.
- (9) Making contributions on behalf of any candidate for elective office in that capacity or in connection with a campaign for elective office.
- (10) Preparing or reviewing responses to candidate questionnaires in connection with a campaign for elective office or on behalf of a political organization for political purposes.
- (11) Distributing, preparing for distribution, or mailing campaign literature.

campaign signs, or other campaign material on behalf of any candidate for elective office or for or against any referendum question.

(12) Campaigning for any elective office or for or against any referendum question.

(13) Managing or working on a campaign for elective or for or against any referendum question.

(14) Serving as a delegate, alternate, or proxy to a political party convention.

(15) Participating in any recount or challenge to the outcome of any election.

(w) "Relative" means a person who is related to an official, candidate for city office, or employee as spouse or as any of the following, whether by blood or by adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister, half- brother or half-sister.

(Omitted text is not affected by this ordinance)

ARTICLE I. CODE OF CONDUCT

2-156-015 Ethics pledge – When required.

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

(Omitted text is not affected by this ordinance)

2-156-017 Ethics officers.

(a) Each department head and alderman shall designate an appropriate management-level employee who shall serve as the department's or aldermanic office's ethics officer. Department heads and aldermen shall provide the names and contact information of such ethics officers to the board no later than January 1, 2013, or within 30 days from swearing in as a city alderman. A department head or alderman shall designate a new ethics officer within 30 days after the current ethics officer leaves the department or aldermanic office, or otherwise ceases to serve as an ethics officer, and shall provide to the board the name and contact information of the new ethics officer.

(b) In addition to their regular job duties, ethics officers shall have the following responsibilities:

- (1) collect financial statement forms, if on paper, from reporting employees and officials, review such forms for completeness, and submit such forms to the board;
- (2) direct ethics questions and issues to the board;
- (3) assist the board in maintaining a current roster of employees and officials;
- (4) provide answers to general ethics questions after consultation with the board;
- (5) ensure compliance with ethics rules specifically applicable to their departments or aldermanic offices, and assist the board with respect to training responsibilities as identified in section 2-156-145 of this chapter;
- (6) emphasize the role of ethics within their departments or aldermanic offices through regular email updates and office posters, and leading periodic discussions on ethics during staff meetings;
- (7) assist the board to identify employees or officials who can be outstanding ethics models for city employees and officials; and
- (8) generally serve as liaisons between their departments or aldermanic offices and the board.

(c) The board shall provide annual in-person training to ethics officers, and shall keep ethics officers informed of the board's latest ethics rulings. The board may also provide additional training and information to ethics officers as the board may deem appropriate.

ARTICLE II. SUBSTANTIVE CODE OF CONDUCT PROVISIONS

Part 1. Duty to Report and Whistleblower Protection.

2-156-018 Duty to report corrupt or unlawful activity.

Every city employee or official shall report, directly and without undue delay, to the city's Inspector General or Legislative Inspector General any and all information concerning conduct which such employee knows or should reasonably know to involve corrupt or other unlawful activity (i) by another city employee or official which concerns such employee's or official's employment or office; or (ii) by any person dealing with the city which concerns the person's dealings with the city.

Any employee or official who knowingly fails to report a corrupt or unlawful activity as

required in this section shall be subject to employment sanctions, including discharge, in accordance with procedures under which the employee may otherwise be disciplined. For purposes of this section, a report made to the Inspector General's or the Legislative Inspector General's toll-free hotlines shall be considered to be a report under this section.

2-156-019 Whistleblower protection.

- (a) For the purposes of this section:
- (1) "Public body" means: (i) any office or department of the city; (ii) the federal government; (iii) any local law enforcement agency or prosecutorial office; (iv) any federal or state judiciary, grand or petit jury, or law enforcement agency; and (v) any officer, employee, department, agency, or other division of any of the foregoing.
 - (2) "Retaliatory action" means the reprimand, discharge, suspension, demotion, or denial of promotion or transfer of any employee that is taken in retaliation for an employee's involvement in protected activity as set forth in subsection (b) of this section.
- (b) No person shall take any retaliatory action against an employee because the employee does any of the following:
- (1) Discloses or threatens to disclose to a supervisor or to a public body an activity, policy, or practice of any officer, employee, or city contractor that the employee reasonably believes evidences: (i) an unlawful use of funds, unlawful use of authority, or other unlawful conduct that poses a substantial and specific danger to public health or safety by any officer, employee or city contractor; or (ii) any other violation of a law, rule, or regulation by any officer, employee, or city contractor; or
 - (2) Provides information to or testifies before any public body conducting an investigation, hearing, or inquiry into any activity, policy, or practice described in subsection (b)(1).
- (c) If any action is taken against an employee in violation of this section, the employee shall be entitled to relief, including:
- (1) reinstatement of the employee to either the same position held before the retaliatory action or to an equivalent position;
 - (2) two times the amount of back pay; and
 - (3) reinstatement of full fringe benefits and seniority rights.

Part 2. Conflicts of Interest and Improper Influence.

2-156-030 Improper influence.

(a) No official or employee shall make, participate in making or in any way attempt to use his position to influence any city governmental decision or action in which he knows or has reason to know that he has any ~~economic~~ financial interest distinguishable from its effect on the public

generally, or from which he has derived any income or compensation during the preceding twelve months or from which he reasonably expects to derive any income or compensation in the following twelve months.

(b) No elected official, or any person acting at the direction of such official, shall contact either orally or in writing any other city official or employee with respect to any matter involving any person with whom the elected official has a any business relationship, as defined in Section 2-156-080(b)(2) that creates a financial interest on the part of the official, or the domestic partner or spouse of the official, or from whom or which he has derived any income or compensation during the preceding twelve months or from whom or which he reasonably expects to derive any income or compensation in the following twelve months. In addition, no elected official may participate in any discussion in any city council committee hearing or in any city council meeting or vote on any matter involving the person with whom the elected official has a any business relationship that creates a financial interest on the part of the official, or the domestic partner or spouse of the official, or from whom or which he has derived any income or compensation during the preceding twelve months or from whom or which he reasonably expects to derive any income or compensation in the following twelve months.

2-156-080 Conflicts of interest; appearance of impropriety.

(a) No official or employee shall make or participate in the making of any governmental decision with respect to any matter in which he has any economic financial interest distinguishable from that of the general public, or from which he has derived any income or compensation during the preceding twelve months or from which he reasonably expects to derive any income or compensation in the following twelve months.

(b) (1) Any member of the city council who has any economic financial interest distinguishable from that of the general public or all aldermen in any matter pending before the city council or any council committee, or from which he has derived any income or compensation during the preceding twelve months or from which he reasonably expects to derive any income or compensation in the following twelve months shall publicly disclose the nature and extent of such interest on the records of proceedings of the city council, and shall also notify the board of ethics of such interest within ~~72~~ 96 hours of delivery by the clerk to the member, of the introduction of any ordinance, resolution, order or other matter in the city council, or as soon thereafter as the member is or should be aware of such potential conflict of interest. The board of ethics shall make such disclosures available for public inspection and copying immediately upon receipt. He shall abstain from voting on the matter but shall be counted present for purposes of a quorum. The obligation to report a potential conflict of interest under this subsection arises as soon as the member of the city council is or should be aware of such potential conflict.

(2) To avoid even an appearance of impropriety, any member of the city council who has a any business relationship that creates a financial interest on the part of such member, or the domestic partner or spouse of such member, with a person or entity with a matter pending before the city council or any council committee, or from whom or which he has derived any income or compensation during the preceding twelve months or from whom or which he reasonably expects to derive any income or compensation in the following twelve months shall publicly disclose the nature of such business relationship or income or compensation on the records of proceedings of

the city council, and shall also notify the board of ethics of such relationship within ~~72~~ 96 hours of delivery by the clerk to the member, of the introduction of any ordinance, resolution, order or other matter in the city council, or as soon thereafter as the member is or should be aware of such potential conflict of interest. The board of ethics shall make such disclosures available for public inspection and copying immediately upon receipt. He ~~or she~~ shall abstain from voting on the matter but shall be counted present for purposes of a quorum. The obligation to report a potential conflict ~~or of~~ interest under this subsection arises as soon as the member of the city council is or should be aware of such potential conflict. For purposes of this subsection (2) only: ~~(i) "matter pending before the city council or any council committee" shall refer to council action involving the award of loan funds, grant funds or bond proceeds, bond inducement ordinances, leases, land sales, zoning matters, the creation of tax increment financing districts, concession agreements or the establishment of a Class 6(b) Cook County property tax classification; and (ii) "business relationship" shall refer to any contractual or other private business dealing of an alderman, or his or her spouse or domestic partner, or of any entity in which an alderman or his or her spouse or domestic partner has a financial interest, with a person or entity which entitles an alderman to compensation or payment in the amount of \$2,500.00 or more in a calendar year; provided, however, that the exclusions applicable to a "financial interest", as set forth in Section 2-156-010(1), except for the exclusion set forth as Section 2-156-010(1)(a), shall also apply with respect to a "business relationship"; and (iii) "contractual or other private business dealing" shall not include any employment relationship of an alderman's spouse or domestic partner with an entity when such spouse or domestic partner has no discretion concerning or input relating to the relationship between that entity and the city.~~

(c) Any official or employee who has a financial interest in any matter pending before any city agency shall disclose the nature of such interest to the board of ethics and, if the matter is pending in his own agency, to the head of the agency, except as provided by subsection (b). ~~However, in the case of aldermen, all disclosures made regarding financial interests in matters pending before city agencies other than the city council shall be made exclusively to the committee on committees, rules and ethics in writing.~~ The obligation to report under this subsection arises as soon as the official or employee is or should be aware of the pendency of the matter. This subsection does not apply to applications for health, disability or workers' compensation benefits.

2-156-090 Representation of other persons.

(a) No elected official or employee may represent, or ~~have an economic interest in~~ derive any income or compensation from the representation of, any person other than the city in any formal or informal proceeding or transaction before any city agency in which the agency's action or non-action is of a nonministerial nature; provided that nothing in this subsection shall preclude any employee from performing the duties of his employment, or any elected official from appearing without compensation before any city agency on behalf of his constituents in the course of his duties as an elected official.

(b) No elected official or employee may ~~have an economic interest in~~ derive any income or compensation from the representation of, any person, in any judicial or quasi-judicial proceeding before any administrative agency or court in which the city is a party and that person's interest is adverse to that of the city.

(c) No appointed official may represent any person in the circumstances described in subsection (a) or (b) unless the matter is wholly unrelated to the official's city duties and responsibilities.

2-156-100 Post-employment restrictions on assistance and representation.

(a) No former official or employee shall assist or represent any person other than the city in any judicial or administrative proceeding involving the city or any of its agencies, if the official or employee was counsel of record or participated personally and substantially in the proceeding during his term of office or employment.

(b) No former official or employee shall, for a period of one year after the termination of the official's or employee's term of office or employment, assist or represent any person in any business transaction involving the city or any of its agencies, if the official or employee participated personally and substantially in the subject matter of the transaction during his term of office or employment; provided, that if the official or employee exercised contract management authority with respect to a contract this prohibition shall be permanent as to that contract.

(c) Nothing in this section shall be construed to restrict a former official's or employee's activities on behalf of, and while employed by, another government agency.

2-156-111 Prohibited conduct.

(Omitted text is not affected by this ordinance)

(b) No elected official, or the head of any city department or agency, shall retain or hire as a city employee or city contractor any person with whom any elected city official has a any business relationship that creates a financial interest on the part of the official, or city department or agency head, or the domestic partner or spouse of the official, or city department or agency head. ~~For purposes of this section, "business relationship" shall have that meaning attributed to it in Section 2-156-080(b)(2)(ii) of the Municipal Code.~~

(c) 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.

(d) No city employee or official shall personally participate in a decision-making capacity, for a period of two years from the date of employment or becoming a city official, in a matter that benefits his or her immediate former employer or immediate former client who the employee or official represented or on whose behalf he or she acted as a consultant or lobbyist prior to commencing his or her city employment or prior to becoming a city official.

2-156-135 Prohibited political activities.

(a) No employee shall intentionally perform any prohibited political activity during any compensated time.

(b) No official or employee shall intentionally use any city property or resources of the city in connection with any prohibited political activity; provided, however, any official or employee may reserve and rent a city-owned facility at a fair market value before any such activity or event connected therewith.

(c) No official or employee shall intentionally require at any time any other official or employee to perform any prohibited political activity: (i) as part of the other official's or employee's duties; (ii) as a condition of employment; or (iii) during any compensated time off.

(d) No official or employee shall be required at any time to participate in any prohibited political activity in consideration of additional compensation or any other benefit, including a salary adjustment, bonus, compensatory time off, or continued employment.

(e) No official or employee shall be awarded additional compensation or any benefit for such official's or employee's participation in any prohibited political activity.

(f) Nothing in this section shall be construed to prohibit activities that an official or employee undertakes as part of such official's or employee's official duties or such activities that the official or employee may undertake on a voluntary basis, and which are not otherwise prohibited by this chapter.

(g) No person either: (i) in a position that is subject to recognized merit principles of public employment; or (ii) in a position the salary for which is paid in whole or in part by federal funds and that is subject to the Federal Standards for a Merit System of Personnel Administration applicable to grant-in-aid programs, shall be denied or deprived of city employment solely because such person is a member or an officer of a political committee, a political party, a political organization or club.

2-156-140 Solicitation or acceptance of political contributions and membership on political fundraising committees.

(a) No official or employee shall compel, coerce or intimidate any city official or employee to make, refrain from making or solicit any political contribution. No official or employee shall knowingly solicit any political contribution from any other employee or official over whom he or she has supervisory authority. Nothing in this section shall be construed to prevent any official or employee from voluntarily making or soliciting an otherwise permissible contribution or from receiving an otherwise permissible voluntary contribution, except as set forth in this section or in Sections ~~2-56-140~~ 2-156-445, 2-92-410 and 2-156-320, as amended, of the Municipal Code.

(b) No non-elected city employee or official shall knowingly solicit or accept any political contribution from a person doing business or seeking to do business with the city. Notwithstanding the foregoing, a non- elected city employee or official who is a candidate for public office may solicit or accept political contributions on behalf of his or her own candidacy from a person doing business or seeking to do business with the city, subject to the same restrictions as are applicable to elected

city officials.

(c) No person with contract management authority shall serve on any political fundraising committee.

Part 3. Gifts and Other Favors.

2-156-142 Offering, receiving and soliciting of gifts or favors.

(a) (1) Except as otherwise provided in this chapter, no city official, candidate for city office, or employee, and, subject to subsection (h) no covered relative, shall

(i) solicit any gift;

(ii) accept any anonymous gift; or

(iii) accept any gift of cash, gift card or cash equivalent.

(2) Except as otherwise provided in this chapter, no city official, candidate for city office, or employee, and, subject to subsection (h) no covered relative, shall knowingly accept any gift, unless the total value of all gifts given to the official, candidate for city office, employee or covered relative by a single source amounts to no more than \$50.00 in a calendar year.

(b) No city official or employee shall accept any gift or money for participating in speaking engagements, lectures, debates or organized discussion forums in the course of the official's or employee's city employment.

(c) No person shall offer, with intent to violate, or make a gift that violates, this section.

(d) The restriction in subsection (a) shall not apply to the following:

(1) Any opportunity, benefit, loan, or service that is available to the public on the same terms.

(2) Anything for which the city official, candidate for city office, or employee pays the fair market value.

(3) Any lawful campaign contribution, provided that such campaign contribution is properly reported to the extent required by law; or activities associated with any fund-raising event in support of a political organization or candidate.

(4) Any gift from a relative.

(5) Any gift from an official superior as the term "official superior" is defined in section 2-156-143 of this chapter.

(6) Any gift from a personal friend, unless the official, candidate for city office, or

employee has reason to believe that, under the circumstances, the gift was given because of the official position, candidacy or employment of the official, candidate for city office, or employee.

- (7) Any bequest, inheritance, or other transfer at death.
- (8) Any gift that is given to, or is accepted on behalf of the city, provided that any person receiving the gift on the city's behalf shall immediately report to the board and to the comptroller, who shall add such gift to an inventory of the city's property.
- (9) Any award for public service, provided that such award is not cash, a gift card, or a cash equivalent.
- (10) Any material or travel expense for meetings related to a public or governmental educational purpose, provided that any such travel has been approved in advance by the board, and further provided that such travel is reported to the board within 10 days of completion thereof.
- (11) Any food, refreshment, lodging, transportation, or other benefit resulting from the outside business or employment activities of the official, candidate for city office, or employee, if such benefits have not been offered or enhanced because of the official position, candidacy or employment of the officer, candidate for city office, or employee, and are customarily provided to others in similar circumstances.
- (12) Reasonable hosting, including travel and expenses, entertainment, meals or refreshments furnished in connection with meetings, public events, appearances or ceremonies related to official city business, if furnished by the sponsor of such meeting or public event, and further provided that such travel and expenses, entertainment, meals or refreshments are reported to the board within 10 days of acceptance thereof.

(e) No person shall give or offer to give to any official, candidate for city office, employee or city contractor, or the covered relative of such official, candidate, or employee, and none of them shall accept, anything of value, including, but not limited to, a gift, favor or promise of future employment, based upon any mutual understanding, either explicit or implicit, that the votes, official actions, decisions or judgments of any official, candidate for city office or city contractor, concerning the business of the city would be influenced thereby. It shall be presumed that a non-monetary gift having a value of no more than \$50.00 does not involve such an understanding.

(f) No official or employee, or the covered relative of such official or employee, shall

solicit or accept any money or other thing of value including, but not limited to, gifts, favors, services or promises of future employment, in return for advice or assistance on matters concerning the operation or business of the city; provided, however, that nothing in this section shall prevent an official or employee, or the covered relative of such official or employee from accepting compensation for services wholly unrelated to the official's or employee's city duties and responsibilities and rendered as part of his or her non-city employment, occupation or profession.

(g) The prohibitions of this section shall not apply to any food, refreshment, lodging, transportation, or other gift or benefit resulting from the outside business, employment or community activities of a covered relative, if such benefit has not been offered or enhanced because of the official position, candidacy, or employment of the officer, candidate for city office, or employee, and is customarily provided to others in similar circumstances.

2-156-143 Employee-to-employee gifts.

(a) For purposes of this section, the following definitions shall apply:

"Official superior" means any employee, including but not limited to an immediate supervisor, whose official responsibilities include directing or evaluating the performance of other employees' official duties or those of any other supervisor of the employee. For purposes of this section, the term "official superior" shall also include the Mayor. Additionally, for purposes of this section, an employee is considered to be the subordinate of any of his official superiors.

"Solicit" means to request contributions by personal communication or by general announcement.

"Voluntary contribution" means a contribution given freely, without pressure or coercion. A contribution is not voluntary unless it is made in an amount determined by the contributing employee, except that where an amount for a gift is included in the cost for a luncheon, reception or similar event, an employee who freely chooses to pay a proportionate share of the total cost in order to attend such event shall be deemed to have made a voluntary contribution.

(b) Except as provided in this section, an employee shall not (i) give a gift to or make a donation towards a gift for an official superior; or (ii) solicit a contribution from another employee for a gift to either his own or the other employee's official superior.

(c) Except as provided in this section, an employee shall not accept a gift from an employee receiving less pay than himself unless: (i) the two employees are not in a subordinate-official superior relationship; and (ii) there is a personal relationship between the two employees that would justify the gift.

(d) The restriction in subsections (b) and (c) shall not apply to the following:

- (1) On an occasional basis, including any occasion on which gifts are traditionally given or exchanged, the following may be given to an official superior or accepted from a subordinate or other employee receiving less pay:
- (i) Items, other than cash, with an aggregate market value of \$10.00 or less per occasion;
 - (ii) Items such as food and refreshments to be shared in the office among several employees;
 - (iii) Personal hospitality provided at a residence which is of a type and value customarily provided by the employee to personal friends; or
 - (iv) Items given in connection with the receipt of personal hospitality if of a type and value customarily given on such occasions.
- (2) A gift appropriate to the occasion may be given to an official superior or accepted from a subordinate or other employee receiving less pay:
- (i) In recognition of infrequently occurring occasions of personal significance such as marriage, illness, or the birth or adoption of a child; or
 - (ii) Upon occasions that terminate a subordinate-official superior relationship, such as retirement, resignation, or transfer.
- (3) An employee may solicit a voluntary contribution of no more than \$20.00 from a fellow employee for an appropriate gift to an official superior and an employee may make a voluntary contribution of \$20.00 or less to an appropriate gift to an official superior:
- (i) On a special, infrequent occasion as described in subsection (d)(2) of this section; or
 - (ii) On an occasional basis, for items such as food and refreshments to be shared in the office among several employees.

An employee may accept such gifts to which a subordinate or other employee receiving less pay than himself has contributed.

(e) Notwithstanding any other provision of this section, an official superior shall not coerce a gift from a subordinate.

2-156-144 Disposition of improper gifts.

An official or employee does not violate this chapter if the official or employee promptly takes reasonable action to return a prohibited gift to its source or gives any tangible or perishable gift to an appropriate charity that is exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code.

Part 4. Ethics Training.

2-156-145 Ethics education seminar.

(a) (1) Except as otherwise provided in subsection (a)(2), Each ~~alderman~~ each official, member of an alderman's personal staff, city council committee staff member and each person holding a senior executive service position with the city (all positions listed in Appendix A to Chapter 2-74 of the code) shall attend an ethics education seminar offered by the board of ethics ~~within 120 days of the effective date of this amendatory ordinance or~~ within 120 days of becoming an alderman official, member of an alderman's personal staff, city council committee staff member or holding a senior executive service position with the city; and every four years thereafter. ~~The seminar shall educate persons as to their duties and responsibilities under this chapter. Any alderman or employee who fails to comply with this subsection (a) shall be subject to a \$500.00 fine.~~

(2) Each city employee and official not covered in subsection (a)(1) shall complete an ethics training program in a manner specified and offered by the board of ethics within 60 days of employment with the city or becoming a city official.

(3) The seminar offered in accordance with this subsection (a) shall educate persons required to take the seminar as to their duties and responsibilities under this chapter.

(b) In addition to the requirement of subsection (a), each ~~alderman official, member of an alderman's personal staff, city council committee employee, and each full-time, part-time and contract employee of the city, and employee of any not-for-profit organization created by a city ordinance to perform functions traditionally within the power of the city, including raising revenue for municipal functions,~~ shall in each calendar year complete an annual ethics education training course developed by the board of ethics. Such course may be offered in-person, through an internet based program, or other manner prescribed by the board of ethics. Any employee who fails to comply with this section shall be subject to employment sanctions, including suspension, in accordance with the procedures under which the employee may otherwise be disciplined. Any employee who is found to have knowingly falsified his/her compliance with this section shall be subject to discharge.

(c) Upon advice to the board, the board shall issue or cause to be issued information regarding this chapter to each consultant or contractor hired by the city with information as to how this chapter shall apply to such consultant or contractor and to city employees and officials who work with such consultant or contractor.

(d) The board, in collaboration with the department of human resources, shall make available ethics training to any employee or official leaving city employment. Such ethics training shall be made available, in such a manner as the board determines, before such employee or official receives his or her final paycheck. The ethics training shall cover post-employment conduct and other relevant ethics subjects as the board may deem appropriate.

2-156-146 Lobbyist ethics education seminar.

Each lobbyist shall be required to complete in each consecutive twelve-month period an ethics education training course developed by the Board of Ethics. Such a course may be offered in-person, through an internet-based program, or other manner prescribed by the Board of Ethics. ~~Any lobbyist who fails to comply with this section shall be subject to a fine not less than \$750.~~

2-156-148 Education program.

The board of ethics is authorized to promulgate rules and regulations which shall establish and implement a program to educate persons subject to this chapter about their duties and responsibilities hereunder. The board shall offer an ethics education seminar for city officials and employees on as many occasions as necessary to accommodate the requirements of this chapter.

ARTICLE II III. FINANCIAL DISCLOSURE

2-156-150 Statements of financial interest.

(a) For purposes of this article, the following persons shall be referred to as "reporting individuals":

(i) Each elected official; and

(ii) Each alderman; and

(iii) Each appointed official, except a member of an agency that is solely advisory in nature and has no authority to make binding decisions, to enter into contracts or to make expenditures, other than expenditures necessarily incurred for research in connection with its advisory functions; and

(iv) Each mayor's office employee who is not solely clerical ~~employee who is compensated for services or occupies a budgeted position as an employee at a rate of \$50,000.00 per year or more, but not including those employees whose base salary is less than \$50,000.00 per year but who earn more than \$50,000.00 per year due to compensation for overtime hours worked;~~ and

(v) Each city council employee who is not solely clerical; ~~employee who is compensated for services as an employee at a rate of less than \$50,000.00 per year for such employment, and also receives additional compensation either for professional services rendered to,~~

or as an independent contractor for, the city in such an amount that his total income for service to the city is \$50,000.00 per year or more.

(vi) Each department head;

(vii) Each person who qualifies as candidate for city office; and

(viii) Each employee listed by the board as a reporting employee as provided in subsection (b).

(b) ~~On or before January 1st of each year, beginning in 1994, the board of ethics shall issue a statement indicating the rate of compensation that will require reporting under this section. Such statement shall be based upon the Annual Average of the U.S. City Average Consumer Price Index for Urban Wage Earners and Clerical Workers (C.P.I.-W.) published by the U.S. Department of Labor, Bureau of Labor Statistics. The statement issued by the board each year shall reflect the percent change that occurred between the most recently published Annual Average of the C.P.I.-W. and the Annual Average published in the previous year; provided, however, that any change in excess of four percent shall not be reflected in the board's statement, unless approved by the city council.~~ The board shall create, maintain, and update a list of reporting employees. In creating or updating such list, the board, in consultation with the Department of Human Resources, shall first develop a list of relevant factors, such as the employee's contract management authority and the employee's likelihood of being involved in conflicts of interest issues.

(c) ~~Except as otherwise provided in subsection (d), Each each reporting individual shall file, within 30 days of becoming a reporting individual and by May 1st of each year thereafter, a verified written statement of financial interests in accordance with the provisions of this article, unless he has already filed a statement in that calendar year. However, an alderman shall file statements of financial interests with the office of the city clerk.~~

(d) Statements of financial interests shall also be filed by the following:

(i) An elected official at the time of filing his oath of office;

(ii) A person whose appointment to office is subject to confirmation by the city council at the time when his name is submitted to the council for consideration;

(iii) A person who qualifies as a candidate for city office within five days after qualifying as a candidate for city office;

~~(iii)(iv)~~ (iv) Any other person at the time he becomes a reporting individual, including city employees who become reporting individuals because they are newly hired or are receiving a pay increase, or a job or title change.

(e) The department of human resources, the comptroller's office and the office of the mayor shall cooperate with the board of ethics in notifying persons listed in subdivisions (ii) and (iii) of subsection (d) of this section of their obligation to file statements of financial interests and in effecting the filing of such statements.

(f) No appointed official or employee shall be allowed to take the oath of office or enter or continue his duties, nor shall receive compensation from the city, unless he has filed a statement of financial interests with the board of ethics as required by this chapter.

2-156-160 Content of statements.

(a) Statements of financial interests shall contain the following information:

(a1) The name, address and type of any professional, business or other organization (other than the city) in which the reporting individual was an officer, director, associate, partner, proprietor or employee, or served in any advisory capacity, and from which any income in excess of ~~\$2,500.00~~ \$1,000.00 was derived during the preceding calendar year, and the category of such income as specified in subsection (b);

(b2) The nature of any professional, business or other services rendered by the reporting individual or by his or her spouse or domestic partner, or by any entity in which the reporting individual or his or her spouse or domestic partner has a financial interest, including the category of such financial interest as specified in subsection (b), and the name and nature of the person or entity (other than the city) to whom or to which such services were rendered, and the category of the compensation as specified in subsection (b) if, during the preceding calendar year, (4i) compensation in excess of \$5,000.00 was received for professional or other services by the reporting individual, or by such individual's spouse or domestic partner, or by an entity in which the reporting individual or his or her spouse or domestic partner has a financial interest and (2ii) the person or entity was doing business with the city, or with the Chicago Transit Authority, Board of Education, including the Chicago School Reform Board of Trustees, Chicago Park District, Chicago City Colleges or the Metropolitan Pier and Exposition Authority.

(e3) The identity of any capital asset, including the address or legal description of real estate, and the category of the capital gain realized as specified in subsection (b), from which the reporting individual realized a capital gain of \$5,000.00 or more in the preceding calendar year other than from the sale of the reporting individual's principal place of residence;

(d4) The name of any unit of government, other than the city, which employed the reporting individual during the preceding calendar year;

(5) The name of any board on which the reporting individual serves and the position of the reporting individual in such board;

(6) The name of any relative or domestic partner of the reporting individual who is registered as a lobbyist with the board or who is an employee or full or part-owner of a city contractor;

(7) Any improper gift that the reporting individual received and disposed of in accordance with Section 2-156-144 because such gift was given in violation of this chapter; (e8) The name of any person from whom the reporting individual received during the preceding calendar year one or more gifts or honoraria having an aggregate value in excess of ~~\$500.00~~ \$250.00, but not including gifts from relatives or domestic partners;

(f9) The name and instrument of ownership in any person conducting business in the city, in which the reporting individual had a financial interest during the preceding calendar year. Ownership interests in publicly held corporations need not be disclosed;

(g10) The identity of any financial interest in real estate located in the city, other than the principal place of residence of the reporting individual, and the address or, if none, the legal description of the real estate, including all forms of direct or indirect ownership such as partnerships or trusts of which the corpus consists primarily of real estate;

(h11) The name of, and the nature of the city action requested by, any person which has applied to the city for any license or franchise, or any permit for annexation, zoning or rezoning of

real estate during the preceding calendar year if the reporting individual has a financial interest in such person;

(i12) The name of any person doing business with the city in relation to which person the reporting individual had a financial interest during the preceding calendar year, and the title or description of any position held by the reporting individual in such person;

(j13) The name and instrument of debt of all debts in excess of \$5,000.00 owed by the reporting individual, as well as the name and instrument of debt of all debts in excess of \$5,000.00 owed to the reporting individual, but only if the creditor or debtor, respectively, or any guarantor of the debt, has done work for or business with the City of Chicago in the preceding calendar year. Debt instruments issued by financial institutions whose normal business includes the making of loans of the kind received by the reporting individual, and which are made at the prevailing rate of interest and in accordance with other terms and conditions standard for such loans at the time the debt was contracted need not be disclosed. Debt instruments issued by publicly held corporations and purchased by the reporting individual on the open market at the price available to the public need not be disclosed.

(b) For purposes of subsection (a), income, financial interest, compensation, and capital gain shall be categorized as follows:

(1) Income, financial interest, compensation or capital gain of \$25,000.00 or more shall be Category A;

(2) Income, financial interest, compensation or capital gain of \$5,000.00 or more but less than \$25,000.00 shall be Category B; and

(3) Income, financial interest, compensation or capital gain of less than \$5,000.00 shall be Category C.

2-156-170 Form for statement of financial interests.

The statement of financial interests required to be filed with the board of ethics ~~or, in the case of aldermen, to the city clerk who shall forward it to the board of ethics within seven working days~~ shall be completed in a manner and on a form prescribed by the board of ethics, ~~or, in the case of aldermen, by the city clerk,~~ and shall be verified, dated, and signed by the reporting individual personally.

2-156-180 Filing of statements.

(a) Not later than February 1st of each year, the city comptroller and the department of human resources shall certify to the board of ethics ~~and in the case of aldermen, to the city clerk,~~ a list (current as of the prior January 1st) of the names and mailing addresses of the persons described in Section 2-156-150(a)(i), (ii), (iv) and (v) who are required to file a statement of financial interests. In preparing this list, the city comptroller and the department of human resources shall set out the names in alphabetical order and shall file a copy of the list with the board of ethics ~~and, in the case of aldermen, with the city clerk.~~ Not less than 30 days before the due date for filing statements of financial interests, the city comptroller and the department of human resources shall

certify to the board of ethics a supplemental list of those persons described in Section 2-156-150 who have, in the interim, become required to file a statement of financial interests. The supplemental list shall be in the same form and be filed in the same manner as the original list certified to the board of ethics. Not later than February 1st of each year, the office of the mayor shall certify to the board of ethics a list (current as of the prior January 1st) of the names and mailing addresses of the appointed officials described in Section 2-156-150(a)(iii) who are required to file statements of financial interests. In preparing this list, the office of the mayor shall provide names of the governmental bodies to which the officials have been appointed.

(b) Not later than March 1st of each year, the board of ethics ~~or, in the case of aldermen, the city clerk,~~ shall in writing notify all persons required to file statements of financial interests under this article. Notice shall be in the manner prescribed by the board of ethics, ~~or, in the case of aldermen, by the city clerk.~~

(c) The board of ethics ~~or city clerk~~ shall deliver a receipt to each person who files a statement under this article, indicating that the person has filed such statement and the date of such filing.

(d) Unless otherwise provided by law, all statements of financial interests shall be available for examination and duplication by the public in such manner and place as prescribed by the board of ethics ~~or, in the case of aldermen, in the office of the city clerk.~~ Each person examining or requesting duplication of a statement of financial interests must first make a request in a manner prescribed by the board of ethics, or make such request in the office of the board of ethics ~~or, in the case of aldermen, in the office of the city clerk.~~ ~~A separate request form must be made for each statement of financial interests to be examined.~~ Requests for the examination or duplication of a statement of financial interests shall be processed as soon as is practicable.

2-156-190 Failure to file statement by deadline.

(a) If any person who is required to file a statement of financial interest pursuant to section 2-156-150(c) fails to file such a statement by April 15th, the board of ethics ~~or, in the case of aldermen, the city clerk,~~ shall, within five business days after April 15th, notify such person of the May 1st deadline. If any person fails to file a statement of financial interest by May, 15th, the board of ethics, ~~or in the case of aldermen the city clerk,~~ shall notify such person within five business days after May 15th of his failure to file by the specified date. ~~Such person shall file his statement on or before May 31st, provided that any person who files after May 1st shall pay a late filing fee of \$20.00.~~ Failure to file by May 31st shall constitute a violation of this chapter, except as provided in subsection (c).

(b) Except as otherwise provided in section 2-156-150(d), Any any person who first becomes subject to the requirement to file a statement of financial interests within 30 days prior to May 1st of any year shall be notified at that time by the appointing or employing authority of the obligation to file and shall file his statement at any time on or before May 31st without penalty within 30 days of becoming a reporting individual. The appointing or employing authority shall notify the board of ethics ~~or, in the case of aldermen, the city clerk,~~ of the identity of such persons. If such person fails to file such statement by May 31st within the time period specified in this subsection, the board of ethics ~~or city clerk~~ shall, within seven five business days after May 31st such time period, notify such person of his failure to file by the specified date. Such person shall file his statement of

~~financial interests on or before June 15th within 10 days after such notice, along with a late filing fee of \$20.00 with the board of ethics or in the case of aldermen, with the city clerk, who shall forward it to the board of ethics within seven working days. Failure to file by June 15th within 10 days after such notice shall constitute a violation of this chapter, except as provided in subsection (c).~~

(c) Any person who is required to file a statement of financial interests may effect one 30-day extension of time for filing the statement by filing with the board of ethics ~~or, in the case of aldermen, with the city clerk, who shall forward it to the board of ethics within seven working days,~~ 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 statement. The filing of such declaration shall suspend application of the late filing fee for the duration of the extension. Failure to file by the extended deadline shall constitute a violation of this chapter.

(d) A statement of financial interests is considered filed when it is properly completed and received by the board of ethics ~~or, in the case of aldermen, by the city clerk.~~ A declaration of intention to defer filing is considered filed upon receipt by the board of ethics ~~or the city clerk.~~

2-156-200 Failure to file financial statements – elected officials.

No elected official shall be allowed to take the oath of office, continue in office or receive compensation from the city unless he has filed the statement of financial interest required by this chapter.

ARTICLE III IV. LOBBYIST REGISTRATION

2-156-245 Failure to register.

When the board of ethics determines that any person has failed to register as required in this article, the board of ethics shall notify such person, ~~in person or by certified mail in a manner prescribed by the board,~~ of his failure to register. Such person shall be ~~subject to a fine of \$1,000.00. In addition, any person who fails to register within ten days of the issuance of the notice shall be required to pay an additional fine of \$1,000.00 for each day thereafter until the date of registering subject to the penalty or penalties, as applicable, provided in Article VII of this Chapter.~~

The board of ethics shall suspend the registration of and not accept a lobbyist registration statement from any person who owes a fine pursuant to this section chapter until the fine has been paid in full.

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, ~~by certified mail 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 ~~required to pay a penalty of \$1,000.00 for each day thereafter until the date of filing subject to suspension of his lobbyist registration and the penalty or penalties, as applicable, provided in Article VII of this 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 ~~require payment of a penalty of \$1,000.00 per day thereafter~~ be subject to suspension of his lobbyist registration and the penalty or penalties, as applicable, provided in Article VII of this 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.

2-156-305 Retaining and employing lobbyists who have failed to register —Penalty.

No person shall retain or employ a lobbyist who has failed to register as required in this article. Any person who violates this section shall be subject to a ~~fine of \$2,000.00 for each day that the non-registered lobbyist undertakes to influence legislative or administrative action on behalf of the person who has retained or employed the non-registered lobbyist~~ the penalty or penalties, as applicable, provided in Article VII of this Chapter.

ARTICLE ~~IV~~ V. BOARD OF ETHICS

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:

(Omitted text is not affected by this ordinance)

(k) to prepare and publish, from time to time but at least ~~annually~~ semi-annually, reports summarizing the board's activities and to present such reports to the mayor and the city council. Each such report shall include, for the reporting period, the compliance of employees, lobbyists, and officials with the training, disclosure and registration requirements of this chapter, the number, substance and precedential value of the formal and informal advisory opinions that the board has issued, as well as the number, type and resolution of ethics complaints brought to the board, and the trends and emerging issues the board has assessed based on advisory requests and the role ethics training may play in addressing such developing ethics issues. The board shall also prepare and

publish periodic electronic newsletters as frequently as the board may deem appropriate to inform employees, officials, the public and the media of the advisory opinions it has issued and current ethical problems in the workplace;

(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;

(m) ~~(Reserved)~~ to receive conflict of interest disclosures from any city employee or official, including aldermen;

(n) to recommend policies, procedures and practices designed to ensure compliance with any federal, state or local law or regulation or any of the city's compliance-related policies and internal controls.

2-156-395 Complaints against aldermen.

(Omitted text is not affected by this ordinance)

(c) At the conclusion of the hearing, the board shall reach a determination as to whether a violation of this chapter occurred. The board shall conclude its investigation no later than one year from the date of initiating the investigation; provided, however, that any period of time during which the board has suspended its investigation in accordance with Section 2-156-405 shall not be counted towards the one year period. The board's determination shall be presented to the alderman under investigation. The board's determination, which shall include, in the case of a finding of liability, the name of the alderman, the offense, and the fine imposed, shall be publicly available only when the board's decision is final in accordance with subsection (d) herein. If the board finds that an alderman committed a violation of the ethics ordinance, it may impose a ~~fine up to \$1,000.00 per offense penalty as provided in Article VII of this Chapter. Any person found to be in violation of Section 2-156-030(b) shall be fined in the amount of \$1,000.00 and shall also be formally censured by the board of ethics.~~ If the board finds that no violation was committed, its determination may be released to the public at the request of the alderman under investigation.

(Omitted text is not affected by this ordinance)

ARTICLE VI. CAMPAIGN FINANCING

2-156-425 Contributions on city property.

No public official, city employee, candidate for an elective office, lobbyist, officer, employee, or agent of any political organization shall intentionally solicit, accept, offer or make contributions on city property.

2-156-435 Anonymous and pseudonymous contributions.

No person shall offer or make, and no candidate for city office, such candidate's political committee or person acting on behalf of either of them shall solicit or accept, any contribution that is (a) anonymously given; or (b) made or to be made other than in the name of the true donor.

2-156-445 Limitation of contributing to candidates and elected officials.

(a) No person who has done business with the city, or with the Chicago Transit Authority, Board of Education, including the Chicago School Reform Board of Trustees, Chicago Park District, Chicago City Colleges, or Metropolitan Pier and Exposition Authority within the preceding four reporting years or is seeking to do business with the city, or with any of the other aforementioned entities, and no lobbyist registered with the board of ethics shall make contributions in an aggregate amount exceeding \$1,500.00: (i) to any candidate for city office during a single candidacy; or (ii) to an elected official of the government of the city during any reporting year of his term; or (iii) to any official or employee of the city who is seeking election to any other office. For purposes of this section all contributions to a candidate's authorized political committees shall be considered contributions to the candidate. A reporting year shall be from January 1st to December 31st. For purposes of this subsection only "seeking to do business" means: (i) the definition set forth in Section 2-156-010(x); and (ii) any matter that was pending before the city council or any city council committee in the six months prior to the date of the contribution if that matter involved the award of loan funds, grant funds or bond proceeds, bond inducement ordinances, leases, land sales, zoning matters, the creation of tax increment financing districts, concession agreements or the establishment of a Class 6(b) Cook County property tax classification.

(b) For purposes of subsection (a) above, an entity and its subsidiaries, parent company or otherwise affiliated companies, and any of their employees, officers, directors and partners who make a political contribution for which they are reimbursed by the entity or its affiliates shall be considered a single person. However, nothing in this provision shall be construed to prohibit such an employee, officer, director or partner from making a political contribution for which he is not reimbursed by a person with whom he or she is affiliated, even if that person has made the maximum contribution allowed under subsection (a).

(c) For purposes of subsection (a) above, a contribution to (i) any political fund-raising committee of a candidate for city office or elected official, or (ii) any political fundraising committee which, during the reporting year in which the contribution is to be made, has itself made contributions or given financial support in excess of 50 percent of that committee's total receipts for the reporting year to a particular candidate for city office, elected official, or the authorized fundraising committee of that candidate or elected official, shall be considered a contribution to that candidate or elected official.

(d) Any person who solicits or accepts a financial contribution with knowledge that such contribution violates the limits set forth in this section shall be subject to the penalty provided in Article VII of this Chapter; provided, however, such person shall not be deemed in violation of this section if such person returns such financial contribution within 10 calendar days of the recipient's knowledge of the violation.

2-156-455 Cash contributions.

No person shall make any cash contribution to any candidate for city office in an amount in excess of \$250.00.

ARTICLE V VII. PENALTIES FOR VIOLATION

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 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 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:

- (1) *Failure to complete ethics training.* Any employee or official who violates section 2-156-145 and any lobbyist who violates section 2-156-146 shall be fined not less than \$200.00 nor more than \$750.00 for each such violation. Each day that a violation continues shall constitute a separate and distinct offense to which a separate fine shall apply. The board shall also make public, in a manner that the board may deem appropriate, the names of employees and officials who failed to complete a mandatory ethics training on time.
- (2) *Failure to file a statement of financial interests.* Any reporting person who violates section 2-156-190 shall be fined \$250 for each such violation. Each day that a violation continues shall constitute a separate and distinct offense to which a separate fine shall apply. The board shall also make public, in a manner that the board may deem appropriate, the names of reporting persons who failed to file statements of financial interests on time.
- (3) *Failure to file reports by lobbyists.* Any lobbyist who violates 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.
- (4) *Violating the gift ban or the prohibited political activity sections.* Any person who violates section 2-156-142 or section 2-156-135 shall be subject to a fine of not less than \$1,001.00 and not more than \$5,000.00 for each violation.

- (5) Improper contributions. Any person who knowingly makes, solicits or accepts a political contribution in violation of section 2-156-140 or section 2-156-445 shall be subject to a fine of not less than \$1,000.00 and up to the higher of \$5,000.00 or three times the amount of the improper contribution that was accepted for each violation of these sections.
- (6) Obstruction of an investigation. Any person who intentionally obstructs or interferes with an investigation conducted by the board, or who intentionally makes a false, frivolous, or bad faith allegation to the board or in relation to such investigation shall be fined not less than \$500.00 and up to \$5,000.00 for each offense, and, if such person is a city contractor, shall be subject to termination of a contract.
- (7) Violation of Chapter provisions. Any person who violates any other provision of this chapter, where no other fine is specifically provided, shall be subject to a fine of not less than \$500.00 and not more than \$2,000.00 for each offense.

2-156-440 2-156-485 Other remedies.

Nothing in this chapter shall preclude the city from maintaining an action for an accounting for any pecuniary benefit received by any person in violation of this chapter or other law, or to recover damages for violation of this chapter.

2-156-450 2-156-495 Relationship to other laws.

The procedures and penalties provided in this chapter are supplemental and do not limit either the power of the city council to discipline its own members or the power of any other city agency to otherwise discipline officials or employees or take appropriate administrative action or to adopt more restrictive rules. Nothing in this chapter is intended to repeal or is to be construed as repealing in any way the provisions of any other law or ordinance.

2-156-460 2-156-500 Sanctions applicable to ethics board of ethics.

Any member of the board of ethics who knowingly violates Section 2-156-400 shall be subject to the applicable penalties indicated in Section ~~2-156-420~~ 2-156-465.

ARTICLE VIII. MISCELLANEOUS.

2-156-510 Invalid actions.

All city contracts shall include a provision requiring compliance with this chapter. Any contracts negotiated, entered into, or performed in violation of any of the provisions of this chapter shall be voidable as to the city, including any contract entered into with any person who has retained or employed a non-registered lobbyist in violation of Section 2-156-305 for the purpose of negotiating, soliciting or otherwise seeking the contract. Any permit, license, ruling, determination or

other official action of a city agency applied for or in any other manner sought, obtained or undertaken in violation of any of the provisions of this chapter shall be invalid and without any force or effect whatsoever.

2-156-520 Access to list of current contractors.

(a) The department of innovation and technology shall compile a list of all contractors, who did business during the preceding four reporting years as set forth in Section 2-156-445 of this Code, with the city, Chicago Transit Authority, Board of Education/Chicago School Reform Board of Trustees, Chicago Park District, Chicago City Colleges and the Metropolitan Pier and Exposition Authority. The list shall be updated electronically. The list shall be made available to all officials and employees, and to the public via the Internet.

(b) There shall be a presumption that any person who reasonably relies on the aforementioned list to comply with this chapter is not in violation of this chapter if the purported violation is related to the identity of any contractor.

SECTION 2. Sections 2-8-290, 2-55-080, and 4-284-160 of the Municipal Code of Chicago are hereby amended by deleting the language struck through and by inserting the language underscored, as follows:

2-8-290 Ethics and campaign financing – Investigation responsibility.

The city council shall at all times maintain a standing committee having jurisdiction over the conduct of its members and its employees. Such committee shall have the responsibility for investigating allegations of misconduct by aldermen and city council employees, including allegations of violation of Chapters 2-156 and ~~2-164~~ of the Municipal Code, and for recommending to the city council appropriate corrective or disciplinary action against any alderman or employee of the city council for any such misconduct. The committee shall complete its investigation of any such allegations and present to the city council its report and recommendations on the investigation within one year from the date of receipt of the allegations.

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

(a) If the legislative inspector general receives a complaint alleging misconduct against an alderman or city council employee 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.

(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 Chapters 2-156 or ~~2-164~~ 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 Chapters 2-156 or ~~2-164~~ 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 Chapters 2-156 ~~or 2-164~~ 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.

(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.

(d) At the conclusion of his investigation, the legislative inspector general shall present his report to the board of ethics.

(e) Complaints submitted to the legislative inspector general 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 Chapters 2-156 ~~or 2-164~~ 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 Chapters 2-156 ~~and 2-164~~ of the Municipal Code of Chicago.

(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.

(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.

4-284-160 City representatives - Prohibited activities.

A. No city representative or a city representative's spouse, child or any other person living in the same household as a city representative shall have an interest in a grantee.

B. No city representative or a city representative's spouse, child or any other person living in the same household as a city representative shall directly or indirectly:

1. Solicit or accept an interest in, expenditure from or any other thing of value or transaction conferring an economic benefit from a grantee, except as provided for in ~~§ 2-164-040~~ section 2-156-445 of the Municipal Code.

2. Solicit, request from or recommend to any grantee the appointment of any person to a place or position or the provision of an interest, expenditure or any other thing of value or transaction conferring an economic benefit to any person.

SECTION 3. If any provision of this ordinance or application thereof to any person or circumstance is held unconstitutional or otherwise invalid, such invalidity does not affect other provisions or applications of this ordinance which can be given effect without the invalid application or provision, and to this end each such invalid provision or invalid application of this ordinance is severable, unless otherwise provided by this ordinance. It is hereby declared to be the legislative intent of the city council that this ordinance would have been adopted had any such unconstitutional or otherwise invalid provision or application not been included.

SECTION 4. Any violation of Chapter 2-156 or Chapter 2-164 of the Municipal Code of Chicago that occurs or that has occurred before the effective date of this ordinance shall be subject to the fines in effect at the time of such violation.

SECTION 5. The Municipal Code of Chicago is hereby amended by repealing Chapter 2-164, and sections 2-152-171, 2-156-040, 2-156-050, 2-156-410, 2-156-430, 2-156-470, 2-156-475, and 2-156-480, in their entirety.

SECTION 6. Following passage and publication, this ordinance shall take effect on November 1, 2012.