



# Office of the City Clerk

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## Legislation Text

File #: O2016-7516, Version: 1

### ORDINANCE

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

SECTION 1. Section 1-23-020 of the Municipal Code of Chicago is hereby amended by adding the language underscored, and by deleting the language struck through, as follows:

##### **1-23-020 Ineligibility to do business with the city.**

a) Ineligibility due to a criminal conviction. No natural person or business entity shall be eligible to do business with the city City if such natural person, business entity or any controlling person of such business entity has ever been convicted or in custody, under parole or under any other non-custodial supervision resulting from a conviction in a court of any jurisdiction for the commission of a felony of any kind, or of a criminal offense of whatever degree, involving:

- 1) bribery or attempted bribery, or its equivalent under any local, state or federal law, of any public officer or employee of the City of Chicago or of any sister agency; or
- 2) theft, fraud, forgery, perjury, dishonesty or deceit, or attempted theft, fraud, forgery, perjury, dishonesty or deceit, or its equivalent under any local, state or federal law, against the City of Chicago or of any sister agency; or
- 3) conspiring to engage in any of the acts set forth in items (1) or (2) of this subsection (a).

b) Ineligibility due to an admission of guilt. No natural person or business entity shall be eligible to do business with the city City if such natural person or business entity or any controlling person of such business entity has made in any civil or criminal proceeding an admission of guilt of any of the conduct set forth in items (1) through (3), inclusive, of subsection (a) of this section, under circumstances where such admission of guilt is a matter of record but has not resulted in criminal prosecution for such conduct.

c) Ineligibility due to the filing of charges or indictment. No natural person or business entity shall be eligible to do business with the city City if such natural person or business entity or any controlling person of such business entity is charged with or indicted for any felony or criminal offense set forth in items (1) through (3), inclusive, of subsection (a) of this section. Such ineligibility shall remain in effect until final adjudication is made with respect to such felony or criminal offense.

d) Ineligibility due to a wage rate violation. No natural person or business entity shall be eligible to do business with the City if such natural person, business entity or any controlling person of such business entity has ever admitted guilt or liability or has ever been adjudicated guilty or liable in any judicial or administrative proceeding of committing a violation of the Chicago Minimum Wage and Paid Sick Leave Ordinance, 1-24-010, et seq., the Illinois Wage Payment and Collection Act, 820 ILCS 115/1, et seq., or any other federal, state, or municipal law regulating wage rates.

(de) Successor business entities. Notwithstanding anything to the contrary in this section, if a business entity seeking to do business with the city City ("the applicant entity") acquires or is merged with a business entity that is ineligible under this section to do business with the city City ("the prohibited entity"), such applicant entity shall be eligible to do business with the city City if all of the following apply: (1) no controlling person of such applicant entity has made an admission of guilt or liability or been convicted,

charged, or indicted, or found liable for any of the criminal conduct forming the basis of the prohibited entity's ineligibility to do

business with the City; and (2) no person who was a controlling person of the prohibited entity at the time such criminal conduct occurred is a controlling person of the applicant entity; and (3) all other eligibility requirements of this section have been met by the applicant entity and all controlling persons thereof.

SECTION 2. Chapter 1-24 of the Municipal Code of Chicago is hereby amended by adding a new Section 1-24-085, as follows:

**1-24-085 Investigations as a result of settlements.**

If an Employer has entered into two or more settlements within a year with the Illinois Department of Labor after being charged with wage rate violations, the Commissioner of Business Affairs and Consumer Protection, in conjunction with the Chief Procurement Officer, is authorized to conduct an investigation to determine whether the person's conduct that resulted in those settlements evinces culpability that merits ineligibility under Section 1-23-020 or revocation under Section 4-4-280.

SECTION 3. Section 4-4-320 of the Municipal Code of Chicago is hereby amended by adding the language underscored, and by deleting the language struck through, as follows:

**4-4-320 License denial, revocation or suspension for certain offenses.**

a) The commissioner, for good and sufficient cause, may deny an application for any license issued under this Title 4 if:

- 1) during the 5-year period prior to the date of the application, the applicant admitted guilt or liability or was found guilty or liable in judicial or administrative proceedings of committing or attempting to commit a willful violation, or two or more violations which do not include a willful violation, of the Chicago Minimum Wage and Paid Sick Leave Ordinance, 1-24-010, et seq., the Illinois Wage Payment and Collection Act, 820 ILCS 115/1, or any other federal, state, or municipal law regulating the payment of wages;
- 2) during the 5-year period prior to the date of the application, the applicant admitted guilt or liability or was found guilty or liable in a judicial or administrative proceeding of committing or attempting to commit a violation of the Fair Debt Collection Practices Act, 15 USC § 1692, or the Collection Agency Act, 225 ILCS 425/1, or any other federal or state law regulating the collection of debt;
- 3) during the 24-month period prior to the date of the application, the applicant admitted guilt or liability or was found guilty or liable in judicial or administrative proceedings of committing three or more violations of Chapter 1-24 of this Code; or
- 4) during the 5-year period prior to the date of the application, one or more determinations of disqualification from participation in the federal Supplemental Nutrition Assistance Program (SNAP) was imposed upon the applicant, where such determination or determinations imposed the sanction of permanent disqualification or disqualification for an aggregate of at least 12 months, whether consecutive or nonconsecutive.

b) The commissioner, for good and sufficient cause, may revoke or suspend a license issued under this Title 4 if:

- (1) during the previous 5-year period, the licensee admitted guilt or liability or was found guilty or liable in judicial or administrative proceedings of committing or attempting to commit, as applicable, the designated number of violations of the laws set forth in subsections 4-4-320(a)(1), (a)(2), and (a)(3); or

(2) during the previous 5-year period, one or more determinations of disqualification from participation in the federal Supplemental Nutrition Assistance Program (SNAP) was imposed upon the licensee, where such determination or determinations imposed the sanction of permanent disqualification or disqualification for an aggregate of least 12 months, whether consecutive or nonconsecutive.

c) Subsections 4-4-320(a)(1), (a)(2), (a)(3), and (b)(1) shall not apply to any applicant or licensee where one or more of the designated number of pertinent administrative adjudications or judicial judgments or convictions was entered prior to June 1, 2013.

d) The procedure for the revocation or suspension of a license shall be as set forth in Section 4-4-280. The procedure for the denial of an application for a license shall be as set forth in Section 4-4-060.

e) The grounds provided in this section for denial of a license application, and for revocation or suspension of a license, shall render ineligible not only the applicant or licensee, as applicable, but also the parent, child, sibling, spouse, or domestic partner of such applicant or licensee, and any other corporation or legal entity in which the applicant or licensee has a substantial ownership or controlling interest. If the applicant or licensee is a corporation or other legal entity, the grounds provided in this section for denial of a license application, and revocation or suspension of a license, shall also render ineligible any person who has a substantial ownership or controlling interest in that entity. As used in this subsection, "substantial ownership or controlling interest" means ownership of 25% or more of the entity, or, if the entity is a corporation, ownership of 25% or more voting shares of stock, or occupation as a principal officer, member of the board of directors, or manager of the entity.