

THE BOARD OF COMMISSIONERS

TONI PRECKWINKLE
PRESIDENT



OFFICE OF THE INDEPENDENT INSPECTOR GENERAL

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September 7, 2016

Honorable Toni Preckwinkle
and Members of the Board of Commissioners
of Cook County
118 North Clark Street
Chicago, Illinois 60602

Re: IIG16-0207 (Statement of Economic Interest Compliance)

Dear President Preckwinkle and Members of the Board of Commissioners:

This letter is written in accordance with Sections 2-288 and 2-289(c)(2) of the Office of the Independent Inspector General Ordinance, Code of Ordinances, Cook County, Illinois, ch. 2, art. IV, div. 5 (2007) in connection with a compliance review conducted related to the Illinois Governmental Ethics Act, 5 ILCS 420/1-101 *et seq.* (2005) (the "Ethics Act"). The Ethics Act requires certain Cook County government officials and employees to annually file statements of economic interest ("SEI") with the County Clerk's Office. In accordance with the ordinance, this statement is made to apprise you of the results of this review.

Background¹

Under the Ethics Act, Cook County supervisors and managers have a statutory obligation to file a SEI with the Clerk's Office listing any financial interest they have with units of government. Those Cook County employees who are subject to this provision of the Ethics Act are required to file a SEI with the County Clerk's Office by May 1st of each year. *See* 5 ILCS 420/4A-105. Under the statute, a person who fails to file a SEI is subject to a \$100 per day fine. Moreover, employees who persist in failing to comply may forfeit their positions with Cook County government as an additional sanction pursuant to the Ethics Act.

As a threshold matter, the Ethics Act requires local units of government to submit lists of those employees who must file a SEI each year on or before February 1st. *See* 5 ILCS 420/4A-106. In practice, department heads in Cook County Government are typically held responsible for submitting lists of their employees who are subject to the Ethics Act by the statutorily imposed deadline. Based on records retrieved from the Clerk's Office, Cook County Government submitted lists that imposed an obligation on 2,043 employees and board members to file a SEI for the 2016 filing period.

¹ The term Cook County includes the offices of the independently elected Cook County government officials.

Since the 2010 filing period, the Cook County Clerk's Office has notified this office when Cook County employees failed to annually file a SEI pursuant to the Ethics Act. In those instances, we have committed resources to ascertain the reasons for non-compliance and pursued corrective action for those who failed to file. During the course of our investigations, there were annually 20-30 Cook County employees who failed to file a SEI.

The Clerk's Ethics and Campaign Disclosure Division is responsible for notifying Cook County employees of their SEI filing obligation. The Customer Service Manager in the Ethics and Campaign Disclosure Division informed us that they started contacting Cook County employees in March 2016 to remind them of their SEI filing obligation for the May 1, 2016 filing period.² In total, there were seven "mass emails" sent to Cook County employees who were subject to the Ethics Act and required to file a SEI.

Starting on April 19-22, 2016, our office notified 43 Cook County government department heads, boards, and separately elected officials of the May 1st deadline and encouraged them to implement a control measure within their respective departments to ensure employees subject to the Ethics Act comply before the deadline. The Office of the Cook County Auditor ("OCA") also performed a SEI Compliance review.

OIIG Findings and Conclusions

On May 5, 2016, our office received a report of Cook County employees (including boards and commissions) from the Clerk's Office listing those who failed to comply with the SEI filing requirement for the 2016 filing period deadline. There were 45 Cook County employees who appeared on this list of non-filers.

On June 21, 2016, the OCA issued a report stating that 22 County employees were non-compliant as of May 1, 2016. The OCA's report was appropriately adjusted for employees on leave or who no longer held Cook County employment.

Pursuant to the Ethics Act, the Clerk's Office subsequently issued certified letters to those County employees subject to the filing requirement who had yet to file a SEI. *See* 5 ILCS 420/4A-106. Additionally, our office sent 14 letters to department heads with employees who were deemed to have failed to file a SEI pursuant to the Ethics Act. In response to our letters, two Cook County Government department heads stated that five County employees no longer held employment with the County. Another department head stated that an employee failed to timely file a SEI due to technical difficulties related to email.

During our compliance review, we received information from a credible source with intimate knowledge of the internal operations of Cook County indicating that many County employees subject to the Ethics Act are not being reported to the Clerk's Office for SEI

² County clerks have the responsibility for notifying all persons who were identified on a list submitted to them by the unit of government. *See* 5 ILCS 420/4A-106.

purposes. According to this individual, the failure to identify and report all employees subject to the Ethics Act provisions is due to simple oversight. A cursory review of the reporting lists supports the conclusion that employees who meet the reporting criteria are not being reported to the Clerk's Office for SEI purposes.

As of September 2, 2016, there is one Cook County employee who has failed to file a SEI according to the Clerk's Office.

OIIG Recommendations

The information developed during the course of this compliance review supports the conclusion that the County has not implemented effective internal controls to ensure that those employees subject to the Ethics Act timely file a SEI on an annual basis. Additionally, we believe that attention should be given to identifying each employee subject to the criteria for reporting, as well as the timely removal of employees when they leave County service or are otherwise not subject to SEI reporting. Accordingly, based upon all of the foregoing, we recommend the following:

- Currently, the Ethics Department's annual training program contains information related to filing a SEI pursuant to the Ethics Act. In addition to this training, the Clerk's Office should consider conducting an annual forum that enables department contacts to learn more about the provisions contained in the Ethics Act.
- Cook County department heads should annually emphasize the importance of the SEI to relevant employees and instruct each employee to comply before the deadline.
- At least 10 days prior to the deadline, department heads should obtain the list of non-filers from the Clerk's Office and directly contact those individuals to ensure they meet their filing obligation.
- We recommend that Cook County offices and departments implement a procedure to identify each employee subject to reporting under the Ethics Act and update the list on a yearly basis. This process should also include the removal of employees who no longer are subject to SEI reporting.
- Cook County Government should continue to support the efforts of the Office of the County Auditor to ensure compliance by the annual deadline.

Finally, in accordance with Section 2-285(e) of the OIIG Ordinance, this Office respectfully requests notification within 30 days of any action taken in response to the foregoing recommendations. Thank you for your cooperation and assistance with this matter. Please do not hesitate to contact me if you have questions.

Honorable Toni Preckwinkle and Members of the Board
of Commissioners of Cook County
September 7, 2016
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Very truly yours,



Patrick M. Blanchard
Inspector General

cc: Hon. Joseph Berrios
Hon. Dorothy Brown
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Ms. Laura Lechowicz Felicione, Special Counsel to the President
Ms. Shelly Banks, Cook County Auditor
Mr. Ranjit Hakim, Executive Director, Ethics Department