

AMEND BOARD REPORT 99-0728-PO1
CODE OF ETHICS FOR THE CHICAGO BOARD OF EDUCATION

THE GENERAL COUNSEL CHIEF EXECUTIVE OFFICER RECOMMENDS:

That the Board adopt ~~an the following proposed amendment to the amended~~ Code of Ethics for the Chicago Board of Education (~~Board Report 99-0728-PO1~~) (~~Board Report 96-0327-PO7, adopted March 27, 1996 and amended April 21, 1999, 99-0421-PO2~~).

DESCRIPTION PURPOSE:

~~In 1988, the Illinois General Assembly enacted the State Gift Ban Act as a means to limit and regulate the gifts that government employees can receive by virtue of their employment position. One provision of the Act requires that school districts shall prohibit the solicitation and acceptance of gifts and enforce the prohibitions by following provisions no less restrictive than the provisions of the Act. While the provisions of the Board's Ethics Policy concerning employees offering, receiving, and soliciting gifts, loans, or favors meet the Act's requirement of being at least as restrictive as the prohibitions in the law, the Policy does not stipulate that a standing committee shall exist for the express purposes of receiving and investigating allegations of improprieties as required by the Act. This amendment is designed to bring the Board's Ethics Policy into strict conformity with all the requirements of the Gift Ban Act by adding a provision for the appointment of a standing committee that will perform the functions outlined in the statute. Item (h) has been added to Section 10 Offering, receiving and soliciting gifts, loans or favors.~~

This Board Report amends the Code of Ethics for the Chicago Board of Education to include provisions required or recommended in recently enacted State ethics legislation. These provisions are concerned with prohibited political activities, gift bans, ethics advisors and enhanced penalties for ethics violations. Further, the Code amended to remove waiver provisions that allowed the Chief Executive Officer to grant waivers for (1) nepotism violations, (2) economic interest in Board contracts by Board members and employees, and (3) post-membership and post-employment restrictions for Board members and employees. The Code also now incorporates provisions from the Illinois School Code that restrict the letting of contract to former Board Members during the one year period following the expiration or termination of their term of office.

CODE OF ETHICS OF THE CHICAGO BOARD OF EDUCATION

~~**WHEREAS**, it is imperative that public officials and employees act in the highest ethical manner and preserve the public trust; and~~

~~**WHEREAS**, members of the Chicago Board of Education have been entrusted with a task of utmost importance: improving the quality of public education in the City of Chicago; and~~

~~**WHEREAS**, to carry out the important duties and responsibility of the Chicago Board of Education it is important that clear, comprehensive ethical standards be established so that members of the public will have confidence in the operations of the Board and the Local School Councils; and~~

~~**WHEREAS**, it is particularly important that the members of the Chicago Board of Education, Local School Council members and Board employees set a good example for the children and taxpayers of the City of Chicago and the State of Illinois; and~~

~~**WHEREAS**, the adoption of ethical standards for Board members, Local School Council members and Board Employees is in the best interest of the children in the Chicago Public Schools.~~

~~**NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CHICAGO BOARD OF EDUCATION**~~

POLICY TEXT:

Introduction

The Chicago Board of Education ("the Board") believes that it is imperative that public officials and employees act in the highest ethical manner and preserve the public trust. Members of the Board have been entrusted with a task of utmost importance: improving the quality of public education in the City of Chicago. To carry out the important duties and responsibility of the Board, it is important that clear, comprehensive ethical requirements be established so that members of the public will have confidence in the operations of the Board and the Local School Councils. It is particularly important that the members of the Board, Local School Council members and Board employees set a good example for the children and taxpayers of the City of Chicago and the State of Illinois. Therefore, the following ethical standards for Board members, Local School Council members and Board employees has been established in the best interest of the children in the Chicago Public Schools.

1. Authority and Purpose

This Board Policy is issued pursuant to authority granted in the Illinois School Code and the 1995 Amendments to the School Code contained in Public Act 89-15. The purpose of this Board Policy is to promote public confidence in the integrity of the Board by establishing consistent standards for the conduct of Board business by the Board's Members, Local School Council members and Board employees.

2. ~~Construction of Board Policy.~~ Definitions

Whenever used in this statement this Board Policy:

- (a) "Board" means the Board of Education of the City of Chicago and includes all schools operated by the Board of Education.
- (b) "Board Contractor" means any person (including his agents or employees acting within the scope of their employment) doing business with the Board.
- (c) ~~(b)~~ "Board vendor" means any person (including his agents or employees acting within the scope of their employment) who is paid consideration for a contract, work, business or sale with funds belonging to or administered by the Board, who has provided goods or services to the Board pursuant to a contract and has been paid more than \$10,000 for those goods or services within any consecutive 12-month period in the last four years.
- (d) ~~(e)~~ "Business relationship" means any contractual or other private business dealing of an employee with a person or entity which entitles the employee to compensation or payment in the amount of \$2,500 or more in a calendar year; provided, however, business relationship 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.

- (e) "Campaign for elective office" means any activity in furtherance of an effort to influence the selection, nomination, election, or appointment of any individual to any federal, State, or local public office or office in a political organization, or the selection, nomination, or election of Presidential or Vice-Presidential electors, but does not include activities (i) relating to the support or opposition of any executive, legislative, or administrative action (as those terms are defined in Section 2 of the Lobbyist Registration Act), (ii) relating to collective bargaining, or (iii) that are otherwise in furtherance of the persons official duties.
- (f) "Candidate" means a person who has filed nominating papers or petitions for nomination or election to an elected State office, or who has been nominated to fill a vacancy in nomination, and who remains eligible for placement on the ballot at either a general primary election or a general election.
- (g) "Compensatory time off" means authorized time off earned by or awarded to an employee to compensate in whole or in part for time worked in excess of the minimum work time required of that employee as a condition of employment with the Board.
- (h) ~~(d)~~ "Contract Management Authority" means personal involvement in or direct supervisory responsibility for the formulation or execution of a contract. This includes, without limitation, the preparation of specifications, evaluation of bids or proposals, negotiation of contract terms, and supervision of contract performance.
- (i) "Direct Economic Interest." A person is considered to have a direct economic interest if he, his spouse or a member of his household:
 - 1. is the proprietor of a sole proprietorship;
 - 2. owns a five percent or greater interest of any class of stock of a corporation by vote or value;
 - 3. owns a five percent or greater interest in the profits or capital of a partnership;
 - 4. owns a five percent or greater beneficial interest in a trust; or
is an officer or director of a corporation, the general or managing partner of a partnership, or the trustee of a trust.
- (j) "Indirect Economic Interest." A person is considered to have an indirect economic interest if the person's relative who is not a member of the person's household:
 - 1. is the proprietor of a sole proprietorship;
 - 2. owns a five percent or greater interest of any class of stock of a corporation by vote or value;
 - 3. owns a five percent or greater interest in the profits or capital of a partnership; or
 - 4. owns a five percent or greater beneficial interest in a trust; or is an officer or director of a corporation, general or managing partner of a partnership, or the trustee of a trust.
- (k.) Exclusions. Direct or Indirect Economic Interest shall not include:
 - 1. any interest of the spouse or domestic partner of an employee who does not exercise Contract Management Authority and which interest is related to the spouse's or domestic partner's independent occupation, profession or employment;
 - 2. any ownership of less than five percent of any class of stock of a corporation;
 - 3. the authorized compensation paid to an official or employee for his office or employment;
 - 4. any economic benefit provided by the Board equally to all residents of the city;
 - 5. time or demand deposit in a financial institution;

- 6. an endowment or insurance policy or annuity contract purchased from an insurance company;
 - 7. compensation for property taken for use by the Board pursuant to the eminent domain power; and
 - 8. economic interests or other rights obtained by Board employees through a collective bargaining agreement.
- (l) (e) "Doing business" means any one or any combination of sales, purchases, leases or contracts to, from or with the Board in an amount in excess of \$10,000.00 in any 12 consecutive months.
- (m) "Domestic partner" means anyone who is registered with the CPS Department of Employee Benefits as the Domestic Partner of any official or employee, or any person who qualifies to be registered as Domestic Partner based on following criteria: is at least 18 years of age, unmarried (single, divorced, widowed), and residing in the same residence with an unmarried official or employee of the same sex, these two not being related by blood closer than would bar marriage in the State of Illinois, and two of the following circumstances apply: (1) they have been residing together for at least 12 months; (2) they have common or joint ownership of a residence; (3) they jointly own a motor vehicle, credit account, checking account, or residential lease; or (4) one or both have declared the other as the primary beneficiary on his or her will.
- (n) (f) "Employee" includes principals and all other employees of the Board, regardless of classification and regardless of whether employed on a full time or part time basis.
- (o) "Expenditure" means a payment, distribution, loan, advance, deposit, or gift of money or anything of value.
- (p) (g) "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 of present value of \$5,000.00 or more; or (iii) any interest representing more than 10 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; or (f) an endowment or insurance policy or annuity contract purchased from an insurance company.
- (q) "Gift" means anything of value given without consideration or expectation of return.
- (r) (h) "Official" includes members of the Board and members of Local School Councils.
- (s) (i) "Person" means any individual or legal entity, whether or not operated for profit, and regardless of its form.
- (t) "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, the purchase of, selling, distributing, or receiving payment for tickets for any political fundraiser, political meeting, or other political event.
3. Soliciting, planning the solicitation of, or preparing any document or report regarding any thing 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 possible vote outcome in connection with 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 organization 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 office 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, except to the extent that under subsection (d) of Section 6 of Article IV of the Illinois Constitution each house of the General Assembly shall judge the elections, returns, and qualifications of its members.

~~(u)(j)~~ "Relative" means a person related to an official or employee ~~of spouse of~~ ~~as any of the following~~, whether by blood, marriage or adoption and shall include the following: spouse, parent, son, daughter, step-son, step-daughter, brother, sister, aunt, uncle, niece, nephew, grandparent, grandchild, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, step-father, step-mother, step-brother, step-sister, half-brother, half-sister, first cousin, great aunt or uncle, or the spouse's sister-in-law, brother-in-law, or grandparents.

~~(k)~~ "Seeking to do business" means ~~(1) taking any action within the past six months to obtain a contract or business from the Board, when, if such action were successful, it would result in a person's doing business with the Board; and (2) the contract or business sought has not been awarded to any person.~~

~~(v)~~ ~~(t)~~ Use of the masculine includes the feminine.

~~(w)~~ ~~(m)~~ Use of the singular includes the plural and use of the plural includes the singular.

~~(n)~~ "Director Economic Interest." A person is considered to have a direct economic interest if ~~he, his spouse or a member of his household:~~

~~(1) is the proprietor of a sole proprietorship;~~

- ~~(2) owns a five percent or greater interest of any class of stock of a corporation by vote or value;~~
- ~~(3) owns a five percent or greater interest in the profits or capital of a partnership;~~
- ~~(4) owns a five percent or greater beneficial interest in a trust; or~~
- ~~(5) is an officer or director of a corporation, the general or managing partner of a partnership, or the trustee of a trust.~~

~~(o) "Indirect Economic Interest." A person is considered to have an indirect economic interest if the person's relative who is not a member of the person's household:~~

- ~~(1) is the proprietor of a sole proprietorship;~~
- ~~(2) owns a five percent or greater interest of any class of stock of a corporation by vote or value;~~
- ~~(3) owns a five percent or greater interest in the profits or capital of a partnership;~~
- ~~(4) owns a five percent or greater beneficial interest in a trust; or~~
- ~~(5) is an officer or director of a corporation, general or managing partner of a partnership, or the trustee of a trust.~~

~~(p) Exclusions. Direct or Indirect Economic Interest shall not include:~~

- ~~(1) any interest of the spouse of an employee who does not exercise contract management authority and which interest is related to the spouse's independent occupation, profession or employment;~~
- ~~(2) any ownership of less than five percent of any class of stock of a corporation;~~
- ~~(3) the authorized compensation paid to an official or employee for his office or employment;~~
- ~~(4) any economic benefit provided by the Board equally to all residents of the city;~~
- ~~(5) time or demand deposit in a financial institution;~~
- ~~(6) an endowment or insurance policy or annuity contract purchased from an insurance company;~~
- ~~(7) compensation for property taken for use by the Board pursuant to the eminent domain power; and~~
- ~~(8) economic interests or other rights obtained by Board employees through a collective bargaining agreement.~~

~~(x) (q) "Secondary employment" means any non-Board employment or activity for which an employee receives any type of remuneration for services rendered.~~

3. Fiduciary Duty

At all times in the performance of their public duties, officials and employees of the Board owe a fiduciary duty to the Board and to the taxpayers of the City of Chicago and the State of Illinois.

4. Use of Board Property and Funds

Board property and funds shall be used only for Board purposes and in the manner specified or directed by the Board. No official or employee shall engage in or permit the misuse of Board property or funds.

5. Nepotism Prohibited

- (a) No official or employee of the Board, including principals, assistant principals and members of Local School Councils, shall hire or advocate for hiring, or appoint or advocate for appointment, in any Board facility, including any school, in which the official or employee serves or over which he exercises authority, supervision, or control any person (i) who is a relative or domestic partner of that official or employee, or (ii) in exchange for or in consideration of the hiring or appointment of any of that official's or employee's relative or domestic partner by any other official or employee.

- (b) No person may be hired for, or transferred to, a position in which he would exercise supervision and evaluation authority over a relative or domestic partner who is employed at that school or Board facility.
- (c) No person may become a contract principal at a school in which a relative or domestic partner of that person is employed or is a member of the Local School Council. No person, otherwise eligible, shall be a candidate for, or be appointed to, a Local School Council for a school where the person's relative or domestic partner is the principal.
- (d) The prohibitions contained in subsections (a), (b) and (c) will not apply when supervisory changes and/or teaching vacancies occur during the school term. In these instances, employees will be permitted to supervise relatives and domestic partners for the duration of the school year. However, no situation prohibited by subsection (a), (b), and (c) shall be permitted or accepted for the subsequent school year or thereafter.

~~In instances where an individual is appointed interim principal of a school, and one or more of the interim principal's relatives is currently employed by that school or sitting on the Local School Council for that school, the Chief Executive Officer may grant a waiver of compliance with paragraph (c).~~

- (e) No official or employee shall exercise Contract Management Authority where any relative or domestic partner of the official or employee is employed by or has contracts with any person doing work over which the official or employee has or exercises contract management authority.
- (f) No Local School Council Member may recommend or advocate any personnel action which affects any of his or her relatives or any domestic partner employed at the school affiliated with that Local School Council Member. No relative or domestic partner of a Local School Council Member shall be hired as a consultant, employee or in any other capacity at the school affiliated with that Local School Council Member. If a relative or domestic partner of a Local School Council Member is employed at the school at which the Local School Council Member serves, the Local School Council Member shall abstain from voting on approval of the expenditure plan and approval of the school improvement plan.
- (g) ~~The Chief Executive Officer may grant waivers of compliance with paragraphs (a), (e), and (f) of this Section 5. A waiver may granted only on the Chief Executive Officer's determination that the waiver will serve the best interests of the Board and the children in the Chicago Public Schools. In considering whether to grant a waiver, the Chief Executive Officer shall consider the following: the nature of the employment or assignment involved; the unique qualifications of the prospective employee, official or consultant; the unique qualifications of the prospective employee, official or consultant; and the nature and extent of the official's or employee's supervisory authority over the prospective employee, official or consultant under paragraphs (a) and (f) or the nature or extent of the official's or employee's contract management authority over the prospective employee, official or consultant under paragraph (e). The Chief Executive Officer may also consider any other unique circumstances which are consistent with the best interests of the Board and the children on the Chicago Public Schools in determining whether to grant a waiver. A waiver granted under the paragraph shall be in writing, shall contain the reasons for the waiver and shall be filed with the Board prior to the action requiring the waiver. The portion of this paragraph allowing waivers shall be narrowly construed, in strict accordance with the standards articulated in this paragraph.~~
- (g) ~~(h)~~ No official or employee shall use or permit the use of his position to assist any relative or domestic partner in securing employment or contracts with any person over whom the employee or official exercises Contract Management Authority. ~~The Employment of a~~

relative or domestic partner of such an official or employee ~~during~~ within six months after expiration of the official's term of office or the employee's employment shall be evidence that the relative's employment was obtained in violation of this Policy. ~~The Contracting~~ with a relative or domestic partner of such an official or employee by such a person within six months before, during the term of, or within six months after the official's term of office or employment shall be evidence that the relative's or domestic partner's contract was obtained in violation of this Board Policy.

6. Economic Interest in Contracts and Board Work Prohibited for all Board Officials and Employees

- (a) No official of the Board or employee shall have a direct economic interest in his own name or in the name of any other person in any contract, work or business of the Board, or in the sale of any article, whenever the expense, price or consideration of the contract, work, business or sale is either (i) paid with funds belonging to or administered by the Board or (ii) authorized by action of the Board.
- (b) A Board member who has an indirect economic interest in the name of any person, trustee, or corporation in any contract, work, business or sale on which the Board shall be called upon to vote shall: (i) disclose such economic interest publicly at a Board Meeting prior to any vote being taken on the matter and (ii) abstain from voting on the matter.
- (c) Unless sold pursuant to a process of competitive bidding following public notice, no official or employee shall have direct economic interest in the purchase of any property that: (i) belongs to the Board, or (ii) is sold by virtue of legal process in a suit involving the Board.
- (d) This Section 6 shall not apply to Local School Council members.
- (e) ~~The Chief Executive Officer may grant waivers of compliance with paragraph (a) of this Section 6. A waiver may be granted only on the Chief Executive Officer's determination that the waiver will serve the best interests of the Board and the children in the Chicago Public Schools. In considering whether to grant a waiver, the Chief Executive Officer shall consider the following: the nature of the contract, work, business, or sale involved; the unique qualifications of the prospective Board vendor; and the nature of or extent to which the official or employee with an economic interest will exercise contract management authority over the prospective Board vendor. The Chief Executive Officer may also consider any other unique circumstances which are consistent with the best interests of the Board and the children in the Chicago Public Schools in determining whether to grant a waiver. A waiver granted under this paragraph shall be in writing, shall contain the reasons for the waiver and shall be filed with the Board prior to the transaction requiring the waiver. The portion of this paragraph allowing waivers shall be narrowly construed, in strict accordance with the standards articulated in this paragraph.~~

7. Economic Interest in Contracts and School Work Prohibited for all Local School Council Members

- (a) No Local School Council member shall have a direct or indirect economic interest, in his own name or in the name of any other person, proprietorship, partnership, trust or corporation in any contract, work or business of the school in which he serves. In addition, no Local School Council member shall have a direct or indirect economic interest in the sale, purchase or lease of any article, for which the expense, price or consideration is paid by his Local School Council or by the school in which he serves, if the member may be called upon to vote on entering into such sale, purchase or lease.

- (b) No Parent or Community Local School Council member shall receive any form or remuneration or parent stipend from his school, except that the Board of Education may provide for reimbursement of members of Local School Councils for reasonable and necessary expenses (excluding lodging or meal expenses) incurred in the performance of their duties.
- (c) A teacher representative on a Local School Council who intends to apply for the principalship of the school in which he or she serves as a council member shall abstain from voting on the question of whether the current principal's contract shall be renewed. If a teacher representative on a Local School Council votes on the question of whether the present principal's contract shall be renewed and if the Local School Council votes not to renew the contract of the present principal, the voting teacher representative shall be ineligible to apply for that vacancy. The teacher representative must resign from his Local School Council prior to the start of the selection process for the principalship. Any teacher representative who does not resign from his Local School Council prior to the start of the principal selection process shall be ineligible to apply for the position of principal at that school.

8. Employee Exercising Contract Management Authority

An employee who exercises contract management authority regarding any Board business or transaction shall not exercise such authority in connection with:

- (a) ~~(1)~~ Board business with an entity in which the employee has financial interest
- (b) ~~(2)~~ Board business with a person with whom the employee has an employment relationship;
- (c) ~~(3)~~ Board business with a person with whom the employee has a business relationship; and
- (d) ~~(4)~~ Any contract in which the employee's spouse or domestic partner has a financial interest.

9. Conflict of Interest - Improper Influence

- (a) No official or employee shall make, participate in making, or in any way attempt to use his position to influence any Board decision or action in which he knows or has reason to know that he has any direct or indirect economic interest distinguishable from that of the general public.
- (b) No Board employee shall recommend or retain or hire as a Board employee or Board vendor any person with whom the employee has a business relationship.

10. Offering, Receiving and Soliciting Gifts, Loans or Favors

- (a) No person shall give to any official or employee, or to his spouse or domestic partner or other member of his household, and none of them shall solicit or accept, any anonymous gift.
- (b) No person shall give or offer to any official, employee or Board contractor, or to his spouse or domestic partner or other member of his household, and none of them shall accept, anything of value, including, but not limited to, a gift, favor, loan 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, employee or Board contractor concerning the business of the Board would be influenced thereby. It shall be presumed that a non-monetary gift having a value of less than \$50.00 does not involve such an understanding.

- (c) No person who has a direct or indirect economic interest in a specific Board business, service or regulatory transaction shall give, directly or indirectly, to any official or employee whose decision or action may be substantially affect such transaction, or to his spouse or domestic partner or other member of his household, and none of them shall accept, any gift or loan of (i) cash or its equivalent regardless of value or (ii) an item or service other than an occasional one or nominal value (less than \$50.00); provided, however, that the items or services from any one source do not exceed a cumulative value of \$100.00 during any calendar year. ~~Nothing herein shall be construed to prohibit such official or employee, or his/her spouse, domestic partner~~ or other member of his household, from accepting gifts from relatives.
- (d) Except as prohibited in subsections (a) and (b), nothing in this Section 10 ~~X~~ shall prohibit any person from giving or receiving: (i) an award publicly presented in recognition of public service; (ii) commercially reasonable loans made in the ordinary course of the lender's business; (iii) political contributions, provided they are reported to the extent required by law; (iv) reasonable hosting, including travel and expenses, entertainment, meals or refreshments furnished in connection with public events, appearances, or ceremonies related to official Board business, if furnished by the sponsor of such public event.
- (e) Any gift given in violation of the provisions of this Section shall be turned over to the Chief ~~Fiscal~~ Financial Officer, who shall add the gift to the inventory of Board property.
- (f) Nothing in this Section 10 shall prohibit any official or employee, or his spouse or domestic partner or other member of his household, from accepting a gift on the Board's behalf; provided, however, that the person accepting the gift shall promptly report receipt of the gift to the Board and to the Chief ~~Fiscal~~ Financial Officer, who shall add it to the inventory of Board property.
- (g) Any official or employee who receives any gift or money for participating in the course of his public employment in speaking engagements, lectures, debates or organized discussion forums shall report the payment to the Board within five business days.
- ~~(h) The Chief Purchasing Officer shall appoint a standing committee that will receive and investigate violations of the Board's policy concerning the offering, receipt, and solicitation of gifts, loans or favors, and to conduct hearings regarding such violations. The committee will also be empowered to subpoena witnesses and documents, to issue recommendations for Board action, and to impose fines for violations of the Board's policy. The committee shall promulgate procedures and rules governing the performance of its duties and the exercise of its powers. The committee shall meet as often as necessary to perform its duties.~~

11. Solicitation or Receipt of Money for Advice or Assistance

No official or employee, or his spouse, domestic partner or other member of his household, 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 of business of the Board; provided, however, that nothing in this Section 11 shall prevent an official or employee or the spouse or domestic partner of an official or employee from accepting compensation for services wholly unrelated to the official's or employee's official duties and responsibilities and rendered as part of his non-Board employment, occupation or profession.

12. Secondary Employment

- (a) No employee may engage in any secondary employment that is in conflict with the duties or demands of his Board employment. Before obtaining or accepting any secondary employment that is not prohibited by the first sentence of this Section 12 ~~(b)~~ (a),

employee must notify the Ethics Officer of the following: the name and address of the secondary employer; the location of the proposed secondary employment, if different from the secondary employer's address; the nature and duties of the secondary employment; and the anticipated hours of the secondary employment. If the employee derives income from his own business or provides personal or professional services to third parties, such information, including the nature of the business or services and the approximate number of hours per month or year, as appropriate, spent on such business or service must be reported to the Ethics Officer.

- (b) No non-clerical employee of the office of the Chicago Board of Education or the office of the Board's Chief Executive Officer, ~~nor any entity in which such persons have a financial interest,~~ shall have any employment relationship with any entity other than the Board. Additionally, the following employees are precluded from all secondary employment except with the written approval of the Chief Executive Officer: all chiefs, department directors, and deputy directors; employees of the Department of Procurement and Contracts; and employees of the Office of the Inspector General and all other investigative employees. Attorneys in the Law Department are precluded from all secondary employment except with the written approval of the Board General Counsel. Attorneys in the Law Department expressly are prohibited from performing legal work for or undertaking legal representation of any entity other than the Board of Education.

13. Use or Disclosure of Confidential Information

No current or former official or employee shall use or disclose, other than in the performance of his official duties and responsibilities, or as may be required by law, confidential information gained in the course of or by reason of his position or employment. For purposes of this Section, "confidential information" means any information that may not be obtained pursuant to the Illinois Freedom of Information Act, as amended. Nothing in this Section shall limit the rights afforded to "whistle blowers" pursuant to 105 ILCS 5/34-2.4c (1995).

14. Representation of Other Persons

- (a) No official or employee may represent, or have a direct or indirect economic interest in the representation of any person other than the Board in any formal or informal proceeding or transaction before the Board or any of its committees. Nothing in this Section shall preclude any employee from performing the duties of his employment, or preclude any official from appearing without compensation before the Board or any Board committee in the course of his duties as an official.
- (b) No official or employee may have a direct or indirect economic interest in the representation of any person in any judicial or quasi-judicial proceeding before any administrative agency or court in which the Board or a Local school Council is a part and that person's interest is adverse to that of the Board or the Local School Council.

15. Contract Inducements

No payment, gratuity or offer of employment shall be made in connection with any Board or Local School Council contract by or on behalf of a subcontractor to the prime contractor or higher-tier subcontractor or any person associated therewith, as an inducement for the award of a subcontract or order. This prohibition shall be set forth in every Board contract and solicitation therefore.

16. Post-employment and Post-membership Restrictions

- (a) No former official or employee shall assist or represent any person other than the Board in any judicial or administrative proceeding involving the Board, 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 Board, 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) No former Board Member shall be eligible for employment by the Board in any capacity for a period of one year after the termination of his membership on the Board. During the same year, the Board shall not enter into any contracts or agreements for goods and/or services with the former member or any entity, other than a publicly traded corporation, employing the former member, unless the former member receives less than \$1,500 per year from the aforesaid entity.
- (d) No Local School Council member shall be eligible for any type of employment at the school at which he served as a member of the school's Local School Council, for a period of one year after the termination of his membership on said Local School Council. This paragraph (d) shall not apply to principal or teacher Local School Council members.
- (e) No former Board Member shall have any direct or indirect economic interest in any Board contract for a period of one year after the termination of his membership on the Board.
- (f) No Local School Council member shall have any direct or indirect economic interest in a contract involving the school at which he served as a Local School Council member for a period of one year after the termination of his membership on said Local School Council.
- ~~(g) The Chief Executive Officer may grant waivers of compliance with paragraph (b) of this Section 16. A waiver may be granted only on the Chief Executive Officer's determination that the waiver will not harm the Board or the children of the Chicago Public Schools. In considering whether to grant a waiver, the Chief Executive Officer shall consider the following: whether the individual seeking the waiver has left the employ of the Board voluntarily or involuntarily, including pursuant to a reduction in force; and whether there is any appearance of impropriety regarding the new employment that is the subject of the waiver. The Chief Executive Officer may also consider any other circumstances which are consistent with the best interests of the Board and the children in the Chicago Public Schools in determining whether to grant a waiver. A Waiver granted under this paragraph shall be in writing, shall contain the reasons for the waiver and shall be filed with the Board prior to the action requiring the waiver. The portion of this paragraph allowing waivers shall be narrowly construed, in order to minimize the occurrence of waivers.~~

17. Disclosures

- (a) An employee must file with the Board's Chief Purchasing Office, on a form to be provided by the Office of the Chief Purchasing Officer, any ownership interest that his or her spouse or domestic partner has in an entity that does business with the Board.
- (b) All contracts and leases to which the Board is a party shall be accompanied by a disclosure of the name and address of:
 - 1. each attorney who was retained by the Board vendor in connection with the contract or lease;
 - 2. each lobbyist who was retained by the Board vendor in connection with the contract or lease;
 - 3. each consultant who was retained by the Board vendor in connection with the contract or lease; and

4. any other person who will be paid any fee for communicating with Board employees or officials when such communications are intended to influence the issuance of the contract or lease.
- (c) The above-listed disclosures, as well as any other disclosures that must be submitted to the Board by persons entering into contracts or leases with the Board, are to be kept in a form which allows their inspection by the public or any other entity.
- (d) In order to assist candidates for public office in monitoring compliance with Chicago's ordinance which sets an upper limit of \$1,500.00 on campaign contributions by an entity that does business with the Board or has done business with the Board during the past four years, the office of the Board's Chief Purchasing Officer shall submit to the City of Chicago a list of all entities that have done business with the Board during the past four years. A revised list including this information shall be submitted to the City each month.

18. Filing of Statements of Economic Interests

All employees and Board officials must file annual Statements of Economic Interests as required by Board Rule and Policies.

19. Prohibited Political Activities

- (a) Employees shall not intentionally perform any prohibited political activity during any compensated time (other than vacation, personal, or compensatory time off). Employees shall not intentionally misappropriate any Board property or resources by engaging in any prohibited political activity for the benefit of any campaign for elective office or any political organization.
- (b) At no time shall any Board member, supervisor, or employee intentionally misappropriate the services of any employee by requiring that employee to perform any prohibited activity (i) as part of that employee's duties, (ii) as a condition of employment, or (iii) during any time off that is compensated by the Board (such as vacation, personal, or compensatory time off).
- (c) An employee shall not be required at any time to participate in any prohibited political activity in consideration for that employee being awarded any additional compensation or employee benefit, in the form of a salary adjustment, bonus, compensatory time off, continued employment, or otherwise.
- (d) An employee shall not be awarded any additional compensation or employee benefit, in the form of a salary adjustment, bonus, compensatory time off, continued employment, or otherwise, in consideration for the employee's participation in any prohibited political activity.
- (e) Nothing in this Section prohibits activities that are otherwise appropriate for an employee to engage in as a part of his or her official employment duties or activities that are undertaken by an employee on a voluntary basis as permitted by law.
- (f) 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 employment or tenure solely because he or she is a member or an officer of a political committee, or a political party, or of a political organization or club.

20. Ethics Advisor

- (a) The Chief Executive Officer, with the advice and consent of the Board of Education, shall designate an Ethics Advisor for the Board of Education. The duties of the Ethics Advisor may be delegated to an officer or employee of the Board of Education unless the position has been created as an office by the Board of Education.
- (b) The Ethics Advisor shall provide guidance to the officers and employees of the Board of Education concerning the interpretation of and compliance with the provisions of this policy and State ethics laws. The Ethics Advisor shall perform such other duties as may be delegated by the Board of Education.

21. Penalty Penalties for Violations

- (a) Any employee who violates this Board Policy shall ~~may~~ be subject to discipline, including suspension or dismissal.
- (b) Any official who violates this Board Policy may be subject to disqualification from office.
- (c) Any person found to have violated those provisions of this Policy covered by the State Officials and Employees Ethics Act, where no other penalty is specifically provided, may be referred to the appropriate prosecutorial authority and may be subject to a fine of not less than \$500.00 and not more than \$2,000.00.
- (d) Any Board contractor found to have violated any provision of this Policy may be prohibited from entering into any contract with the Board of Education for up to three years.

22. Statutory Compliance

Those covered by this policy shall abide by any and all applicable state and federal statutes that pertain to the matters addressed in this Code of Ethics.

23. 20. Effective Date

This Board Policy shall be in effect beginning ~~September 28, 1995~~ June 23, 2004, except where the above-enumerated conduct was previously prohibited by law or current or previous Board policy. Amendments to this policy take effect upon Board approval.

24. This Code of Ethics of the Chicago Board of Education supersedes Resolution 90-0117-RS2 to Prohibit Conflicts of Interests, enacted on January 17, 1990.

LSC REVIEW: N/A

AFFIRMATIVE ACTION REVIEW: N/A

FINANCIAL: ~~This action is of no cost to the Board.~~

PERSONNEL IMPLICATIONS: None

Reviewed for Consideration:



Barbara Eason-Watkins
Barbara Eason-Watkins
Chief Education Officer

Respectfully submitted:



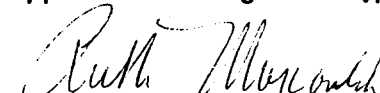
Arne Duncan
Arne Duncan
Chief Executive Officer

Noted:



John Maiorca
John Maiorca
Chief Financial Officer

Approved as to Legal Form: 



Ruth Moscovitch
Ruth Moscovitch
General Counsel