ETHICS ORDINANCE OF THE CHICAGO TRANSIT AUTHORITY

SECTION 1. DEFINITIONS

1.1 Whenever used in this Ordinance, the following terms shall have the following meanings:

(a) “Administrative action” means any decision on, or any proposal, consideration, enactment or making of any rule, regulation, or other official non-ministerial action or non-action by any department or division or any officer or employee, on any matter that is within the official jurisdiction of the Board.

(b) “Board” means the Chicago Transit Board.

(c) “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, (ii) relating to collective bargaining, or (iii) that are otherwise in furtherance of the person’s official duties.

(d) “Candidate” means a person who has filed nominating papers or petitions for nomination or election to an elected office, or who has been appointed to fill a vacancy in nomination, and who remains eligible for placement on the ballot at a regular election, as defined in Section 1-3 of the Illinois Election Code, 10 ILCS 5/1-3.

(e) “Chairman” means the Chairman of the Chicago Transit Board.

(f) “Chief Finance Officer” means the CTA executive officer who has overall responsibility for the CTA property inventory.

(g) “Collective bargaining” has the same meaning as that term is defined in Section 3 of the Illinois Public Labor Relations Act, 5 ILCS 315/3.

(h) “Compensated time” means, with respect to an employee, any time worked by or credited to the employee that counts toward any minimum work time requirement imposed as a condition of his or her employment, but for purposes of this Ordinance, does not include any designated holidays, vacation periods, personal time, compensatory time off or any period when the employee is on a leave of absence. With respect to officers or employees whose hours are not fixed, “compensated time” includes any period of time when the officer is on premises under the control of the employer and any other time when the officer or employee is executing his or her official duties, regardless of location.

(i) “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.
“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 his or her employment.

“Contract management authority” means personal involvement in or direct supervisory responsibility for the formulation or execution of a CTA contract, including, without limitation, the preparation of specifications, evaluations of bids or proposals, negotiation of contract terms or supervision of performance.

“Contribution” has the same meaning as that term is defined in Section 90-1.4 of the Election Code, 10 ILCS 5/9-1.4.

“CTA” means the Chicago Transit Authority.

“CTA Contractor” means any person (including his/her agent or employees acting within the scope of their employment) doing business with the CTA.

“Doing business” means any one or any combination of sales, purchases, leases or contracts to, from, or with the CTA in an amount in excess of $10,000.00 in any twelve consecutive months.

“Domestic partner” means qualified domestic partner as defined in Ordinance No. 99-99.

“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.”

“Employee” means a person employed by the CTA, with regard to the material details of how the work is to be performed, but does not include an independent contractor or Chicago Transit Board members.

“Ethics Committee” means the committee formed pursuant to Section 4 of this Ordinance.

“Ethics Ordinance” means this Ethics Ordinance adopted pursuant to Board Ordinance No. 009-115.

“Expenditure” means a payment, distribution, loan, advance, deposit, or gift of money or anything of value.

“Financial interest” means (i) any interest as a result of which a person currently receives or is entitled to receive in the future more than $2,500.00 per calendar year; (ii) any interest with a cost or present value of $5,000.00 or more; or (iii) any interest representing, or resulting from ownership of, 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. Financial interest, for purposes of clauses (i) and (ii) of this subsection, shall not include (a) any interest of the spouse or domestic
partner of an officer 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 officer or employee for his office or employment; (d) any economic benefit provided equally to all residents of the CTA service area; (e) a time or demand deposit in a financial institution; and (f) an endowment or insurance policy or annuity contract purchased from an insurance company.

(w) “Gift” means any gratuity, discount, entertainment, hospitality, loan, forbearance, or other tangible or intangible item having monetary value including, but not limited to, cash, food and drink, and honoraria for speaking engagements related to or attributable to government employment or the official position of an officer or employee.

(x) “Immediate family member” means mother, father, grandmother, grandfather, grandchildren, brother, and sister.

(y) “Inspector General” means an office of the CTA created by the Board pursuant to CTA Ordinance 99-173, as amended from time to time.

(z) “Leave of absence” means any period during which an employee does not receive (i) compensation for employment, (ii) service credit towards pension benefits, and (iii) health insurance benefits paid for by the employer.

(aa) “Legislation” means any ordinance, resolution, amendment, nomination, report or any other matter pending or proposed in the Board or a committee or other subdivision thereof, including any other matter which may be the subject of Board action.

(bb) “Legislative action” means the introduction, sponsorship, consideration, debate, amendment, passage, defeat, approval, veto or other official action or non-action on any ordinance, resolution, motion, order, appointment, application or other matter pending or proposed in the Board or any committee or subcommittee thereof.

(cc) “Officer” means a person who holds, by election or appointment, an office created by statute or ordinance, regardless of whether the officer is compensated for service in his or her official capacity, including any person appointed to the Board.

(dd) “Organizational conflict of interest” means that because of other activities, relationships, or contracts, a contractor is unable, or potentially unable, to render impartial assistance or advice to the CTA, a contractor's objectivity in performing the contract work is or might be otherwise impaired, or that a contractor has an unfair competitive advantage.

(ee) “Person” means any individual, entity, corporation, partnership, firm, association, affiliate, union, trust, or estate, as well as any parent or subsidiary of any of the foregoing, whether or not operated for profit.
“Political activity” means any activity in support of or in connection with any campaign for elective office or any political organization, but does not include activities (i) relating to the support or opposition of any executive, legislative, or administrative action; (ii) relating to collective bargaining; or (iii) that are otherwise in furtherance of the person’s official duties.

“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 fund, political party, candidate, organization, political action committee, or other entity.

“Political organization” means a party, committee, association, fund, or other organization (whether or not incorporated) that is required to file a statement of organization with the State Board of Elections or a county clerk under Section 9-3 of the Illinois Election Code, 10 ILCS 5/9-3, but only with regard to those activities that require filing with the State Board of Elections or a county clerk.

“President” means the President of the CTA pursuant to Board ordinance no. 92-66, as amended from time to time.

“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 and consulting.

“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 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 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 any 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; and

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

(II) “Prohibited source” means any person or entity who:

(1) is seeking administrative or legislative action (i) by an officer or (ii) by an employee, or by the officer or another employee directing that employee;

(2) does business or seeks to do business (i) with the officer or (ii) with an employee, or with the officer or another employee directing that employee;

(3) conducts activities regulated (i) by the officer or (ii) by an employee, or by the officer or another employee directing that employee; or

(4) has interests that may be substantially affected by the performance or non-performance of the official duties of the officer or employee.
“Relative” means a person who is related to an officer or employee as spouse or domestic partner or as any of the following, whether by blood or by adoption: parent, child, brother or sister, aunt or uncle, great aunt, great uncle, first cousin, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, sister-in-law, brother-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister, half-brother or half-sister and includes the grandfather or grandmother of the person’s spouse and the person’s fiancé or fiancée.

“Seeking to do business” means (1) taking any action within the past six months to obtain a contract with or business from the CTA when, if such action were successful, it would result in the person's doing business with the CTA; and (2) the contract or business sought has not been awarded to any person.
ETHICS ORDINANCE OF THE CHICAGO TRANSIT AUTHORITY

SECTION 2. CODE OF CONDUCT

2.1 Appearance of Impropriety.

Officers and employees have a special relationship of trust with the public and therefore must conduct themselves so as to avoid the appearance that they are violating the provisions of the Ethics Ordinance. Whether particular circumstances create an appearance that these standards have been violated shall be determined from the perspective of a reasonable person with knowledge of the relevant facts.

2.2 Fiduciary Duty.

Officers and employees owe a fiduciary duty to the CTA at all times in the performance of their public duties.

2.3 Improper Influence.

(a) No officer or employee shall make, participate in making or in any way attempt to use his/her position to influence any CTA decision or action in which he/she knows or has reason to know that he/she has an economic interest distinguishable from that of the general public.

(b) Beginning when the Purchasing Department issues an invitation for bid, request for proposal or letter of interest and qualification, and ending when the Purchasing Department makes the contract award recommendation, no employee or officer shall communicate with any other employee or officer, or any person acting on behalf of such employee or officer, when that communication will potentially or is intended in any manner to influence the award of the contract or provide a potential vendor with an unfair advantage, including, but not limited to, the identity of the bidders or the amounts of the bids. Other communications with respect to the procurement, including, but not limited to, the correction of errors in a procurement document, are not prohibited, but must be in writing (by electronic or other means). The requirement that communications must be in writing is not intended to apply to communications between officers or employees that occur in the normal course of bid evaluation or negotiation, or to communications between officers or employees and a CTA attorney seeking or providing legal advice.

(c) Any person found to be in violation of this section shall be subject to a fine in the amount of $300 and discipline or censure.

2.4 Gift Ban.

(a) Except as permitted by this Article, no officer or employee, and no spouse or domestic partner or immediate family member living with any officer or employee (collectively referred to herein as “recipients”), shall intentionally solicit or accept any gift from any prohibited source, as defined herein, or which is otherwise prohibited by law or ordinance. No prohibited source shall intentionally offer or make a gift that violates this Section.
(b) Exceptions. Section 2.4 (a) is not applicable to the following:

(1) Opportunities, benefits, and services that are available on the same conditions as for the general public;

(2) Anything for which the officer or employee, or his or her spouse, domestic partner or immediate family member, pays the fair market value;

(3) Any contribution that is lawfully made under the Election Code or activities associated with a fundraising event in support of a political organization or candidate;

(4) Educational materials and missions;

(5) Travel expenses for a meeting to discuss CTA business;

(6) A gift from a relative;

(7) Anything provided by an individual on the basis of a personal friendship unless the recipient has reason to believe that, under the circumstances, the gift was provided because of the official position or employment of recipient or his or her spouse, domestic partner or immediate family member and not because of the personal friendship. In determining whether a gift is provided on the basis of personal friendship, the recipient shall consider the circumstances under which the gift was offered, such as:

   (A) the history of the relationship between the individual giving the gift and the recipient of the gift, including any previous exchange of gifts between those individuals;

   (B) whether to the actual knowledge of the recipient the individual who gave the gift personally paid for the gift or sought a tax deduction or business reimbursement for the gift; and

   (C) whether to the actual knowledge of the recipient the individual who gave the gift also at the same time gave the same or similar gifts to other officers or employees or their spouses or immediate family members;

(8) Food or refreshments not exceeding $50.00 per person in value on a single calendar day; provided that the food or refreshments are (A) consumed on the premises from which they were purchased or prepared or (B) catered. For the purposes of this Section, “catered” means food or refreshments that are purchased ready to eat and delivered by any means;

(9) Food refreshments, lodging, transportation, and other benefits resulting from the outside business or approved secondary employment activities (or outside activities that are not connected to the duties of the officer or
employee) if the benefits have not been offered or enhanced because of the official position or employment of the officer or employee and are customarily provided to others in similar circumstances;

(10) Intra-governmental and inter-governmental gifts. For purposes of this Section, “intra-governmental gift” means any gift given to an officer or employee by another officer or employee and “inter-governmental gift” means any gift given to an officer or employee by an officer or employee of another governmental entity;

(11) Bequests, inheritances, and other transfers at death; and

(12) Any item or items from any one prohibited source during any calendar year having a cumulative total value of less than $100.00.

Each of the exceptions listed in this Section is mutually exclusive and independent of any other.

(c) **Disposition of gifts.** An officer or employee, his or her spouse or domestic partner or an immediate family member living with the officer or employee, does not violate this Section if the officer or employee promptly takes reasonable action to return a gift from a prohibited source to its source or gives the gift or an amount equal to its value to an appropriate charity that is exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as now or hereafter amended, renumbered, or succeeded.

(d) Nothing in this section shall prohibit any officer or employee, or the spouse, domestic partner or minor child of any of them, or any immediate family member residing with the officer or employee, from accepting a gift on the CTA's behalf; provided, however, the person accepting the gift shall promptly report receipt of the gift to the Ethics Committee and to the Chief Finance Officer, who shall add it to the inventory of CTA property.

(e) Any officer 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 it to the Ethics Committee within five business days.

2.5 **Solicitation Or Receipt of Money For Advice Or Assistance.**

No officer or employee, or the spouse, domestic partner or minor child of any of them, or any immediate family member residing with the officer 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 CTA; provided, however, that nothing in this Section shall prevent an officer or employee or the spouse or domestic partner of an officer or employee from accepting compensation for services wholly unrelated to the officer's or employee's CTA duties and responsibilities and rendered as part of an approved non-CTA employment, occupation or profession.
2.6 **CTA Owned Property.**

No officer, employee, or CTA Contractor shall engage in or permit the unauthorized use of CTA-owned property.

2.7 **Use Or Disclosure of Confidential Information.**

No current or former officer or employee shall use or disclose other than in the performance of his/her official duties and responsibilities, or as may be required by law, confidential information gained in the course of or by reason of his/her CTA 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.

2.8 **Conflicts Of Interest.**

(a) No officer or employee shall make or participate in the making of any CTA decision with respect to any matter in which he/she has any economic interest distinguishable from that of the general public.

(b) No officer or employee who holds the title of Manager or above, or relative of such person, shall make, have or hold any interest in any entity in which such person is able through their duties to affect or influence the past, present or future financial condition of the entity, either doing or seeking to do business with CTA.

(c) Any officer who has any economic interest distinguishable from that of the general public in any matter pending before the Board or any Board committee shall publicly disclose the nature and extent of such interest or business relationship on the records of proceedings of the Board, and shall also notify the Ethics Committee of such interest within 72 hours of delivery by the Secretary to the member, of the introduction of any ordinance, resolution, order or other matter in the Board, or as soon thereafter as the officer is or should be aware of such potential conflict of interest. The Ethics Committee shall make such disclosures available for public inspection and copying immediately upon receipt. The officer 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 officer is or should be aware of such potential conflict.

(d) Any officer or employee who has a financial interest in any matter pending before the CTA shall disclose the nature of such interest to the Ethics Committee and, if the matter is pending in his/her own division/department, to the head of that division or department or, in the case of a division or department head, to the President or CTA Chairman as applicable.

In the case of officers, all disclosures shall be made in writing to the Ethics Committee. The obligation to report under this subsection arises as soon as the officer or employee is or reasonably should be aware of the pendency of the matter. This subsection does not apply to applications for health, disability or worker’s compensation benefits.

(e) No officer or employee shall participate directly or indirectly in the selection, award or administration of a CTA contract if a real or apparent conflict of interest exists. Such a
conflict would arise when any of the following persons has a financial or economic interest in the entity selected for award: (a) an officer, employee, or their agent, partner, associate or affiliate; (b) a relative of the officer or employee; or (c) an organization that employs, or intends to employ, any of the above.

(f) Any officer or employee who becomes aware of an actual or apparent conflict of interest or an organizational conflict of interest shall report such conflict to the Ethics Committee or, if the matter is pending in his/her own division/department, to the head of that division or department or, in the case of a division or department head, to the President or CTA Chairman, as applicable. The obligation to report under this subsection arises as soon as the officer or employee is or reasonably should be aware of the pendency of the matter.

2.9 Representation Of Other Persons.

(a) No officer or employee may represent, or have an economic interest in the representation of, any person other than the CTA in any formal or informal proceeding or transaction with the CTA in which the CTA’s action or non-action is of a non-ministerial nature, provided that nothing in this subsection shall preclude any officer or employee from performing the duties of his/her CTA employment.

(b) No officer or employee may have an economic interest in the representation of any person in any judicial or quasi-judicial proceeding before any administrative agency or court in which the CTA is a party and that person's interest is adverse to that of the CTA, or in any judicial or quasi-judicial proceeding before any administrative agency or court in which the CTA may be liable for the judgment or may be obligated to indemnify any of the parties.

2.10 Outside Employment

Employees are not permitted to engage directly or indirectly in any other business or employment without prior written permission of the Authority.

2.11 Post-Employment Restrictions.

(a) No former officer or employee shall assist or represent any person other than the CTA in any judicial or administrative proceeding involving CTA or any of its divisions for a period of one year after the termination of the officer’s or employee’s term of office or employment. If the officer or employee was counsel of record or participated personally and substantially in the proceeding during his/her term of office or employment, the ban contained within this section shall be permanent as to any such proceeding.

(b) No former officer or employee shall, for a period of one year after the termination of the officer's or employee's term of office or employment, assist or represent any person in any matter involving the CTA if the officer or employee participated personally and substantially in the same subject matter, work or function during his term of office or employment; provided, that if the officer or employee exercised contract management authority with respect to a contract this prohibition shall be permanent as to that contract.
(c) The provisions of subsection (b) do not apply to any former officer or employee who is acting within the scope of his/her employment while employed by any other governmental unit.

2.12 Interest in CTA Business.

(a) No officer or employee shall have a financial interest in his/her own name or in the name of any person in any contract, work or business of the CTA, or in the sale of any article, whenever the expense, price or consideration of the contract, work, business or sale is paid with funds belonging to or administered by the CTA, or is authorized by Board ordinance.

(b) Compensation for property taken pursuant to the CTA's eminent domain power shall not constitute a financial interest within the meaning of this Section.

(c) Unless sold pursuant to a process of competitive bidding following public notice, no officer or employee shall have a financial interest in the purchase of any property that (i) belongs to the CTA, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the CTA.

2.13 Prohibited conduct.

(a) No officer or employee or the spouse or domestic partner of such officer or employee, or any entity in which such officer or employee or his or her spouse or domestic partner has a financial interest, shall apply for, solicit, accept or receive a loan of any amount from any person who is either doing business or seeking to do business with the CTA; provided, however, that nothing in this section prohibits application for, solicitation for, acceptance of or receipt of a loan from a financial lending institution, if the loan is negotiated at arm's length and is made at a market rate in the ordinary course of the lender's business. This subsection shall not apply to an entity in which the only financial interest of the officer or employee or his or her spouse or domestic partner is related to the spouse’s or domestic partner’s independent occupation, profession or employment.

(b) No officer, or the head of any CTA department, shall knowingly retain or hire as a CTA employee or CTA contractor any person with whom any officer has a business relationship.

2.14 Nepotism.

(a) No officer or employee shall employ, advocate for employment, or supervise, in any CTA department in which said officer or employee serves or over which he/she exercises authority, supervision, or control, any person

(i) who is a relative of said officer or employee, or

(ii) in exchange for or in consideration of the employment of any of said officer’s or employee’s relatives by any other office or employee.

(b) An officer or employee does not violate this section when a relative exercises his or her rights under a collective bargaining agreement and thereby becomes employed in a CTA
department in which said officer or employee serves or over which he or she exercises authority, supervision or control, if:

(i) the officer or employee promptly discloses the existence of the relationship to his or her supervisor; and

(ii) the officer or employee refrains from having any personal involvement in the review or approval of any terms or conditions of the relative’s employment; and

(iii) management makes reasonable efforts to ensure that the officer or employee shall not exercise authority, supervision or control over said relative.

(c) No officer or employee shall exercise contract management authority where any relative of the officer or employee is employed by or has contracts with persons doing CTA work over which the CTA officer or employee has or exercises contract management authority if a relative of the officer or employee will perform any part of the contract, or will derive an economic benefit from the contract, or if any relative exercises contract management authority over the contract.

(d) No officer or employee shall use or permit the use of his position to assist any relative in securing employment or contracts with persons over whom the employee or officer exercises contract management authority. The employment of or contracting with a relative of such an officer or employee by such a person within six months prior to, during the term of, or six months subsequent to the period of a CTA contract shall create a rebuttable presumption that said employment or contract was obtained in violation of this Ordinance.

2.15 Prohibited political activities.

(a) No officer or employee shall intentionally perform any prohibited political activity during any compensated time, as defined herein. No officer or employee shall intentionally misappropriate any CTA property or resources by engaging in any prohibited political activity.

(b) At no time shall any officer or employee intentionally require any other officer or employee to perform any prohibited political activity (i) as part of that officer’s or employee’s duties, (ii) as a condition of employment, or (iii) during any compensated time off (such as holidays, vacation or personal time off).

(c) No officer or employee shall be required at any time to participate in any prohibited political activity in consideration for that officer or employee being awarded additional compensation or any benefit, whether in the form of a salary adjustment, bonus, compensatory time off, continued employment or otherwise, nor shall any officer or employee be awarded additional compensation or any benefit in consideration for his or her participation in any prohibited political activity.

(d) An officer or 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 officer’s or employee’s participation in any prohibited political activity.

    (e) Nothing in this Section prohibits activities that are permissible for an officer or employee to engage in as a part of his or her official duties or activities that are undertaken by an officer or employee on a voluntary basis as permitted by law and this Ordinance.

    (f) No person either (i) in a position that is subject to recognized merit principles 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.

    (g) The Hatch Act, 5 U.S.C. §1501 et. seq., restricts the political activity of officers and employees in that they may not: (i) be candidates for public office in a partisan election; (ii) use official authority or influence for the purpose of interfering with or affecting the results of any election or a nomination for office; or (iii) directly or indirectly coerce contributions from subordinates in support of a political party or candidate. CTA officers and employees must abide by the Hatch Act.

    (h) No employee with contract management authority shall serve on any political fundraising committee.

2.16 Contract inducement.

    No payment, gratuity, political campaign contribution or offer of employment shall be made in connection with any CTA 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.

2.17 Ethics education seminar.

    All officers, all employees holding the position of manager or above and all persons in positions identified by the Ethics Committee shall attend an ethics education seminar approved within 120 days of the effective date of this Ordinance and every four years thereafter. The seminar shall educate persons as to their duties and responsibilities under this Ordinance. Any such officer or employee who fails to comply with this Section shall be subject to a $300.00 fine.

2.18 Prohibition on serving on board.

    A person, his or her spouse or domestic partner, and any immediate family member living with that person is ineligible to serve on the Chicago Transit Board if (a) that person is entitled to receive more than 7 ½% of the total distributable income under a State contract other than an employment contract; or (b) that person, his or her spouse or domestic partner, or any immediate family member living with that person is entitled to receive more than 15% in the aggregate of the total distributable income under a State contract.
ETHICS ORDINANCE OF THE CHICAGO TRANSIT AUTHORITY

SECTION 3. FINANCIAL DISCLOSURE

3.1 Statements Of Financial Interests.

(a) For purposes of this Section, the following persons shall be referred to as “reporting individuals”:

(i) each official, and  
(ii) each employee who is required to file a disclosure of economic interest pursuant to the Illinois Governmental Ethics Act, 5 ILCS 420/4A-101, et seq.

(b) Each reporting individual shall file by May 1 of each year a verified written statement of financial interests in accordance with the provisions of this Section unless he has already filed a statement in that calendar year.

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

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

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

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

(d) The Human Resources Department, the office of the Chief Finance Officer and the office of the President shall cooperate with the Ethics Committee in notifying persons listed in subdivisions (ii) and (iii) of subsection (c) of this Section of their obligation to file statements of financial interests and in effecting the filing of such statements.

(e) No officer or employee shall be allowed to enter or continue his/her duties, nor shall he/she receive compensation from the CTA, unless he/she has filed a Statement of Financial Interests with the Ethics Committee as required by this Ordinance.

3.2 Content of Statements.

Statements of Financial Interests shall contain the following information:

(a) The name, address, and type of any professional, business or other organization (other than CTA) in which the reporting individual was an officer, director, associate, partner, proprietor or employee, or served in any advisory or consulting capacity, and from which any income in excess of $2,500.00 was derived during the preceding calendar year.

(b) 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, and the name and nature of the person or entity (other than the CTA) to whom or to which such services were rendered if, during the preceding calendar year, (1) compensation in excess of $5,000 was received for professional or other services by the reporting individual, or by such reporting 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 (2) the person or entity was doing business with the CTA, or with any of its sister agencies.

(c) The identity of any capital asset, including the address or legal description of real estate, from which the reporting individual realized capital gain of $5,000.00 or more in the preceding calendar year, other than the sale of the reporting individual’s principal place of residence.

(d) The name of any unit of government other than CTA which employed the reporting individual during the preceding calendar year.

(e) 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, but not including gifts from relatives.

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

(g) The identity of any financial interest in CTA owned real estate, 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.

(h) The name of, and the nature of the CTA action requested by, any person who has applied to the CTA for any license or franchise during the preceding calendar year if the reporting individual has a financial interest in such person.

(i) The name of any person or entity doing business with CTA with whom the reporting individual had an financial interest during the preceding calendar year, and the title or description of any position held by the reporting individual in such person.

(j) 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 CTA 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 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.
3.3 **Form For Statement Of Financial Interests.**

The statement of financial interests required to be filed with the Ethics Committee shall be completed by typewriting or hand printing, and shall be verified, dated, and signed by the reporting individual personally. It shall be submitted on a form prescribed by the Ethics Committee.

3.4 **Statements Of Financial Interest.**

(a) Not later than February 1 of each year, the Secretary of the CTA shall certify to the Ethics Committee a list (current as of January 1 of the year of filing) of the names and mailing addresses of the persons described in section 3.1 who are required to file a statement of financial interests (“reporting individual”). In preparing this list, the Secretary shall set out the names in alphabetical order and shall file a copy of the list with the Ethics Committee. Not less than thirty (30) days before the due date for filing statements of financial interests, the Secretary shall certify to the Ethics Committee a supplemental list of those persons described in Section 3.1 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 Ethics Committee.

(b) Not later than March 1 of each year, the Ethics Committee shall in writing notify all persons required to file statements of financial interests under this Section. Notice shall be by personal delivery or mail. The Ethics Committee may effect personal delivery of such notices by delivering the notices to the various department heads of the CTA for distribution to employees. Department heads shall notify the Ethics Committee of those employees who have not been served with such notice by April 1. The Ethics Committee shall then take appropriate steps to notify such persons by mail of the filing requirements. Employees shall be notified by mail at the last known address for them appearing in CTA records.

(c) The Ethics Committee shall deliver a receipt to each person who files a statement under this Section, indicating that the person has filed such statement and the date of such filing.

(d) All statements of financial interests shall be available for examination and duplication by the public in the office of the Ethics Committee during the regular business hours of CTA, except as otherwise provided by law. Each person examining or requesting duplication of a statement of financial interests must first complete a request form prepared by the Ethics Committee. The request form shall include the name, occupation, employer, address, and telephone number of the examiner as well as the date of and reasons for such examination or duplication. A separate request form must be completed for each statement of financial interests to be examined. Requests for the examination or duplication of a statement of financial interests shall be filled as soon as is practicable. Request forms shall be available in the office of the Ethics Committee.

The Ethics Committee shall promptly notify each person required to file a statement of financial interests of each examination or duplication of his/her statement by sending to such person a copy of the completed request form. Costs of duplicating the statement of financial interests shall be paid by the person requesting duplication.
(e) No person shall use for any commercial purpose information contained or copied from statements of financial interests required to be filed by this Ordinance or from lists compiled from such statements.

Section 3.5 Failure To File Statement By Deadline.

(a) If any person who is required to file a statement of financial interest by May 1st of any year fails to file such a statement, the Ethics Committee shall by May 15th, notify such person by certified mail of his failure to file by the specified date. Such person shall file his statement on or before May 31st, along with a late filing fee of $30.00. Any person who fails to file his statement on or before May 31 shall be subject to a fine of $10.00 per day until the statement is filed, up to a maximum of $100.00. Failure to file by May 31st shall constitute a violation of this chapter, except as provided in subsection (c).

(b) 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 of the obligation to file and shall file his/her statement at any time on or before May 31st without penalty. If such person fails to file such statement by May 31st, the Ethics Committee shall, within seven days after May 31st, notify such person by certified mail of his failure to file by the specified date. Such person shall file his statement of financial interests on or before June 15th, along with a late filing fee of $30.00, with the Ethics Committee. Failure to file by June 15th 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 affect one 30-day extension of time for filing the statement by filing with the Ethics Committee not less than 10 days before the date on which the statement is due, a declaration of his/her 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. A declaration of intention to defer filing is considered filed upon receipt by the Ethics Committee.

3.6 Certification of Familiarity With Ethics Ordinance.

Every officer or employee, at the time he/she is hired, appointed or promoted to a position qualifying him/her as a reporting individual, or upon the publication of any amendment to the Ordinance, shall certify that he/she has read and understands the Ordinance.
ETHICS ORDINANCE OF THE CHICAGO TRANSIT AUTHORITY

SECTION 4. ETHICS COMMITTEE

4.1 Appointment Of Members.

(a) There is hereby created and established the Ethics Committee. The Committee shall consist of three members appointed by the Chairman with the advice and consent of the Board. Members of the Committee shall:

(i) reside within the CTA service area as defined by Section 3 of the Metropolitan Transit Authority Act;

(ii) not hold other elected or appointed public or political party office, nor endorse or engage in any political or campaign activity on behalf of any candidate for public office;

(iii) not be an officer or employee of CTA or a relative of an officer or employee of the CTA; and

(iv) have no economic interest in any work or business of or official action by CTA or any other governmental agency within the jurisdiction of the State of Illinois, County of Cook, or City of Chicago.

One member of the Committee must be an attorney licensed to practice law in the State of Illinois.

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

4.2 Chair and Vice-Chair.

The Ethics Committee Chair and Vice-Chair shall be designated by the Chairman. The Chair and Vice Chair shall serve in that capacity for a term of one year.

4.3 Removal Of Members.

The Chairman, with the advice and consent of the Board, may remove any member of the Ethics Committee for incompetency, substantial neglect of duty, gross misconduct or malfeasance in office, or violation of any law, after written notice stating with particularity the grounds for removal, and an opportunity for the member to respond.
4.4 Meetings.

Unless otherwise determined by its members, the Committee shall meet quarterly at a regularly scheduled date and time determined by the Committee. Any member may administer oaths and receive testimony from witnesses at a meeting of the Committee. Two members of the Committee shall constitute a quorum. A majority vote of the total membership shall be necessary to take any action. A meeting shall be closed to the public to the extent authorized by the Open Meetings Act.

4.5 Records.

The Ethics Committee 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. The Ethics Committee shall also keep records of its investigations and other official actions. Every rule, regulation, amendment, order, requirement, decision, or determination of the Ethics Committee shall be filed in the office of the Ethics Committee.

4.6 Compensation.

Ethics Committee members shall receive no compensation for their services, but each Ethics Committee member may be reimbursed for expenses reasonably incurred in the performance of Ethics Committee duties.

4.7 Powers And Duties.

In addition to other powers and duties specifically mentioned in this Section, the Ethics Committee shall have the following powers and duties:

(a) to initiate and to receive complaints of violations of any of the provisions of this Ordinance and to investigate to act upon such complaints as provided by this Ordinance and to impose fines, assess penalties and refer violations of this Ordinance to the appropriate attorney for prosecution;

(b) to conduct investigations, inquiries, and hearings concerning any matter covered by this Ordinance, subject to the limitations expressed in the preceding subsection, and to certify its own acts and records. The Ethics Committee may exercise appropriate discretion in determining whether to investigate and whether to act upon any particular complaint or conduct. When the Ethics Committee determines that assistance is needed in conducting investigations, or when required by law, the Ethics Committee shall request the assistance of other appropriate agencies;

(c) to issue subpoenas, upon a showing of good cause, at the request of the person under investigation or on its own motion, when conducting an investigation authorized in accordance with this chapter, if (i) the Ethics Committee has a reasonable belief that a violation of the ethics ordinance has occurred and the party to whom the subpoena is to be issued has previously failed to respond to a written request for the production of documents and/or testimony within seven days of the receipt of said written request; and (ii) the testimony of the witness or the documents or items sought by the subpoena are relevant to the investigation;
(d) to require the cooperation of CTA divisions or departments, officers, employees and other persons whose conduct is regulated by this Ordinance in investigating alleged violations of this Ordinance. Information reasonably related to an investigation shall be made available to the Ethics Committee by such persons on written request;

(f) to recommend to the Chairman and the President such action as it may deem appropriate to effectuate the implementation of this Ordinance;

(g) to conduct research in the field of governmental ethics and establish and carry out such educational programs as it deems necessary to effectuate the policy and purpose of this Ordinance;

(h) to promulgate rules for the conduct of Ethics Committee activities, including procedural rules consistent with the requirements of due process of law. No such rules and regulations shall become effective until approved by the Board;

(i) to prescribe forms for the disclosure and registration of information as provided in this Ordinance;

(j) to prepare and publish at least annually, reports summarizing the Ethics Committee’s activities and to present such report to the Chairman and President; and

(k) to render written advisory opinions with respect to the provisions of this Ordinance based upon a real or hypothetical set of circumstances when requested in writing by an officer 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 opinion shall be confidential; and

(l) to prescribe the form of the statement of financial interests.

4.8 Action On Complaints And Investigations.

(a) Prior to the conclusion of an investigation, the Ethics Committee shall give the person under investigation notice of the substance of the complaint and an opportunity to present such written information as the person may desire, including the names of any witnesses the person wishes to have interviewed by the Ethics Committee.

(b) At the conclusion of an investigation, the Ethics Committee shall prepare a written report, including a summary of its investigation, a complete transcript of any proceeding including but not limited to any testimony heard by the Ethics Committee, to be duly recorded by a qualified reporter, and including recommendations for such administrative or legal action as it deems appropriate. The Ethics Committee 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 Ethics Committee has suspended its investigation in accordance with Section 4.11 shall not be counted towards the one year period. If the Ethics Committee determines that the complaint is not sustained, it shall so state in its report and so notify the person investigated and any other person whom the Ethics Committee has informed of the investigation. If the person
investigated is an employee and the Ethics Committee finds that corrective action should be taken, the Ethics Committee shall send its report to the Chairman and the President. If the person investigated is the President or an officer, and the Ethics Committee finds that corrective action should be taken, the Ethics Committee shall send its report to the Chairman. In all instances the Ethics Committee shall also send its report to the General Counsel.

A person to whom the Ethics Committee has transmitted a recommendation for action shall, within 30 days of receipt of the recommendation, report to the Ethics Committee in writing the actions taken on the recommendation and, to the extent that the person declines to take any recommended action, provide a statement of reasons for his decision.

(c) Nothing this section shall preclude the Committee from notifying a person, prior to or during an investigation, that a complaint against him/her is pending and, where appropriate, recommending to him/her corrective action; provided, however, that any such notification and recommendation shall be made in writing and a copy thereof shall be transmitted contemporaneously by the Committee to the Chairman, President and General Counsel.

4.9 Confidentiality.

Complaints to the Ethics Committee and investigations and recommendations thereon shall be confidential, except as necessary to carry out powers and duties of the Ethics Committee or to enable another person or agency to consider and act upon the notices and recommendations of the Committee; provided that, without identifying the person complained against or the specific transaction, the Ethics Committee may (a) comment publicly on the disposition of its requests and recommendations and (b) publish summary opinions to inform CTA personnel and the public about the interpretations of provisions of this Ordinance.

4.10 Disclosure of confidential information.

(a) If, by a vote of the majority of its members, the Ethics Committee determines that one of its members has publicly disclosed any information relating to an investigation or findings under this chapter, unless such disclosure is otherwise permitted under this Ordinance, the Ethics Committee may recommend to the Chairman that such member be removed from the Committee. Removal shall occur upon recommendation by the Chairman and approval of an appropriate resolution by the Board.

(b) Any employee of the Ethics Committee, or other CTA employee, who is found to have publicly disclosed any information relating to an investigation or findings under this chapter, unless such disclosure is otherwise permitted under this chapter, shall be subject to employment sanctions, including dismissal from CTA or Committee employment.

4.11 Investigation by other agencies.

(a) If the Ethics Committee is reliably informed that a matter under investigation is also a matter under investigation by a law enforcement agency or the CTA’s Office of the Inspector General, the Ethics Committee shall suspend its investigation. The Ethics Committee may reinstate its investigation upon the conclusion of the investigation by the law enforcement agency.
(b) If the Ethics Committee has a reasonable basis for concluding that an investigation has revealed criminal conduct, the Ethics Committee shall refer the matter to the appropriate law enforcement authority.

4.12 Statute of limitations on investigations.

The Ethics Committee shall have authority to investigate a complaint against an officer or employee of the CTA that alleges a violation of this Ordinance which occurred not more than two years prior to the date of the complaint.

4.13 Ethics Advisor.

The General Counsel shall appoint from within the Law Department an Ethics Advisor to provide officers and employees with advice concerning the interpretation of and compliance with this Ordinance and state ethics laws and refer matters to the Ethics Committee when Committee advice is needed, in addition to his or her other duties.
ETHICS ORDINANCE OF THE CHICAGO TRANSIT AUTHORITY

SECTION 5. PENALTIES FOR VIOLATION

5.1 Sanctions.

(a) Any employee found to have violated any of the provisions of this Ordinance, or who intentionally files a false or misleading statement of financial interest, or who furnishes false or misleading information to the Ethics Committee with the intent to mislead or otherwise violates any provision of this Ordinance shall be subject to employment sanctions, including discharge, in accordance with procedures under which the employee may otherwise be disciplined.

(b) Any officer who intentionally files a false or misleading statement of financial interests, or knowingly fails to file a statement within the time prescribed in this Ordinance, or furnishes false or misleading information to the Committee with the intent to mislead or otherwise violates any provision of this Ordinance, shall be subject to removal from office as permitted by section 21 of the Metropolitan Transit Authority Act or other applicable law.

(c) Any CTA contractor found to have violated any provision of this Ordinance may be subject to suspension and/or debarment from CTA contracts.

5.2 Penalties.

(a) Any person found to have violated any provision of this Ordinance, where no other penalty is specifically provided, or of furnishing false, misleading or incomplete information to the Ethics Committee with the intent to mislead, shall be subject to a fine up to the amount permitted by law.

(b) In addition to the fines available under Subsection (a), a person who intentionally violates any provision of Section 2.15 of this Ordinance may be punished by a term of incarceration in a penal institution other than a penitentiary for a period of not more than 364 days. A violation of Section 2.15 shall be subject to criminal prosecution.

(c) In addition to the fines available under Subsection (a), violation of Section 2.4 of this Ordinance may be prosecuted as a quasi-criminal offense by an attorney for the CTA, or, if an Ethics Committee has been created, by the Committee through the designated administrative procedure.

(d) In addition to any other penalty that may be applicable, whether criminal or civil, an officer or employee who intentionally violates any provision of this Ordinance is subject to discipline up to and including discharge.
5.3 **Invalid Actions.**

All CTA contracts shall include a provision requiring compliance with this Ordinance. Any contract negotiated, entered into, or performed in violation of any of the provisions of this Ordinance shall be voidable as to CTA. Any permit, license, ruling, determination, or other official action of the CTA applied for or in any other manner sought, obtained or undertaken in violation of any provisions of this Ordinance shall be invalid and without any force or effect whatsoever.

5.4 **Other Remedies.**

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

5.5 **Relationship To Other Laws.**

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

5.6 **Sanctions Applicable to Ethics Committee.**

Any member of the Committee who knowingly violates Section 4.9 (Confidentiality) shall be subject to the penalties indicated in Section 5.2.

5.7 **Severability.**

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 intent of the CTA that this Ordinance would have been adopted had any such unconstitutional or otherwise invalid provision or application not been included.
6.1 Effective Date.

This Ordinance shall be in full force and effect in accordance with the provisions of the Metropolitan Transit Authority Act, 70 ILCS 3605/31.