

Village of Orland Park

Prohibited Activities of Board Members

Purpose of an Ethics Code



- ENSURE OFFICIALS
ACT FOR THE
BENEFIT OF
CITIZENS



- PROMOTE
INTEGRITY,
IMPARTIALITY, AND
TRANSPARENCY



- PREVENT
PERSONAL GAIN
FROM INFLUENCING
DECISIONS



- SUPPLEMENT
STATE LAW
REQUIREMENTS (65
ILCS, 50 ILCS)

Conflicts of Interest

65 ILCS 5/3.1-55-10, 65 ILCS 5/4-8-6, and 50 ILCS 105/3

"It is a classical principle of jurisprudence that no man who has a personal interest in the subject matter of decision in a case may sit in judgment on that case."

—Bd. Of Ed. Of Niles v. Regional Board, 127 Ill.App.3d 210 (1984)

50 ILCS 105/3:

Prohibited Interest in Contracts

- (a) No person holding any office, either by election or appointment under the laws or Constitution of this State, may be in any manner **financially interested directly in his own name or indirectly in the name of any other person, association, trust, or corporation, in any contract or the performance of any work in the making or letting of which such officer may be called upon to act or vote.**
- No such officer may represent, either as agent or otherwise, any person, association, trust, or corporation, with respect to any application or bid for any contract or work in regard to which such officer may be called upon to vote. Nor may any such officer take or receive, or offer to take or receive, either directly or indirectly, any money or other thing of value as a gift or bribe or means of influencing his vote or action in his official character. Any contract made and procured in violation hereof is void.

EXCEPTIONS: (1)

Officials Contracting with Village

- Allowed if official holds **<7.5% ownership interest** in the entity.
- Must **publicly disclose interest** and **abstain from voting** (still counted for quorum).
- Contract requires **majority board approval**.
- If over **\$1,500**, must be awarded by **sealed bid to lowest responsible bidder**; under \$1,500 may be awarded without bidding.
- Annual total with same entity **cannot exceed \$25,000**.
- 50 ILCS 105/3(b)(1)(A-F)

EXCEPTIONS: (2)

Officials Contracting with Village

- A contract may be awarded if Official publicly discloses their interest;
- Must abstain from voting (but counts for quorum);
- Contract requires **majority board approval**;
- Board approves by majority vote;
- Contract is under **\$2,000.00**;
- Total of such contracts with the same party does not exceed \$4,000.00 in a fiscal year.
- 50 ILCS 105/3(b)(2)(A-E)

EXCEPTIONS: (b-5)

Goods and Services

- Board member may provide goods or services to Village if they own less than 1% of the contracting entity
- Must abstain from voting (but counts for quorum);
- Board approves by majority vote;
- Publicly disclosure of nature and extent of interest;
- 50 ILCS 105/3(b-5)

EXCEPTION: (e)

Stocks and Mutual Funds

- Board member does NOT have a conflict of interest if they own or hold 1% or less of a publicly traded company's stock or are employed by that company, if:
 - Public disclosure of interest
 - Do not participate in discussions or negotiations
 - Abstain from voting (counts for quorum), and
 - Contract is approved by majority of remaining board members
- 50 ILCS 105/3(e)

Exception: Not-for-Profits (f)

- Officer may serve on board of not-for-profit that does business with municipality if:
 - Appointed by governing body = May vote on matters for both boards, as long as nonprofit position is unpaid
 - Not appointed by governing body = may serve, but must abstain from voting on any government decisions involving the nonprofit and are not counted for quorum
- 50 ILCS 105/3(f)(1-2)

Public Contracts - Bids

Gift Ban Act

5 ILCS 430/10 and ILCS 530/70

- No board member shall solicit or accept any ‘gift’ from a ‘prohibited source’
 - Spouse and immediate family members included
- **Gift** = almost anything of value
- **Prohibited Source** = person seeking official action by member, who does business or seeks to do business with member, interests may be substantially affected by the performance of the official duties of the member

Exceptions: Gifts Allowed

- Items available to the general public
- Campaign contributions (limits under IL Election code)
- Benefits related to outside business or employment activities (customarily provides to others in same circumstances)
- Educational materials/ food not exceeding \$75/day
- Gifts from prohibited source with cumulative value of less than \$100 during calendar year
- Gifts from relatives/personal friends
 - Friendship is determined by: (1) history of relationship; (2) gift was personally purchased, and (3) was gift given to other officials too

Gift Ban Act: Penalties

5 ILCS 430/50-5(c)



**BUSINESS
OFFENSE**



**FINES OF AT LEAST
\$1,001 AND UP TO
\$5,000**

Curing Violations: (1) Return gift to its source or (2) Donate to charity.

Prohibited Political Activity

5 ILCS 430/5-15

✓ Allowed

Engage in political activity **voluntarily on your own time**

Perform duties that are part of your **official State role**

Be a member of a **political party or organization** without losing employment rights

✗ Not Allowed

Perform political work **during State-compensated time**

Use **State property, funds, or resources** for political purposes

Be **required** to do political work as a job condition or during paid time off

Receive **raises, bonuses, or benefits** in exchange for political activity

Coerce or require **other employees** to engage in political work

Prohibited Political Activity

5 ILCS 430/5-15

Four Elements to Prove Violation of Act:

- (1) Employee
- (2) Action done during compensated time
- (3) Intentionally performs the action
- (4) Action must be a prohibited political activity

Includes: ANY TIME engaged in official duties or IS ON PREMISES of the public body—Illinois Attorney General (“A Guide to the Implementation of the Model Ethics Ordinance”

Prohibited Political Activity Penalties

Termination/workplace
sanctions

Fines up to \$5,000

Class A misdemeanor,
up to 365 days in jail

Whistleblower Protections

50 ILCS 105/4.1

- Employees must report improper actions to the appropriate authority; retaliation is prohibited
- If an employee believes they were retaliated against, submit a report within 60 days to auditing authority
- Auditing authority will investigate

Whistleblower: Penalties

5 ILCS 105/4.1(g)



CIVIL OR CRIMINAL
PROSECUTION



FINES OF AT LEAST
\$500 AND UP TO
\$5,000

Employee who reported improper actions shall be kept confidential

GENERAL PENALTIES

- Prohibited Interests in Contracts Provisions of the Illinois Municipal Code - 65 ILCS 5/3.1-55-10 [PENALTY – **Class 4 Felony** plus the individual forfeits his/her office]
- Prohibited Interests in Contracts Provisions of the Illinois Municipal Code - Specific to the Commission Form of Government - 65 ILCS 5/4-8-6 [PENALTY – **Class 4 Felony** plus the individual forfeits his/her office]
- Misconduct Provisions of the Illinois Municipal Code - 65 ILCS 5/3.1-55-15 [PENALTY – **Business Offense**]
- Public Contracts Provisions of the Illinois Criminal Code - 720 ILCS 5/33E-1 through 50/33E-13 [PENALTY – Depending on the action of the individual, a violation can be a **Class A Misdemeanor, Class 2 Felony, Class 3 Felony or Class 4 Felony**]
- Public Officer Prohibited Activities Act - 50 ILCS 105/0.01 et a. b. Holding of Other Offices - 50 ILCS 105/2 Prohibited Interests in Contracts - 50 ILCS 105/3 seq . [PENALTY – **Class 4 Felony** plus the individual forfeits his/her office]

BEST PRACTICES



FOLLOW THE LAWS
TO AVOID PENALTIES



WORK WITH THE
STATUTES, NOT
AGAINST THEM



TRANSPARENCY
PROMOTES
PUBLIC TRUST



QUESTIONS?
