Inspectors General and Government Corruption

A Guide to Best Practices and an Assessment of Five Illinois Offices
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Business and Professional People for the Public Interest is a 42-year-old public interest law and policy center in Chicago. As the name suggests, the public interest is our interest.

Two years ago, BPI agreed to represent the City of Chicago’s Inspector General in litigation to enforce a subpoena served on the City’s Corporation Counsel seeking documents pertinent to an investigation of possible misconduct in the award of a City contract.

In the course of our representation, BPI began to explore more deeply the role of inspectors general and applicable law. We found both well- and not-so-well-working inspector general laws and offices. This in turn prompted us to think about the positive effect well-designed and well-run offices of inspector general can have on the workings of government, indeed on democracy itself. This report presents a synthesis of our research and our recommendations for strengthening the role of inspector general offices in their efforts to combat government corruption.

BPI’s study was generously funded by The Joyce Foundation. We express deep gratitude here to the Joyce Foundation and its President, Ellen Alberding, and special appreciation to the memory of the late Larry Hansen, the Foundation’s Vice President until his death in 2010. Larry’s decades-long career was dedicated to “good government” issues, and BPI is profoundly grateful for his thoughtful partnership in and enthusiastic support of BPI’s research, as well as his encouragement to share our findings through this report.

In addition, BPI would like to thank all who were interviewed for this report, and especially acknowledges the assistance of former City of Chicago Inspector General David Hoffman.

We wish to recognize the important contributions of Alexander Polikoff, BPI Senior Staff Counsel, principal author of this report. BPI Senior Policy Analyst Susannah Levine and former BPI Staff Counsel and Polikoff-Gautreaux Fellow Kate Pomper conducted much of the research, with the capable assistance of former BPI fellows Peter Shaw (Sidley Scholar) and Laura DeMichael (University of Chicago Law School Fellow).

We hope that the report will inform dialogue, and that the recommendations ultimately contribute to even more effective inspector general offices. When appropriately designed, funded, and staffed, offices of inspector general can play an important role in keeping government and democracy functioning well. That, in BPI’s view, is decidedly in the public interest.

E. Hoy McConnell, II
Executive Director
Business and Professional People for the Public Interest
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Introduction
This report addresses a corrosive characteristic of modern government that “systematically undermines democratic principles” and “diminishes people’s faith in the political process.”

Corrupt public officials have long marred the State of Illinois and its two most populous local governments, Cook County and the City of Chicago. Since 1972, a trio of governors (not including Rod Blagojevich), 2 congressmen, 15 state legislators, 19 Cook County judges, and 30 Chicago aldermen, as well as numerous other state and local officials, have been convicted on charges of corruption.

Public corruption is costly—in wasted money (e.g., overpayment on a contract), in revenue lost when businesses opt to locate elsewhere, in diminished morale among government employees, in public servants (including potential ones) who choose not to serve a system perceived to be corrupt, and in eroded public confidence and participation in government. Indeed, as the opening quotation suggests, ultimately at stake is the quality of democratic government itself.

Can public corruption be effectively addressed? According to former Chicago Inspector General David Hoffman, an affirmative answer requires good laws, strong enforcement, sound leadership, and public will. Good laws are laws that both hold perpetrators accountable and reduce opportunities for corruption (campaign finance reform is an example of the latter type). Strong enforcement requires suitable enforcement offices supplied with adequate tools and resources. Sound leadership includes political leaders who take corruption seriously and communicate their seriousness to the ranks through action as well as statement. Public will means public pressure that demands these steps from officials—a public culture that is intolerant of public corruption.
This report focuses on one aspect of enforcement—inspectors general. But enforcement alone will not end corruption; its persistence in Illinois and elsewhere, despite an impressive list of criminal convictions, makes that clear.\(^4\) As one study of federal inspectors general puts the point, “It is simply not enough to catch bad guys.”\(^5\) All four of the elements listed in the preceding paragraph are necessary if public corruption is to be effectively addressed.

Federal and state law enforcement agencies, empowered to investigate and prosecute public corruption at all levels of Illinois government, may be described as “external watchdogs.” Yet the State of Illinois, Cook County, and Chicago also have “internal watchdogs” in the form of offices of inspector general (OIG). These offices share some goals and often work cooperatively with law enforcement agencies. But, because they are “internal” to particular government bodies, that is, part of the governmental unit itself, OIGs are uniquely positioned to detect and prevent public corruption.

This report examines five Illinois OIGs: 1) the State of Illinois Executive Inspector General; 2) the State of Illinois Legislative Inspector General; 3) the Cook County Independent Inspector General; 4) the City of Chicago Inspector General; and 5) the City of Chicago Legislative Inspector General. These are the OIGs that cover Illinois’ largest governmental units. In light of best practices and model OIGs elsewhere, which it examines, the report explores how well these five offices are designed.

Part I provides a brief history of OIGs generally and an overview of them in Illinois; Part II explains the role of OIGs in addressing public corruption; and Part III, based on a national best practices analysis,
explores how OIGs may be designed to maximize their effectiveness. Part IV then describes how the five OIGs reviewed in this report are structured, assessing their strengths and weaknesses. Our recommendations for strengthening the ability of OIGs to combat government corruption conclude the report.

The information presented here is based on an examination of relevant laws and literature, as well as interviews with current and former inspectors general and their staffs, federal and state prosecutors, legislators, ethics officials, advocates, and academicians. BPI hopes that the report will serve as a useful resource for policymakers, advocates, media, and the general public in exploring how to better combat the virus of public corruption.⁶
What Are Inspectors General?
OIGs are offices, agencies, or departments established within a particular unit of government, charged with rooting out wrongdoing and inefficiency within the governmental unit of which they are a part. Typically OIGs receive and investigate complaints, and most may independently initiate investigations. Where they find wrongdoing or inefficiency they file reports, recommend remedial measures, and in the case of criminal misconduct make references to a prosecutorial authority. These are an OIG’s core functions respecting its anti-corruption role, although many have other powers and duties as well, such as auditing, and training and advising government employees on ethics matters.

In the United States the inspector general concept dates back to the country’s founding when, borrowing from European practices, George Washington and the Continental Congress established an inspector general position to improve effectiveness and discipline in the Continental Army. It was not until the 1960s, however, that what is generally viewed as the first modern OIG was established by the United States Department of Agriculture after a participant in its grain storage program defrauded the Department of huge sums. By the mid-1970s, growing public concern about corruption in government led to more federal OIGs, including 12 created when Congress enacted the Inspector General Act of 1978. Today the number of federal OIGs has grown to 69 and continues to expand.

State and local OIGs are of more recent vintage—the first state OIG was created in Massachusetts in 1981—but have been steadily growing in number. In 2005, the executive director of the Association of Inspectors General reported “hundreds of inspectors general currently operating at state and local levels, and more … being added every year.”

Illinois currently has OIGs at all levels of government, some for entire governmental branches, others for specific departments or agencies. At the state level, for example, there are OIGs for the State legislature, for each of five constitutionally established executive offices (Governor, Attorney General, Secretary of State, Comptroller, and Treasurer), and for individual executive agencies such as the Department of Children and Family Services. At the local level, in addition to separate OIGs for Cook County and the City of Chicago, there are OIGs for specific local agencies such as the Chicago Board of Education and the Chicago Transit Authority. This report focuses on five Illinois OIGs: two for the State, one for Cook County, and two for the City of Chicago.
Why Do Inspectors General Matter?
Illinois boasts a United States Attorney nationally renowned for uncovering and prosecuting corruption, as well as an Attorney General, numerous State’s Attorneys, and other law enforcement officials. Given these multiple enforcement resources, why are OIGs needed?

The answer is that OIGs are uniquely positioned to uncover and prevent public corruption. In addition, they often contribute to investigations conducted by, and investigate misconduct that falls outside the jurisdictions of, these other agencies.

For several reasons OIGs are well-situated to uncover public corruption. First, they have special access to the governmental units of which they are a part. Typically they are granted broad access to both premises and documents, with authority to request information from all employees of their governmental unit. In turn, employees often have a statutory duty to cooperate with the OIG. Second, the exclusive focus of an OIG is its own governmental unit; law enforcement agencies with broader jurisdictions must necessarily be selective about the matters they pursue. Third, because of their unique access and narrow focus, OIGs develop special knowledge about their governmental unit, including where corruption is most likely to occur and how best to detect, address, and prevent it. Fourth, OIGs provide a focal point for complaints about corruption. Indeed, to the extent the office has a visible presence among employees and those doing business with government, the OIG’s very existence may deter misconduct. OIGs also recommend preventive laws and policy changes, a role that in some jurisdictions is formalized as a duty, and are qualified to assist with employee training programs and to provide advice to employees on ethics issues.

As to combating public corruption, 2009 federal OIG efforts resulted in almost $44 billion in monetary savings and over 5,900 successful prosecutions, 4,400 suspensions or debarments, and 3,800 “personnel actions.” An investigation involving the Illinois Secretary of State OIG led to formal charges by the U.S. Attorney against 19 persons who secured Illinois driver licenses with false Social Security numbers and passports. The Chicago OIG played an important role in an investigation that led to federal charges against 24 persons for bribery and falsifying city records.

As to OIG preventive work, a 2009 report found that at the federal level, management personnel had agreed to implement OIG recommendations that resulted in savings of over $28 billion. In Illinois, the OIG for the Illinois Department of Health and Human Services reported a cost savings of close to $100 million in FY09—almost five times the OIG FY09 budget. The Illinois Secretary of State OIG believes that its efforts have restored integrity to the once notoriously corrupt Secretary of State’s Office.

It appears, then, that OIGs can make a positive contribution in combating public corruption. How big a contribution depends to an important degree on how well the offices are designed.
How Should Inspector General Offices Be Designed?
OIG offices differ in size, form, and other respects because (among other reasons) the governmental units of which they are a part vary considerably. The Executive Inspector General for the Agencies of the Office of Illinois Governor, for example, has jurisdiction over employees of some 40 agencies and all state public universities, in addition to approximately 300 boards and commissions. On the other hand, the office of the Executive Inspector General for the Illinois Attorney General has jurisdiction over only about 800 persons and fewer programs and services.22

Despite such differences, five factors are vital to the ability of any OIG to function effectively: 1) independence; 2) jurisdiction; 3) investigatory powers; 4) enforcement powers; and 5) complainant incentives and protections. A well-designed and suitably empowered OIG in turn raises the question of accountability. This section explores how OIGs should be designed in each of these respects to maximize their effectiveness.23

1. Independence

Independence is critical. While OIGs are part of the governmental body they are charged with investigating, this internal positioning can render them less effective than external agencies if protections are not in place to ensure against interference by the “host” body. Lack of independence can also undermine confidence in the office among would-be complainants and the public.

Authorizing Procedure
A threshold independence issue is the procedure by which the OIG is established—whether by statute or by more easily changed executive order or administrative rule, for OIGs established in the latter ways are vulnerable to interference from agency heads, particularly at times of leadership change.

Appointment Process
The appointment process is important because, depending upon how it is handled, an inspector general may appear to be beholden to leadership—indeed, may actually feel beholden. Although most inspectors general examined for this report are appointed (and subject to re-appointment) by the head of the government entity they are charged with investigating, appointment processes have been developed in recent years that involve “external” persons or organizations who identify nominees for selection by the government head. For example, the Miami-Dade
County Inspector General is selected by a committee that includes the State’s Attorney, Public Defender, and others, with approval by County Commissioners. It is not desirable, however, for the executive or governing body to play no role in the appointment process because the inspector general in effect is a member of the government leadership team. It is also important that the inspector general be able to work with the executive or governing body because of the need for cooperation and access.

**Reappointment**
The reappointment process is also important. In Miami-Dade County, for example, the selection committee has the power to reappoint (and if it chooses not to, the incumbent can submit his or her name as a candidate in the new appointment process).

**Removal**
Removal protections, for example, that an inspector general may be removed only for cause and with a hearing, are also important to ensure that an officeholder cannot be removed for being too effective, or obstructed in a particularly “sensitive” investigation.

**IG Qualifications**
Strong qualifications promote independence; the more experienced and skilled an inspector general, the less the need for reliance on the body being investigated, and the less susceptible she/he will be to influence. Common requirements include experience as a federal, state, or local law enforcement officer or judge, or as a manager of a federal, state, or local agency. Basic requirements, such as a college degree and the absence of a felony conviction, are typically included. Experience managing complex investigations involving allegations of fraud, conspiracy, and other misconduct is sometimes specified. In some jurisdictions, anyone who has recently worked in the pertinent governmental unit cannot serve, even though such a restriction may exclude good candidates.

**Resource Control**
Control over resources such as budget and staff is a critical aspect of independence, for whoever controls the budget and staff of an OIG can thwart not only individual investigations but an OIG’s basic ability to perform its mission.

OIG budgets are typically established in regular appropriations processes. Where an OIG’s jurisdiction does not include the legislative body (and the executive does not have strong influence over the legislature), the OIG budget may be effectively insulated under the regular appropriations process if the office receives a separate appropriation over which it has full authority. To avoid rendering the OIG vulnerable to changes in executive and legislative leadership, an OIG budget floor can be set as a fixed percentage of the overall budget. (For example, the New Orleans OIG budget is set at no less than 0.75 percent of the City operating budget. The Miami-Dade County OIG budget is in part a percentage of all county contracts the OIG audits, inspects, or reviews.) In addition to protecting an OIG from interference,
such measures also ensure adequate funding. The concern that the OIG budget should be flexibly responsive to current needs can be addressed by other means, for example, by empowering the legislature to raise or lower the OIG budget in emergencies.27

Control over staffing—hiring, firing, allocation—is crucial. Good inspector general statutes give the OIG full expenditure authority over all staffing decisions within the approved budget.

**Term of Office**

Finally, an inspector general’s term of office affects independence; long terms promote continuity and effectiveness in investigations and permit inspectors general to act without immediate concern about reappointment. The Association of Inspectors General recommends a term of at least five and, preferably, seven years.

2. **Jurisdiction**

Effectiveness of OIGs is obviously affected by the breadth of their investigatory jurisdictions. Of Chicago, where the OIG is prohibited from investigating City Council members or staff, the Chicago OIG wrote, “Not only is the [OIG] prohibited from directly investigating aldermen but the prohibition also prevents the [OIG] from gathering relevant evidence in many investigations of City employees or contractors that are otherwise properly within its jurisdiction…. ”28

In addition to being co-extensive with its governmental unit’s personnel, OIG jurisdiction should extend beyond officers, board members, and employees to include persons and organizations doing business with the governmental unit or seeking to be certified as eligible for its contracts or programs.

If there are any “sister agencies”—separate entities (whether government or private) effectively controlled by the governmental unit and through which its funds flow—jurisdiction should extend to such agencies as well. The Chicago Park District in relation to the City of Chicago is an example of such a sister agency.

3. **Investigatory Powers**

Nearly as fundamental as independence and jurisdiction, an OIG’s investigatory powers should include authority to:

- Investigate complaints, including anonymous ones, and initiate investigations;
- Access the premises, equipment, personnel, and records of its governmental unit;
- Request information from all officers, board members, employees, and persons doing business with the governmental unit or seeking to be certified as eligible for its contracts or programs;
- Issue and enforce subpoenas with counsel of its own choosing; and
- Refer matters to and conduct joint investigations with law enforcement agencies.

The power to request information from designated persons should be complemented by a duty of those persons to cooperate with OIG investigations, including an acknowledgment that the duty to cooperate removes the expectation of confidentiality that is essential to the attorney-client privilege.

The powers to receive and investigate complaints and to initiate investigations are each important in their own right. (Before the office was given power to initiate investigations, an article described the Illinois Legislative Inspector General as “like a detective who couldn’t investigate a murder even if he witnessed it with his own eyes.”29) Concerns that power to initiate investigations independently might be abused can be mitigated by provisions respecting OIG accountability, discussed below.

Power to refer matters to and conduct joint investigations with law enforcement agencies enables OIGs to access additional investigatory resources, such as databases, and—cooperatively with other such agencies—to issue search warrants for non-government property and provide security for field operations. Some OIGs themselves possess specified law enforcement powers, including the ability to designate particular persons (subject to legal requirements as to qualifications and training) as peace officers. By enabling access to otherwise confidential law enforcement databases, and in other ways as well (e.g., the willingness of other law enforcement agencies to cooperate fully with an OIG in multijurisdictional investigations), law enforcement powers can significantly enhance an OIG’s investigatory capability.”30

The powers to access premises, equipment, and records and to request information from officers, board members, employees, and others can implicate documents or information that in other contexts might be covered by the attorney-client privilege. Some jurisdictions have explicitly excluded privileged materials from inspector general access,31 but such a limitation can undermine OIG effectiveness not only by preventing it from obtaining access to needed evidence but also by permitting misconduct to be obscured through “strategic” consultation with government lawyers.

In the context of an official OIG investigation, the public’s interest in honest, transparent government and the government lawyer’s duty to that public interest outweigh the usual rationale for the attorney-client privilege (which is to encourage frank communication between lawyer and client). Statutes should therefore be explicit about permitting OIG access to them.32

To ensure that the OIG receives full representation where the governmental unit’s own lawyers represent the “other side” (a not unlikely scenario), the power to issue subpoenas should include the power to enforce them. The State of Indiana OIG, for example, is expressly so empowered. 33
Some OIGs have non-investigatory powers and duties, such as to provide or assist with ethics training for government employees and/or to provide advisory opinions. Because of their accumulated knowledge about corruption within their governmental unit, OIGs are well positioned to know what issues should be included in ethics training. Several inspectors general interviewed felt that it was important for an OIG to engage in visible preventive activities to ease fear of the office on the part of officials and employees. Of the offices consulted for this report that provide advisory opinions, all believed that such opinions were an important and desirable part of an ethics system.

4. Enforcement Powers

Ensuring that something is done about corruption once it is uncovered is obviously important to an OIG’s effectiveness. A key mechanism in this regard is the power to refer matters to law enforcement agencies. Another is the authority to make recommendations for disciplinary action or policy changes to both the head of the governmental unit and the heads of relevant departments or agencies. Even when a criminal prosecution is proceeding, disciplinary action may be required under administrative policies, and policy changes may be important to prevent future misconduct.

OIG recommendations are not and should not be legally binding (the OIG is after all not the executive), yet agency heads should not be able to simply ignore OIG recommendations. Rather, they should be required to provide written responses, describing the action taken and explaining any departures from the recommendations.

Some jurisdictions go further and create systems that authorize the inspector general to request a hearing before an “enforcement tribunal” empowered to review a case and make binding recommendations for disciplinary action. Such a system provides for the possibility of enforcement in situations where a governmental unit is resistant to addressing misconduct, while offering time and cost efficiencies over litigation. Where this is not done, an “appeals process” would at least enable an OIG whose recommendations were being ignored to formally bring them to the attention of the government unit head, with an opportunity to speak in their support.

Finally, public reporting authority—both regarding individual investigations and overall activity—is an important enforcement mechanism, especially when a governmental unit is resistant to addressing misconduct. By alerting the public to government’s recalcitrance, public reporting on individual investigations is in effect another avenue for enforcement of OIG recommendations, albeit more attenuated than an enforcement tribunal, providing a penalty (public exposure) apart from other sanctions. Reporting on overall activity, as in an annual report, can provide additional deterrence when it shows a high level of enforcement activity. Reporting on both individual investigations and overall activity also enables policymakers and the public to better understand the nature and scope of corruption, and may help to inform appropriate action.
For minor violations, there is a risk that public reporting can injure privacy or reputation disproportionately to the seriousness of the violation. This risk can be avoided by restricting the reporting of such violations. For example, the Illinois Executive Ethics Commission must release OIG summaries of investigations when misconduct results in at least a three-day suspension or termination, but need not do so respecting misconduct meriting lesser penalties.\(^{36}\) (Some jurisdictions, however, require that all investigation reports be made public.\(^{37}\))

5. Complainant Incentives and Protection

External factors, such as whistleblowers’ willingness to report misconduct, also bear upon the effectiveness of an OIG. Despite an OIG’s accumulated expertise and access to information, some misconduct may come to light only from whistleblowers.

Possibly the most important factor affecting whistleblower willingness to report is belief that action will be taken. A 2009 survey of City of Chicago employees found that City workers reported just one out of every two occurrences of misconduct they witnessed, while local government workers elsewhere reported two-thirds of such misconduct. In addition, 81% of the City of Chicago workers surveyed identified a belief that nothing would be done about the misconduct reported as the primary reason for declining to report.\(^{38}\) Perceptions are partly a function of factors external to an OIG, such as organizational culture and leadership. But aspects of an OIG’s design can also shape perceptions, particularly whether OIG reports are public and whether an OIG is empowered to conduct employee education. As an article on New York City’s Department of Investigation put it, “They don’t want to be secret police . . . If more people knew about them, then more good guys would report corruption and more bad guys would be afraid.”\(^{39}\)

Whether an OIG is free to tell complainants what happened to their complaints can also affect perceptions.\(^{40}\) Many complaints are not investigated due to insufficient resources or lack of sufficient evidence, and complainants without knowledge of these reasons may believe that official tolerance for misconduct explains the inaction.\(^{41}\) Whistleblowers may also fear retaliation. In the same 2009 survey, 26 percent of City of Chicago employees who said they had reported misconduct also said they faced retaliation. Strong and effective whistleblower protections providing punishment and remedies for retaliation can mitigate these fears. Some potential complainants may nonetheless remain fearful, so it is important that whistleblowers have an option to file complaints anonymously.\(^{42}\) As with an OIG’s power to initiate investigations, concern that anonymous complaints may be made for political or personal reasons can be mitigated with appropriate accountability measures.

It is important to encourage whistleblowers to report misconduct to the OIG, rather than to a department or agency. Training and publicity (brochures, posters, and websites) can help accomplish this, but a good OIG statute will impose an explicit duty on board members, officers, and employees to report corrupt misconduct to the OIG.
6. Accountability

The risk that an independent, suitably empowered inspector general may abuse the office’s powers can be mitigated in several ways. One is a set of strong qualifications. An inspector general with outstanding professional qualifications and an impeccable record provides considerable threshold assurance against abuse of power. A peer review process that requires the OIG to explain and justify its investigatory record and use of powers is another check on abuse. New Orleans, for example, mandates such reviews by the Association of Inspectors General every three years.\(^{43}\)

An avenue for filing and hearing complaints against the OIG may also be provided. For example, under the Illinois Ethics Act, a special inspector general may be appointed when such a complaint is filed.\(^ {44}\) Finally, strong public reporting requirements allow government officials and the public to evaluate an OIG’s overall performance if the reporting requirements include, as they should, information as to the number and types of complaints received, investigations initiated, recommendations made and responses to them, and the like. Public reports that include a narrative analysis of why, in the OIG’s opinion, the corrupt conduct took place, can help lead to identification of structural reforms that might preclude repetition of the corrupt conduct.

Most jurisdictions provide only for reporting to the head of the relevant government unit. It is important, however, that the public too have access to reports, which not only enhances accountability but also helps build public confidence in the system.

Apart from concern about abuse of power, the concept of accountability embraces a means of monitoring whether the OIG is performing effectively. The peer review and public reporting requirements just discussed help serve this objective.

In short, an OIG can be designed in ways that minimize the possibility that the OIG will itself become a problem.
How Well Are Illinois Inspector General Offices Designed?
This section examines five Illinois OIGs, two for the State itself, one for Cook County, and two for the City of Chicago. In light of the best practices identified above, consideration is given to how well these offices are designed to combat corruption within the governmental unit for which each has responsibility.

**State of Illinois Executive Inspectors General**

Motivated by corruption charges against former Illinois Governor George Ryan, in 2003 the Illinois legislature enacted the State Officials and Employees Ethics Act (the Ethics Act). Among other reforms, the Ethics Act created five OIGs for the executive branch of government, termed Executive Inspectors General (EIGs), one each for the offices established by the Illinois Constitution of Governor, Attorney General, Secretary of State, Comptroller, and Treasurer. Since the provisions governing each of the five offices are similar in many respects, this section treats them collectively for purposes of analysis.

Under the Ethics Act, each of the EIG offices is charged with investigating allegations of “fraud, waste, abuse, mismanagement, misconduct, nonfeasance, misfeasance, malfeasance,” and violations of the Ethics Act and other related laws and administrative rules. Each EIG is also empowered to recommend disciplinary actions, refer allegations of criminal conduct to law enforcement agencies, and file complaints of Ethics Act violations with an ethics commission which is also created by the Ethics Act. This commission, the Executive Ethics Commission (EEC), is authorized to provide a variety of remedies for misconduct, including administrative fines and injunctive orders. In addition to its investigatory functions, each EIG is responsible for ethics training and for reviewing employment practices to ensure compliance with law.

In 2009, following the indictment of former Illinois Governor Rod Blagojevich, the Ethics Act was amended to deal with three weaknesses in the design of EIG offices. The 2009 amendments empowered each EIG to initiate investigations and accept anonymous complaints, while directing the EEC to make public reports about violations found. Although the 2009 reforms improved the design of EIG offices, certain weaknesses remain. Exhibit 1 on page 23 summarizes key provisions of current EIG design. Suggestions for addressing remaining weaknesses follow.
Independence
Each EIG is selected and may be reappointed by the Governor and the other four constitutional officers, respectively, subject to confirmation by a three-fifths vote of the State Senate (“automatic” confirmation if the Senate fails to act within 60 days). Although no role is provided for a truly independent voice in the appointment process, the State Senate confirmation requirement is of some help in this regard. EIGs can be removed (for cause only) by the appointing officer without a hearing; only a report to the Executive Ethics Commission of the reason for removal is required. EIG budgets are set by legislative appropriations, but there is no budget floor. Amending the Ethics Act to establish a budgetary floor and to provide a hearing for an EIG facing dismissal would enhance the independence of the office.

Jurisdiction
EIG jurisdiction is generally satisfactory, extending to all officers and employees of, and all persons doing business with, their respective departments. However, it does not specify persons seeking to be certified as eligible for contracts or programs.

Investigatory Powers
The EIGs possess most key investigatory powers. However, although the offices are empowered to issue subpoenas, no enforcement procedure is specified (leaving room for subpoenaed parties to challenge enforcement proceedings), nor in this context is the right to employ counsel. While EIGs have authority to “request” information from “any person,” and officers and employees are obliged to cooperate with EIG investigations, it is not made clear that the duty to cooperate removes the expectation of confidentiality as to the attorney-client privilege. The power to access premises, equipment, and records is not specified. Further, the duty to report misconduct applies only to officers, board members, and employees of agencies under the jurisdiction of the EIG for the Agencies of the Illinois Governor; no one under the jurisdiction of the other four executive branch EIGs shares this duty to report. Lastly, none of the EIGs is designated as a law enforcement agency.

In each of these respects, EIG investigatory powers would be strengthened by appropriate amendments to the Ethics Act.

Enforcement Powers
When it encounters resistance from an agency head or believes additional penalties beyond those meted out are merited, an EIG may seek approval from the Attorney General to file a complaint with the Executive Ethics Commission. If the Attorney General finds the complaint sufficient, the Commission holds a hearing, following which it is empowered to make disciplinary recommendations, impose administrative fines, and issue injunctive orders.

Complainant Incentives and Protections
The range of complainant incentives and protections is satisfactory, as indicated in Exhibit 1. The Illinois Whistleblower Act effectively protects complainants from retaliation and applies to OIGs throughout the State.
Illinois Executive Inspectors General
Summary of Powers and Responsibilities

Exhibit 1

Independence
Appointed by each respective constitutional officer, with consent of State Senate.

Qualifications: At least 5 years (a) with a federal, state, or local law enforcement agency; (b) as a federal, state, or local prosecutor; (c) as a senior manager or executive of a federal, state, or local agency; (d) as an Illinois legislator or constitutional officer, or state or federal judge; or (e) any combination of the above.

Five-year term. No term limits.

Removal only for cause, no hearing required. Must report justification to Executive Ethics Committee (EEC).

Budget part of state’s annual budget appropriation process; no budgetary floor established.

Full expenditure authority.

Jurisdiction
Fraud, waste, abuse, mismanagement, misconduct, nonfeasance, misfeasance, malfeasance, or violations of State Ethics Act or of other related laws and rules.

To investigate constitutional officers, employees, vendors, and others doing business with constitutional offices. The EIG appointed by the Governor has broader jurisdiction than other EIGs, including board members and employees of regional transit boards.

Investigatory Powers
May initiate investigations.

No explicit authority to access premises, equipment, records, etc.

May request information from any person.

Officers and employees have duty to cooperate. (Under administrative order, not statute.) Board members not specified.

Removal of expectation of confidentiality as to attorney-client privilege not specified.

Duty to report misconduct applies only to officers, board members, and employees of agencies under jurisdiction of EIG of Office of Governor.

May issue subpoenas; no express power to enforce.

No designation as law enforcement agency.

May refer criminal matters to law enforcement agencies.

May participate in and conduct multijurisdictional investigations.

Enforcement Powers
May recommend disciplinary action to constitutional officers and agency heads.

Constitutional officer or agency head must respond in writing within 20 days.

EEC has authority to make disciplinary recommendations, impose administrative fines, and issue injunctive orders.

May request EEC to review disciplinary action taken if Attorney General concurs. (EEC enforcement authority applies only to matters within purview of Ethics Act.)

Complainant Incentives and Protections
Confidentiality for complainants and others providing information.

Anonymous complaints accepted.

Complainants protected against retaliation.

Accountability
Monthly reports to constitutional officers; quarterly reports to EEC; semi-annual reports to EEC on investigations not concluded within six months; and written statements to EEC on all investigations closed.

Make public all reports and responses resulting in termination or suspension of at least three days; EEC may redact information not to be made public.

Reports need not include analysis of difficulties or recommendations for solutions.
Accountability
Ethics Act provisions authorizing complaints against EIGs and imposing reporting obligations are designed to ensure that EIGs are accountable for using their authority appropriately and effectively.\textsuperscript{57} None of the required reports, however, call for analyses of difficulties encountered by Illinois EIGs or their recommendations for solutions. In this respect, accountability would be enhanced by an appropriate amendment.\textsuperscript{58}

In sum, the Illinois Executive Inspector General offices possess many good features. However, appropriate Ethics Act amendments respecting the following would enhance the effectiveness of the offices: removal procedures; budgetary floors; jurisdiction over persons seeking to be certified as eligible for contracts or programs; subpoena enforcement; specifying that the duty of cooperation overrides the attorney-client privilege; law enforcement powers; access to premises, equipment, and records; duty to report misconduct for all EIG offices; and reports that include structural recommendations to help prevent misconduct.
In addition to creating EIGs for the offices of five constitutional officers, the 2003 Ethics Act also created an OIG for the state legislature, termed the Legislative Inspector General (LIG), as well as a separate Legislative Ethics Commission (LEC), composed entirely of legislators. The 2009 amendments to the Ethics Act made the same changes for the LIG that were made for EIGs.

In many respects, as indicated in Exhibit 2 on page 27, the office of the LIG is comparable to those of EIGs. For example, the LIG’s investigatory scope is identical to that of EIGs—“fraud, waste, abuse . . . ” and violations of the Ethics Act and related laws and administrative rules. Notwithstanding these similarities, however, some limitations on LIG effectiveness are serious enough to make it one of the more poorly designed of the offices reviewed for this report.

**Independence**

LIG independence is severely limited in several important respects. Regarding appointment and removal, the State legislature—the very body the LIG is responsible for investigating—appoints the LIG, and no independent voice is included in the selection process. The Legislative Ethics Commission, itself traditionally composed of legislators, recommends candidates, and the legislature makes the final selection from among those recommended. Although cause must be given for removal of the LIG, no hearing is required.

The LIG lacks full authority over the employment of its own staff. Although the Ethics Act gives it “full authority to organize the Office of the Legislative Inspector General, including the employment and determination of the compensation of staff . . . ,” hiring of LIG staff is subject to the approval of at least three of the four legislative leaders. In addition, although (as with EIGs) the LIG’s funding comes in the form of appropriation from the legislature, there is no provision for a budgetary floor. Thus, both LIG staff and funding are subject to an important degree of control by the legislature, the primary entity the LIG is responsible for investigating.

Finally, the LIG faces serious limitations in the exercise of its powers. Under administrative rules of the Legislative Ethics Commission, the LIG cannot even begin an investigation without the Commission’s approval, and under the Ethics Act it cannot issue a subpoena without such approval. Because all eight Commission members are elected legislators (four from each party), the requirement to obtain Commission approval before beginning an investigation or issuing a subpoena severely compromises LIG independence.
Jurisdiction
LIG jurisdiction extends to the same offenses as does EIG jurisdiction. It is significantly limited, however, as to who can be investigated, for jurisdiction is restricted to members of the legislature and their staffs. It does not extend, for example, to persons doing business with legislators, such as lobbyists and contractors, some of whom have historically been linked to incidents of financial misconduct.70

Investigatory Powers
Subject to the requirement to obtain Legislative Ethics Commission approval before beginning an investigation or issuing a subpoena, the LIG has essentially the same investigatory powers, subject to the same limitations (i.e., no subpoena enforcement or law enforcement powers) as do EIGs.71

Enforcement Powers
While the LIG possesses the same basic enforcement powers (including a path to enforcement through the Legislative Ethics Commission) as do EIGs, these are limited in two important respects.72 First, because the LIG must secure Commission approval to initiate an investigation or issue a subpoena, the risk of a breach in confidentiality is heightened—making prosecutorial agencies reluctant to conduct joint investigations with the LIG. Second, when the LIG files complaints (with Attorney General approval) before the Legislative Ethics Commission regarding other legislators, there is an obvious risk—given that the Commission is composed of legislators—that political considerations may affect Commission decisions.

Complainant Incentives and Protections
As indicated in Exhibit 2, complainants are afforded the same satisfactory incentives and protections as in the case of EIGs.

Accountability
As with EIGs, accountability of the LIG would be enhanced by reporting that included analyses of difficulties encountered and recommendations for solutions.

Independence, jurisdictional scope, and investigatory and enforcement powers of the Illinois Legislative Inspector General are all seriously compromised. The effectiveness of the office could be significantly improved by amendments to the Ethics Act that would: introduce an independent voice into the appointment and removal processes; provide a budgetary floor; confer full expenditure authority; expand jurisdiction to persons doing business with legislators; remove the approval requirement as to initiating investigations and issuing subpoenas; specify subpoena enforcement powers and that the duty of cooperation overrides the attorney-client privilege; grant access to premises, equipment, personnel, and records; authorize law enforcement powers; and expand reporting requirements to elicit structural recommendations that might help prevent repetitious misconduct.
### Independence

Appointed by General Assembly (three-fifths vote of both chambers) upon recommendation from Legislative Ethics Commission (LEC). No input from any independent source.

Qualifications: At least five years (a) with a federal, state, or local law enforcement agency; (b) as a federal, state, or local prosecutor; (c) as a senior manager or executive of a federal, state, or local agency; (d) as an Illinois legislator or constitutional officer, or state or federal judge; or (e) any combination of the above.

Five-year term. No term limits.

Removal only for cause by LEC with report to General Assembly. No hearing required.

Budget part of state’s annual budget appropriation process; no budgetary floor established.

Employment of staff subject to approval of three of four legislative leaders.

### Jurisdiction

Fraud, waste, abuse, mismanagement, misconduct, nonfeasance, misfeasance, malfeasance, or violations of State Ethics Act or other related laws and rules.

To investigate elected members of legislature and their employees, but not contractors, lobbyists, or others doing business with legislators.

### Investigatory Powers

Approval of LEC required to initiate investigation.

No explicit authority to access premises, equipment, records, etc.

May request information from any person.

Officers and employees have duty to cooperate (board members not specified).

Removal of expectation of confidentiality as to attorney-client privilege not specified.

No duty to report misconduct.

May issue subpoenas only with prior LEC approval; no express power to enforce.

No designation as law enforcement agency.

May refer criminal matters to law enforcement agencies.

May participate in and conduct multijurisdictional investigations.

### Enforcement Powers

May recommend disciplinary action to LEC and legislative leaders.

Jurisdictional authority or agency head must respond in writing within 20 days.

LEC has authority to make disciplinary recommendations, impose administrative fines, and issue injunctive orders. (LEC enforcement authority applies only to matters within purview of Ethics Act.)

No disciplinary authority over legislators.

### Complainant Incentives and Protections

Confidentiality for complainants and others providing information.

Anonymous complaints accepted.

Complainants protected against retaliation.

### Accountability

Statement of decision to LEC for complaints not pursued or investigations closed without recommendation.

When violation found, report with recommendation for action to LEC and legislative leaders. Response due within 20 days.

Quarterly reports of summary statistics to LEC and General Assembly; semi-annual reports to LEC on investigations not concluded within six months.

LEC makes public entire record of proceedings within 30 days of final decision that violation has occurred.

LEC makes public all reports and responses resulting in termination or suspension of at least three days.

LEC reports need not include analyses of difficulties or recommendations for solutions.
The Cook County Independent Inspector General (IIG) was established in 2007 by county ordinance. Although the IIG ordinance incorporates many of the best practices described in the previous section, it does contain some weaknesses.

**Independence**
The IIG ordinance states that the IIG “shall be sufficiently independent to assure that no interference or influence external to the office adversely affects the independence and objectivity of the Independent Inspector General.” It also provides for a term of six years, a strong set of qualifications for the occupant of the office, and full expenditure authority. A weakness respecting independence, however, is that the budget is set by the County Board, one of the bodies the IIG is charged with investigating, with no provision for a budgetary floor.

**Jurisdiction**
As indicated in Exhibit 3 on page 29, there are no gaps in IIG jurisdiction. In addition, the ordinance specifically gives the IIG jurisdiction to review “past, present, and proposed” County programs and transactions.

**Investigatory Powers**
While as shown in Exhibit 3 the IIG possesses most investigatory powers, these are limited in three respects. The first is a prohibition against subpoenaing materials that are considered privileged or confidential, a problematic limitation discussed earlier. Second, the IIG ordinance does not specify a subpoena enforcement procedure, including employment of counsel. Third, law enforcement powers are not authorized.

**Enforcement Powers**
While the IIG has the power to make remedial recommendations, and department and bureau heads must respond in writing, there is no enforcement tribunal or “appeals process” should IIG recommendations be ignored. Moreover, since public (quarterly) reports are restricted to the numbers and types of investigations, reporting to the public is limited. The IIG may make public statements regarding “inefficient or wasteful management” but not “individual misconduct or illegality.”

**Complainant Incentives and Protections**
As indicated in Exhibit 3, complainant incentives and protections are generally satisfactory.
## Independence
- Appointed in multi-step process: 1) County Board-selected professional groups identify three top candidates; 2) Selection Committee of County Board members recommends one of three candidates; 3) Recommended candidate approved by majority of County Board.
- Qualifications: 10 years of federal, state, or local experience as law enforcement officer, attorney, or judge.
- Six-year term. No term limits.
- Removal only for cause by County Board President. IG may request hearing before County Board, after which two-thirds vote needed to remove.
- Budget determined by County Board; no budgetary floor established.
- Full expenditure authority.

## Jurisdiction
- Corruption, fraud, waste, mismanagement, unlawful political discrimination, and misconduct.
- To investigate all County employees, appointed and elected officials, departments, bureaus, boards, agencies, contractors, subcontractors, and those seeking contracts.

## Investigatory Powers
- May initiate investigations.
- Access to premises, equipment, records except for privileged matters.
- May request information from any person or relevant entity.
- Officers and employees have duty to cooperate.
- Removal of expectation of confidentiality as to attorney-client privilege not specified.
- Employees have duty to report corruption, allegations of political discrimination, or other criminal activity.
- May issue subpoenas; no express power to enforce.
- No designation as law enforcement agency.
- May refer criminal matters to law enforcement authorities.
- May participate in multijurisdictional investigations.

## Enforcement Powers
- May recommend disciplinary action to department/bureau heads and County Board.
- Response from department/bureau heads required within 30 days; explanation required if action taken differs from recommendation.
- No enforcement tribunal or appeals process.

## Complainant Incentives and Protections
- May not disclose complainant or person investigated unless recommendation for action made.
- Anonymous complaints accepted.
- Complainants protected against retaliation.

## Accountability
- Quarterly reports to County Board, including numbers and types of investigations, also made available to the public.
- Confidential summary report at conclusion of an investigation to appropriate department/agency head and County Board.
- Reports need not include analyses of difficulties or recommendations for solutions.
Accountability
Although quarterly reports to the County Board are required, the reports are limited to the number and types of investigations and recommendations, and whether recommendations were followed.  

As well-designed as the Cook County Independent Inspector General office is in many respects, its effectiveness could be enhanced by addressing certain limitations, namely: establishing a budget floor; granting subpoena and law enforcement powers; specifying that the “duty to cooperate” removes the expectation of confidentiality as to the attorney-client privilege; adding an enforcement tribunal or appeals process; and increasing the scope of public reporting.
The City of Chicago has had internal investigative offices since 1956, but the current iteration of the office, the City of Chicago Office of Inspector General (IGO), was established by a 1989 ordinance that significantly increased its independence and effectiveness. Even as reconstituted, however, the office continues to face substantial limitations.

**Independence**

Although the IGO is appointed by Chicago’s mayor with City Council approval for a fixed term (four years), and can be removed only for cause, Chicago’s mayors have frequently exerted strong and sometimes dominating influence in City Council proceedings. Thus, the appointment process may be seen as lacking independence. Not only is there no independent voice in the selection process (e.g., a procedure such as the one set out in the Cook County Independent Inspector General ordinance summarized in Exhibit 3), but the ordinance contains no qualifications whatever for the Inspector General position.

The strong mayor/weak council reality may also affect the IGO budget, which is established by the City Council as part of an appropriation process that is typically initiated by a mayoral proposal. Since there is no required floor to the IGO budget (as, for example, is established in New Orleans and Miami-Dade County), the mayor’s power to propose the IGO budget may be seen (and used) as a means of exerting influence over the office.

More significant than even these matters, however, is the lack of an “expenditure authority” provision that gives the Inspector General the power to spend the office’s budgeted funds as she/he determines. Although the ordinance provides that the Inspector General “shall have responsibility for the operation and management of the office of inspector general,” to hire staff the IGO must comply with an administrative requirement, applicable to all city departments, to secure “sign offs” from both the office of the mayor and the city’s budget office. This requirement effectively gives the mayor power to determine whom the IGO may and may not hire.

**Jurisdiction**

As indicated in Exhibit 4 on page 33, jurisdiction is unsatisfactory in an important respect—the lack of jurisdiction over City Council members or employees. Though jurisdiction over these individuals has been lodged in the recently established Office of the Legislative Inspector General (see discussion of this office below), and the IGO may refer investigative matters involving City Council members or employees to this office (once the office begins to function), the IGO remains hampered. It must, for example, abandon any investigative trails of executive department activities that lead to
the Council or its employees and thus cannot get the “whole story” about these activities. Moreover, as indicated in the discussion of the City’s Legislative Inspector General below, the new office is itself a deeply flawed one—and as of this writing has not begun to function because no one has yet been appointed to the newly created position.

**Investigatory Powers**
Investigatory powers are inadequate in several respects. First, the IGO has no law enforcement powers. This can preclude it from becoming a full partner with law enforcement agencies in multijurisdictional investigations, from making claims to share proceeds recovered as a result of investigations, and from accessing law enforcement databases and training opportunities.

Second, the ordinance does not provide that the duty of cooperation removes the expectation of confidentiality essential to the attorney-client privilege, with the result that the independence of the office may be imperiled by a City claim of attorney-client privilege that may have the effect of obstructing IGO investigations.

Third, because the ordinance fails to specify that the IGO may enforce its subpoenas, its power to do so may be challenged. If it were to be determined that the Corporation Counsel possesses the subpoena enforcement power, IGO independence would be seriously compromised.

Fourth, although employees do have a duty to report “corrupt or other criminal activity” to the IGO, this duty is not contained in the IGO ordinance but in a more easily changed mayoral executive order.

Finally, the IGO lacks its normal investigative authority respecting city funds expended through “sister agencies.” Significant city activity is carried on through agencies that are deemed independent. An example is the Chicago Park District. Though Park District commissioners are appointed by the mayor, and substantial city funds are employed in Park District projects, District employees have no duty to cooperate with an IGO investigation respecting city funds employed in these projects, or to report misconduct concerning them to the IGO. The Public Building Commission and several nonprofit corporations are other examples of such agencies.

**Enforcement Powers**
While the IGO is empowered to recommend remedial action, and department heads are required to respond in writing, there is no mechanism for putting “teeth” in IGO recommendations; no enforcement tribunal or “appeals process” (other than the discretionary action of the mayor’s office) is provided.

**Complainant Incentives and Protections**
As shown in Exhibit 4, complainant incentives and protections are generally satisfactory.
<table>
<thead>
<tr>
<th><strong>Independence</strong></th>
<th><strong>Jurisdiction</strong></th>
<th><strong>Investigatory Powers</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Appointed by Mayor of Chicago with approval of City Council (without other independent participation).</td>
<td>Misconduct, waste, and inefficiency. To investigate all officers, employees, contractors, subcontractors, and persons seeking contracts or to participate in city programs. No authority to investigate aldermen or City Council employees.</td>
<td>May initiate investigations. Access to premises, equipment, and records. May request information from any officer, employee, agent, or licensee of the city; vendors, contractors, or others doing business with city not specified. Officers and employees have duty to cooperate; “sister agency” officers and employees do not. Removal of expectation of confidentiality as to attorney-client privilege not specified. Employees, but not officers, have duty to report misconduct. (Under mayoral executive order, not ordinance.) No such duty as to “sister agencies.” May issue subpoenas in investigations of misconduct only (not waste or inefficiency); no express power to enforce. May divulge investigatory files and reports to US Attorney, Illinois Attorney General, or State’s Attorney of Cook County. May refer complaint or information concerning City Council members, employees, or staff to law enforcement authorities. No designation as law enforcement agency. Not prohibited from participating in multiagency investigations, but lack of law enforcement powers limits participation.</td>
</tr>
<tr>
<td>No qualifications stated. Four-year term. No term limits. Removal only for cause. IG may request hearing before City Council; majority vote required for removal after hearing. Budget determined through annual appropriation ordinance; no budgetary floor established. Lacks full expenditure authority; staffing subject to approval of Mayor and City Budget Office.</td>
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<table>
<thead>
<tr>
<th><strong>Enforcement Powers</strong></th>
<th><strong>Complainant Incentives and Protections</strong></th>
<th><strong>Accountability</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Authority to recommend disciplinary action to Mayor and department or agency heads. Response describing action taken required within 30 days; explanation required if action taken differs from recommendation. No enforcement tribunal or appeals process.</td>
<td>May not disclose complainant or person investigated unless recommendation for action made. Anonymous complaints accepted. Complainants protected against retaliation.</td>
<td>Quarterly reports to City Council, including numbers and types of investigations. Summary reports at conclusion of investigation to Mayor, corporation counsel, and may be sent to relevant agency/department head. Public access to reports of activity available on IG website. Reports need not include analyses of difficulties or recommendations for solutions.</td>
</tr>
</tbody>
</table>
Accountability
Quarterly reports to City Council are statutorily required to include only the number and type of investigations initiated, closed, and pending.\(^93\) Summary reports to the mayor at the conclusion of an investigation include a description of the complaint, any misconduct or inefficiencies discovered, and recommendations for corrections.\(^94\) The ordinance does not explicitly require that the quarterly or summary reports be made public; however, the IGO does make its quarterly reports available to the public via its website.\(^95\) The IGO is authorized to make public statements under certain circumstances, including a summary of each investigation that results in a sustained finding of misconduct. This public summary includes the nature of the complaint, specific violations resulting in sustained findings, recommendations for discipline, and the City’s response to and final decision regarding those recommendations.\(^96\)

Though it is a strong office in some respects, the City of Chicago’s Office of Inspector General is seriously compromised as to its independence, jurisdictional authority, and investigatory powers.

Independence would be buttressed by the addition of an independent voice in the appointment and removal processes, by setting forth qualifications for the office, and by providing a budgetary floor and full expenditure authority.

Jurisdiction should be enlarged to allow the IGO to pursue “trails” that begin with other city officers or employees but lead to aldermen or City Council employees and those doing business with the Council.

Investigatory powers should be strengthened with the addition of law enforcement powers; the power to enforce subpoenas with counsel of the IGO’s choice; a provision that the duty to cooperate removes the expectation of confidentiality as to the attorney-client privilege; by including in the ordinance the duty to report criminal activity that presently is contained only in a mayoral executive order; and by extending to “sister agency” officers and employees the duties to cooperate and to report as regards city funds.

Finally, provisions for the frequency and content of the IGO’s public reporting responsibilities should be made explicit in the ordinance.
City of Chicago Legislative Inspector General

As initially proposed (by the mayor), the IGO ordinance included the City Council within IGO jurisdiction, but the Council deleted this provision from the final version of the ordinance. Despite a number of aldermanic convictions for corruption, the City Council remained without IGO oversight for 20 years. That situation began to change in 2010 when the City Council did enact an ordinance creating a new office of Legislative Inspector General. “Began to change” because as of this writing the City Council has not yet made an appointment to fill the newly created office, and so the office has not yet begun to function.

Apart from its lengthy gestation period, the office of Legislative Inspector General (LIG) is likely to be plagued by a number of serious conceptual flaws as indicated in Exhibit 5 on page 37 and described more fully below.

Independence
Some trappings of independence are included in the ordinance. As part of the appointment process a City Council committee is to establish a “Blue Ribbon Panel” to make nominee recommendations, after which the LIG is to be appointed by a two-thirds vote of the Council. Removal is for cause only (after a hearing if one is requested) by majority vote of the Council. Appointment is for a fixed term of four years (renewable upon the same two-thirds Council vote), and qualifications for the holder of the office—ten years of federal, state, or local government experience as a law enforcement officer, attorney, or judge—are established.

However, it is doubtful that the LIG will have control over staffing of the office. First, expenditure authority is not provided; there is not even a provision, like that in the ordinance creating the City of Chicago Inspector General, that the LIG shall have “responsibility for the operation and management” of the LIG office. Second, the ordinance contains a provision that the newly created office “shall include . . . such deputies, assistants and other employees as may be provided for in the annual appropriation ordinance,” strongly suggesting that LIG staffing is to be determined by the City Council, not by the LIG. In addition, no budgetary floor is established. In fact, the only budgetary provision in the ordinance at all is the foregoing passing reference to an “annual appropriation ordinance.”
Jurisdiction
The ordinance provides that the LIG shall have jurisdiction over “all aldermen and City Council employees,” the latter term being defined to include employees of aldermen and City Council committees, and independent contractors. Notably lacking from the stated jurisdictional scope, however, is any reference to persons doing business with aldermen or the City Council and its committees other than independent contractors. (For example, the comparison IGO ordinance refers to “contractors and subcontractors in the providing of goods or services to the city pursuant to contract.”)

Investigatory Powers
Although given the power to investigate misconduct by aldermen and City Council employees, with “misconduct” broadly defined to include breach of any fiduciary duty to the city, and although all employees have a duty to cooperate with LIG investigations (as do others doing business with the city, such as city contractors and suppliers), aldermen have no such specified duty.

Moreover, LIG investigatory powers are severely compromised in several ways. First, there is no power to accept anonymous complaints; complaints must be “signed and sworn.” Second, the LIG cannot simply proceed to investigate even sworn complaints, but can investigate “only upon a finding of reasonable cause or issuance of a letter of direction by the Board of Ethics.” (The Board is an agency created by ordinance in 1987 to administer the city’s governmental ethics and campaign finance ordinances. Its members, who are unpaid, are appointed by the mayor with City Council consent. It has been described as having led a “quiet existence, shielded by confidentiality rules.”) In addition, even when the LIG asks for such a finding, the Board of Ethics may “retain exclusive jurisdiction” of the matter, thus effectively terminating any LIG activity concerning it.

Moreover, even when a Board of Ethics finding is issued and an LIG investigation begun, if the LIG learns that a matter is also under investigation by a law enforcement agency, or concludes that criminal conduct is involved, the office must “suspend” the investigation (in the latter case, after referral to such an agency). Thus, there is no authority, such as is possessed by many other inspectors general, to participate in multijurisdictional investigations.

The LIG subpoena power is also linked to the Board of Ethics—subpoenas can be issued only upon the Board’s approval of an investigation.

Finally, although the LIG is given power to promulgate rules for the conduct of its investigations, the rules must first be submitted to the City Council, which may disapprove them by majority vote.
## Independence

Appointed in two-step process:
1) Blue Ribbon Panel identifies qualified candidates and makes recommendations to City Council.
2) Appointment by City Council (two-thirds vote) from panel list.

Qualifications: 10 years of federal, state, or local government experience as law enforcement officer, attorney, or judge.

Four-year term. No term limits.

Removal only for cause by majority vote of City Council after hearing.

Budget set annually by City Council; no budgetary floor established.

No expenditure authority; staffing determined by annual budget appropriation.

## Jurisdiction

Misconduct (defined to include any breach of fiduciary duty).

To investigate aldermen, City Council employees, and independent contractors, but not vendors and others doing business with City Council.

## Investigatory Powers

Sworn complaint and approval of Board of Ethics required to initiate investigation.

No explicit authority to access to premises, equipment, records, etc.

May request information from any person reasonably related to investigation.

Officers, employees, departments, agencies, contractors, subcontractors, and licensees of the City have duty to cooperate. Aldermen not specified.

Removal of expectation of confidentiality as to attorney-client privilege not specified.

No duty to report specified.

May issue subpoenas only with approval of Board of Ethics; no express power to enforce.

May refer criminal matters to law enforcement authorities.

No designation as law enforcement agency.

No authority to participate in multijurisdictional investigations.

Investigatory rules subject to City Council disapproval.

## Enforcement Powers

Report each completed investigation to Board of Ethics, but no response required of Board.

No enforcement tribunal or appeals process.

## Complainant Incentives and Protections

Confidentiality for complainants, but complaints must be sworn.

No anonymous complaints accepted.

## Accountability

Semi-annual reports to City Council Committee including summary of activities.

No public reporting.
**Enforcement Powers**
There are no enforcement powers. The LIG’s sole power in this respect (apart from referrals to law enforcement agencies and to the City’s OIG, as well as referrals of complaints against persons over whom it lacks jurisdiction to the Board of Ethics) is to file reports with the Board of Ethics.\(^{114}\)

**Complainant Incentives and Protections**
Given the requirement that complaints be signed and sworn, there is nothing in the ordinance that provides incentives or protection to complainants. Nor, since LIG reports to the Board of Ethics are confidential,\(^ {115}\) is there any power to inform complainants of what has happened to their complaints.

**Accountability**
Because of the LIG’s lack of independence and limited jurisdiction and powers, the absence of provisions designed to minimize risks of abuse of power is not surprising. There are no public reporting provisions intended to provide a “window” on the LIG’s effectiveness, or as a way to increase public awareness of efforts to address governmental corruption.

**Subjecting the City Legislative Inspector General to the effective control of the City Council and the Board of Ethics is likely to render the office ineffective as an independent weapon in combating corruption in the Chicago City Council.**
**Nothing short of a major overhaul of the current ordinance is required if the new City of Chicago Legislative Inspector General office is to be effective.**
Recommendations
Based on an examination of the literature, selected statutes and ordinances, and a number of interviews with knowledgeable individuals, we have concluded that an Office of Inspector General (OIG) tasked to combat corruption should, if it is to be effective, possess most or all of the characteristics identified below.

**Independence**
Certain “basics” respecting independence are essential: strong qualifications for the office holder; a fixed term of office; removal only for cause, after a hearing if one is requested; and full management control and expenditure authority over staffing and operations. Highly desirable as well are an independent voice in the appointment and removal processes, and a budgetary floor.

**Jurisdiction**
The basic requisites of jurisdiction include both misconduct (corruption, fraud) and inefficiency (waste, redundancy); and that it extend “internally” to all officers (agency heads, members of governing boards, etc.), employees, functions, and programs, and “externally” to all those doing business with the OIG’s governmental unit, or seeking to be certified as eligible for its contracts or programs.

**Investigatory Powers**
Core investigatory powers include: the initiation of investigations (even absent a complaint); access to premises, equipment, and records of the governmental unit; power to request information from any person or organization relevant to an investigation; a complementary duty to cooperate with investigations on the part of all officers, board members, employees, and those doing business with the governmental unit or seeking eligibility for its contracts or programs; the power to issue and enforce subpoenas with counsel of its own choosing; and the power to refer matters to, and participate in multijurisdictional investigations with, law enforcement agencies.

Highly desirable additional investigatory powers include a duty on the part of all officers and employees to report corrupt activity to the OIG; a provision that the duty to cooperate removes the expectation of confidentiality as to the attorney-client privilege; extension of the duties to cooperate and to report to officers and employees of “sister agencies” (as regards governmental unit funds); and designation of the OIG as a law enforcement agency, with appropriate peace officer certification authority.

**Enforcement Powers**
Fundamental enforcement powers are the power to recommend disciplinary action to the head of the governmental unit and to agency and department heads, and an obligation on their part to respond in writing, with reasons, when OIG recommendations are not followed. Where no enforcement tribunal is established, it is desirable to include an “appeals process” to deal with instances when the OIG recommendation
and the agency response to it differ, which would enable the OIG to bring its recommendations to the attention of the head of the governmental unit, and to speak in their support.

**Protection and Incentives for Complainants**

Essential protection and incentives for complainants include confidentiality, beginning with the ability to file (and the power of the OIG to receive and investigate) anonymous complaints, and whistleblower protection against retaliation. It is desirable as well for OIGs to be empowered to inform complainants of the outcome of their complaints, with explanations.

**Accountability**

Accountability of the OIG in each of its aspects—abuse of power and effectiveness of the office—is served by strong qualifications for office holders, and by frequent reporting to the head of the governmental unit that is comprehensive and detailed enough to permit informed evaluation of OIG performance. Periodic peer reviews serve this purpose, as does a provision for the filing of complaints (with a hearing) against the OIG. Finally, public reporting by the OIG is an essential component of accountability. Public reports that are analytical and not limited to statistics are desirable—including analysis of why, in the opinion of the OIG, corrupt conduct took place, and recommendations regarding any structural reforms that might preclude its repetition.

The opening paragraphs of this report say that good laws are essential if public corruption is to be effectively addressed. One of the relevant laws in this respect is the very statute or ordinance that establishes a governmental unit’s OIG. BPI hopes that this report and its recommendations will be helpful to those striving for “good” OIG laws.
Interviews
Illinois
Mary Anderson, former Deputy Executive Inspector General, Office of Executive Inspector General for the Agencies of the Illinois Governor
Jack Blakey, Chief of the Special Prosecutions Bureau of the Cook County State’s Attorney’s Office
Patrick Blanchard, Cook County Independent Inspector General and board member, Association of Inspectors General
Jim Burns, Executive Inspector General for the Office of the Illinois Secretary of State
Cindi Canary, Director, Illinois Campaign for Political Reform
Dawn Clark Netsch, former Illinois State Senator and Comptroller
Forrest Claypool, former Cook County Commissioner
James Faught, Chair, Illinois Executive Ethics Commission
Joseph M. Ferguson, City of Chicago Inspector General
Chad Fornoff, Executive Director, Illinois Executive Ethics Commission
John A. Gasiorowski, former Deputy Inspector General, Chicago Board of Education; Inspector General, City Colleges of Chicago; and board member, Association of Inspectors General
David Hoffman, former City of Chicago Inspector General and member of Illinois Reform Commission
Thomas Homer, Legislative Inspector General, State of Illinois
Gilbert Jimenez, former Deputy Inspector General, Office of Executive Inspector General for the Agencies of the Illinois Governor
Scott Lassar, former U.S. Attorney for the Northern District of Illinois
Patricia McConnell, Director of Investigations, Office of Executive Inspector General for the Office of the Illinois Attorney General
David Morrison, Deputy Director, Illinois Campaign for Political Reform
Diane Saltoun, Executive Inspector General for the Office of the Illinois Attorney General
Nick J. Schuler, Deputy Inspector General, Chicago Board of Education
Michael L. Shakman, partner, Miller Shakman & Beem LLP
Dick Simpson, Professor & Department Head, Department of Political Science, University of Illinois at Chicago, and former Chicago Alderman
James Sullivan, Inspector General, Chicago Board of Education and board member, Association of Inspectors General
Scott Turow, former Chair, Illinois Executive Ethics Commission
Mark J. Vogel, Shakman Post-SRO Complaint Administrator
Kim Walz, former Chief of Staff for former Cook County Commissioner Mike Quigley
James Wright, former Executive Inspector General for the Agencies of the Illinois Governor

Neighboring States
Indiana
David O. Thomas, Indiana Inspector General

Michigan
Lynn Jondahl, former Chair, Michigan State Board of Ethics

Minnesota
James Nobles, Minnesota Legislative Auditor

Ohio
Tony W. Bledsoe, Ohio Legislative Inspector General
David Freel, former Executive Director of Ohio Ethics Commission
Lora Manon, former General Counsel, Office of Ohio Inspector General
Pete M. Russell, General Counsel, Office of Ohio Legislative Inspector General

Wisconsin
Mike McCabe, Executive Director, Wisconsin Democracy Campaign
Endnotes
Endnotes


3 BPI Political Reform Task Force interview with David Hoffman, former City of Chicago Inspector General, February 15, 2010. Summaries of the interviews cited in this report are on file with BPI.

4 Jim Burns, Executive Inspector General for the Office of the Illinois Secretary of State, declares, “[i]f you don’t change the culture in an institution, you can prosecute, you can indict all you want to, but you won’t make a real change without a culture change, and that starts at the top.” Tesa Culli, “Burns discusses state ethics, reform,” Mt. Vernon Register-News, September 23, 2009.


6 The focus of this report is thus on the anti-corruption role of inspectors general, and on their employment of the investigatory technique in combating corruption. OIGs typically have other goals as well, for example, improving government efficiency and eliminating waste, and may employ other techniques, such as auditing and employee ethics training. For a discussion in the federal context of the several roles OIGs may play and the tools or approaches they may employ, see Light, especially at 3-4.


8 Light, 31-35; Hartmus, 245.

9 Hartmus, 244-246.

10 Council of the Inspectors General on Integrity and Efficiency, A Progress Report to the President Fiscal Year 2009, November 2010.


13 For example, federal OIGs review existing and proposed legislation and regulations and make recommendations regarding their effect on preventing fraud and abuse. Inspector General Act of 1978, Section 4, 5 U.S.C.A. App.3. The Massachusetts Inspector General reviews every bill filed in each session of the state legislature and may recommend amendments to protect against fraud, waste, or abuse. Massachusetts General Law, Chapter 12A Section 8.

14 Indiana’s Inspector General statute provides that the Inspector General “shall . . . prepare interpretive and educational material and programs.” Indiana Code, 4-2-7-3 (16).

15 Council of the Inspectors General on Integrity and Efficiency, A Progress Report to the President Fiscal Year 2009, November 2010.


18 Council of the Inspectors General on Integrity and Efficiency, A Progress Report to the President Fiscal Year 2009, November 2010.


21 We reiterate that the focus of this report is on public corruption, not on the broader goals of improving government efficiency and accountability. As Paul C. Light points out in his discussion of a significant scandal that occurred at the U.S. Department of Housing and Urban Development after a HUD inspector general had been in place for some years, “No amount of monitoring can make up for action on recommendations for front-end investment in government capacity.” Light, 76.


24 Code of Miami-Dade County, Section 2-1076 (b)(2).

25 Code of Miami-Dade County, Section 2-1076 (b)(3).

26 Home Rule Charter of the City of New Orleans, Section 9-401(3) (as amended through February 2, 2009); Code of Miami-Dade County, Section 2-1076(d)(6).

27 Home Rule Charter of the City of New Orleans, Section 9-401(3) (as amended through February 2, 2009).

28 Inspector General’s Office Report Regarding Investigations of Political Discrimination at 22-23, Shakman et al. v. Democratic Organization of Cook County, et al., No. 69 C 2145 (N.D. Ill. Jan. 29, 2010). In 2010 the Chicago City Council created an office of Legislative Inspector General with jurisdiction over aldermen and City Council employees, Municipal Code of Chicago, 2-55, although the new Legislative Inspector General has not yet been appointed. While the new ordinance creates inspector general oversight of the City Council, the City of Chicago Inspector General is still unable to fully investigate cases within his jurisdiction that implicate City Council members or staff.


30 The federal Inspector General Act provides that specified law enforcement powers (to carry firearms, make arrests without warrants, and execute warrants for arrest, search, and seizure of evidence) should be granted to federal inspectors general only upon a specific determination of need by the Attorney General. Inspector General Act of 1978, Section 6, 5 U.S.C.A. App. 3.

31 For example, Cook County Code of Ordinances, Section 2-286.

32 This is a controversial matter about which there are differing views. BPI lawyers currently represent the Inspector General of the City of Chicago in litigation to enforce a subpoena issued to the Corporation Counsel for the City of Chicago in an official investigation of possible City misconduct. Ferguson v. Georges, Cir. Ct. No. 09 CH 43287, App. Ct. No. 10-1152. The Corporation Counsel refused to comply with the subpoena, claiming attorney-client privilege and work product doctrine, although the Inspector General’s governing statute grants him unrestricted access to City premises, equipment, personnel, books, records and papers. The trial judge ruled for the Corporation Counsel, and the case is now on appeal.

33 Indiana Code, 4-2-7-4(2).

34 Like OIGs, the value of these systems depends on how well the tribunal bodies are designed.

35 Significantly, reporting on overall activity in Illinois has largely been confined to statistics, without context or analysis, which is of limited value. Inspector general statutes should pay more attention to the extent and nature of required reporting. As Light points out, visibility—frequently dependent upon reporting—is “critical” to OIG effectiveness. Light, 214. But beyond getting noticed, another important matter is whether reports address not only what happened but why, and recommend what to do to prevent repetitions. As discussed in the text, public reports of investigations and overall activity are also relevant to the issue of accountability.

36 Chapter 5 Illinois Compiled Statutes 430/20-52(a). Illinois Compiled Statutes hereafter referred to as ILCS.

37 Ohio Revised Code, Section 121.44.


40 In a memorandum to the Illinois General Assembly Joint Committee on Government Reform, Thomas J. Homer, Legislative Inspector General, states, “the failure to communicate with the complainant can lead to unwarranted speculation as to what if any action was taken with respect to the complaint.” February 24, 2009. Memorandum on file with BPI.

41 For example, the City of Chicago Inspector General declined to investigate 322 of 464 complaints received over the second quarter of 2010, citing lack of resources as the primary reason. City of Chicago Office of the Inspector General, Quarterly Report of the Inspector General’s Office, Second Quarter 2010 (July 2010), 1.
One of the most basic ways to encourage reporting is to publicize how to report. Our research disclosed that links to report misconduct are often not present on a government’s home page. While employees may be made aware of how to report through training and materials, home page links on how to report not only facilitate reporting but send a message that misconduct is not tolerated.

New Orleans City Code, Section 2-1120(16)(b).

5 ILCS 430/20-21(a).

5 ILCS 430.

5 ILCS 430/20-10(c).

5 ILCS 430/20-50(b); 430/20-80; 430/20-50(c).

5 ILCS 430/5 10; 430/20-20(q).

5 ILCS 430 20-52(a); The freedom to initiate investigations results from deleting the prohibition against doing so, originally included in the 2003 Ethics Act. The same is true regarding the freedom to accept anonymous complaints.

5 ILCS 430/20-10(b).

5 ILCS 430/20-10(f).

5 ILCS 20-20(2). Except in cases of fraudulent concealment, EIG investigations must be initiated within one year of the most recent wrongful act, a potentially troublesome limitation. 5 ILCS 430/20-20(1).


5 ILCS 430/20-50(h). Except in cases of fraudulent concealment, complaints must be filed with the EEC within 18 months of the most recent wrongful act, another potentially troublesome limitation. 5ILCS 430/20-50(c).

740 ILCS 175; 5 ILCS 430/15.

5 ILCS 430/20-21; 430/20-50; 430/20-65; 430/20-85.

While the EIGs are not required to produce annual reports under the Ethics Act, the EIG for the Agencies of the Illinois Governor has published annual reports since 2006.
CCCO, Section 2-288(b); CCCO, Section 2-291; CCCO, Section 2-284(i)(a); Cook County Independent Inspector General website FAQs found at: http://www.co.cook.il.us/portal/server.pt/community/inspector_general/302/frequently_asked_questions/431.

CCCO, Section 2-287.

City of Chicago Municipal Code, Section 2-56. 
(City of Chicago Municipal Code hereafter referred to as CMC.)

CMC, Section 2-56-020; Section 2-56-130.

CMC, Section 2-56-020.

Interview with Joseph Ferguson, City of Chicago Inspector General, April 6, 2010.

CMC, Section 2-56-050.

Interview with Joseph Ferguson, City of Chicago Inspector General, April 6, 2010.

See Note 32 above.

Id.

Executive Order No. 2005-2, Section 3, Office of the Mayor, City of Chicago, September 27, 2005.

Interview with Joseph Ferguson, City of Chicago Inspector General, April 6, 2010.

CMC, Section 2-56-065.

CMC, Section 2-56-120; The City of Chicago IGO voluntarily submits more comprehensive quarterly reports to City Council that are also available via the IGO website. www.chicagoinspectorgeneral.org.

CMC, Section 2-56-060.


CMC, Section 2-56-110.

Editorial, “Why a fake IG when you can have a real one?” Chicago Sun-Times, April 8, 2011.

CMC, Section 2-55.

CMC, Section 2-55-030(a).
Founded in 1969, Business and Professional People for the Public Interest (BPI) is a public interest law and policy center that seeks out and addresses issues of social justice and quality of life in the Chicago region.

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