
WHEN CHICAGO'S READY FOR REFORM, HERE'S WHAT IT COULD DO

*An Open Letter
to the New Mayor
of Chicago*

About BPI

Founded in 1969, BPI is a public interest law and policy center that for 50 years has worked to create a just society. Today, our efforts focus on addressing the challenges of urban poverty and racial inequity, increasing housing and educational opportunities, strengthening early childhood learning, reforming our criminal justice system, and improving governmental integrity and efficiency.

BPI's work in the inspector general arena commenced in 2011 with publication of *Inspectors General and Government Corruption*, an analysis of best practices and an assessment of five Illinois offices of inspector general with recommendations on how to strengthen each. In 2013, BPI represented Chicago's Inspector General in litigation over access to subpoenaed documents and the independence of his office. BPI was later appointed special state's attorney representing the Independent Inspector General of Cook County in litigation with respect to the extent of the office's jurisdiction over Cook County offices headed by independently elected officials.



Business and Professional People
for the Public Interest

25 E. Washington St. | Suite 1515
Chicago, Illinois 60602
www.bpichicago.org

*Recipient of the MacArthur Award
for Creative and Effective Institutions*

E. Hoy McConnell, II
Executive Director

Dear Mayor-Elect Lightfoot,

It's been over half a century since Chicago alderman and saloonkeeper Matthias 'Paddy' Bauler announced gleefully that "Chicago ain't ready for reform yet." Paddy has been gone for some time now, but his pronouncement lives stubbornly on.

Examples are disturbingly numerous. Here are two:

The Chicago public schools superintendent is imprisoned for taking kickbacks in return for steering no-bid contracts to a firm she used to work for. A federal judge, pronouncing sentence, says, "It's distressing that Chicago... seems unable to... shed its image of public corruption. The people are waiting to find out if Chicago can ever be a city that works for its people and not for corrupt officials and people willing to pay bribes."

Earlier this year, following the release of federal "shakedown" charges against the long-time chairman of the City Council's powerful Finance Committee, a front-page headline in *USA Today* blared, "Scandal still clouds Chicago." The first line of the story: "Over the past four decades, federal prosecutors have racked up more than 1,700 corruption convictions of elected officials, government employees and contractors... [leaving] longtime Chicagoans accustomed to the sight of public servants taking perp walks on the evening news."

No doubt it's scandals such as these that led a recent book on corruption in Illinois to say, flat-out, "Chicago is undoubtedly the most corrupt city in our nation."

Yet simply catching more bad guys isn't "reform." What reform really means is building a culture of integrity in government service so that fraud and corruption are minimized and government performance is improved.

In this "letter" to you, Chicago's new Mayor, we explain how Chicago might—*if you provide the leadership*—do just that.

CAN INTEGRITY IN GOVERNMENT BE ACHIEVED?

Can a culture of government integrity really be achieved? The answer is yes. A report on local integrity systems says that, “All over the world, cities have been developing measures, instruments, and institutions in order to curb corruption and to stimulate the ethics and integrity of government.” New York City has made “great strides” in building integrity into its governance, and so has Philadelphia.

These and other U.S. cities rely on inspectors general. Inspectors general are public officials placed within a particular unit of government and charged with rooting out wrongdoing, improving efficiency, and fostering integrity within their governmental unit.

Chicago already has a number of inspectors general. There’s one for City departments, another for the schools, a third for public housing, others for other agencies. They’ve all done good work, but our integrity problem persists. Why?

We hope this letter will help you, as Chicago’s new Mayor, answer that question. We’ve interviewed inspectors general here in Chicago and elsewhere. We’ve combed the relevant literature, both in this country and throughout the world. And we’ve collected best practices in integrity monitoring from the brightest minds in the field. In this letter, we’ll share with you two things we’ve learned.

First, Chicago’s inspector general system is seriously flawed. Many of its inspectors general lack independence; some lack essential powers; others are crippled by limited jurisdiction; one position remains unfilled. Nor do they commonly work together as a team, sharing information and assisting each other to improve their effectiveness.

Second, we’ve learned what a good inspector general system looks like. Based on our research, we’ll offer you a “blueprint” for a Chicago integrity system that would be state-of-the-art.

We’ll then explain how, under your leadership as Mayor, you can move Chicago from here to there—from a flawed structure to one that befits a world-class city. It’s doable, and you, as Chicago’s new Mayor, can do it.

First, however, a word about what we mean by “Chicago.” When we refer to our City, most of us generally think not only of City Hall and the Mayor but of schools and parks and public housing and so on. Yet some of these “parts” of what we think of as Chicago are technically separate governments, even though their heads are appointed by the Mayor and their activities are controlled or influenced by her or him. In this letter, when we say “Chicago” we mean all the parts of Chicago that most of us think of as “the City.”

We focus on the six inspectors general that Chicago already has or is empowered to have. Five are assigned, one each, to parts of Chicago's government that are technically separate bodies, sometimes called "sister agencies": the public schools, the public parks, public housing, public transit, and the City Colleges. The sixth Inspector General is the "City IG," which has jurisdiction over city departments and also over the City Council, the Chicago Police Department, and the Public Building Commission (another sister agency).

That said, we turn first to Chicago's present inspector general system and show just how it is flawed.

CHICAGO'S FLAWED INSPECTOR GENERAL SYSTEM

POWERS AND INDEPENDENCE

Each of the five inspector general offices (the sixth—CTA's—is unfilled at present) is afflicted with serious gaps in powers and independence. For example, the City of Chicago Inspector General can only investigate aldermen if complaints are written and signed (not anonymous) and then only for specific kinds of misconduct; it cannot enforce subpoenas with counsel of its own choosing but must use the lawyers of the very City it is supposed to oversee; and it lacks authority to fully manage its own affairs because office staffing is subject to approval of the City budget office.

At the public schools, the Board of Education—supposed to be overseen by its inspector general—can remove her or him at any time and for any reason by simple majority vote. Nor does the CPS inspector general have full control over its investigations because investigating authority is confusingly spread among several departments.

At public housing, the Chicago Housing Authority inspector general can only make "recommendations" for staffing its office, and its budget is set by the very board it is supposed to oversee. The Chicago Park District inspector general suffers from these same limitations and in addition lacks the fundamental subpoena power. The City Colleges inspector general likewise lacks subpoena power; its office budget is also set by the board it is supposed to oversee; and contractors have no duty to report wrongdoing to the office.

WORKING TOGETHER AS A TEAM

Beyond these examples of deficiencies *within* each inspector general office is their separateness. Nothing obligates the several inspectors general to work together as a team—to share information, cooperate in investigations, and develop common best practices. As a result, too little of this takes place. Moreover, confidentiality provisions preclude the City's inspector general from even sharing some information with the others.

This inspector general structure, which is supposed to protect Chicago against corruption but looks for all the world like a slice of swiss cheese, undoubtedly helps explain the judge's observation about Chicago's inability to shed its image of public corruption. The reality, as shown not only by continuing scandals but also by the flawed inspector general system it tolerates, is that Chicago does indeed appear still unready for reform.

BLUEPRINT FOR A STATE-OF-THE-ART LOCAL INTEGRITY SYSTEM

How can this system be fixed? Our research has led us to the following three-part "Blueprint" for an effective inspector general system.

BLUEPRINT PART ONE: INSPECTOR GENERAL INDEPENDENCE

Qualifications

Strong office qualifications—relevant experience, demonstrated skill, a record of integrity—are essential to promote independence.

Appointment Process

An independent voice or voices should be included in the appointment and reappointment processes. If selected solely by a single appointing authority, the inspector general may appear to be beholden—may actually feel beholden—to that authority.

Term of Office

There should be a fixed term of office long enough to promote continuity in investigations and to permit inspectors general to act without immediate concern about reappointment.

Termination

To insure that an inspector general is not fired for being too effective or for undertaking a "sensitive" investigation, an inspector general should be removed only for cause, and only after a hearing.

Management

The inspector general must have full managerial control over the staffing (hiring, firing, assignment) and operations of her/his office.

Budget

The inspector general office budget should be insulated from the exclusive control of the agency it oversees, for example by setting a budget floor as a defined percentage of the overall agency budget.

BLUEPRINT PART TWO: INSPECTOR GENERAL POWERS AND JURISDICTION; HOST AGENCY RESPONSIBILITIES

Powers

Investigate

- The power to investigate must include the power to pursue all complaints including anonymous ones, and to initiate its own investigations.
- Pursuing investigations effectively requires: (a) the power to issue and enforce subpoenas with counsel of the inspector general's choosing; (b) the power to take testimony under oath; and (c) the power to refer matters to and participate in multijurisdictional investigations with law enforcement agencies.
- The power to investigate should also include "contract monitoring" of large projects and of vendors with documented integrity issues. This involves the authority to place inspector general personnel on the management team of large projects, thus enabling oversight on a daily basis. (Contractors usually pay for such monitoring.)

Audit

The power to audit involves reviewing policies, programs, and procedures for inefficiency and corruption vulnerabilities. Rather than an after-the-fact investigation of misconduct that has already occurred, auditing is a proactive review designed to *prevent* waste or corruption from happening.

Review Financial Disclosure Statements, Lobbying Registrations, and Barred Contractor Lists

Inspectors general should have access to the filings (such as financial disclosure statements and lobbying registrations) made with agencies' ethics boards and to the boards' interpretations of their ethical rules. They should also have access to lists of barred persons or contractors.

Conduct Background Reviews

Background reviews of senior hires, and of companies and their principals that do business with the agency, help insure that senior management and the principals of companies doing business with the agency are persons of integrity.

Report

There must be power to report directly to the public, regarding both overall activity and individual investigations. (The risk that public reports could damage reputations disproportionately to the seriousness of violations can be avoided by restricting such reports for lesser violations.) There must be power to report to the head of the agency, including the power to make “policy and procedure recommendations” respecting operational vulnerabilities to corruption or inefficiency, and to recommend disciplinary action. The power to make such recommendations must be coupled with an obligation of the agency head to respond, in writing and with reasons and when inspector general recommendations are not accepted, followed in such cases by an “appeals” process to the Mayor.

Jurisdiction

All inspector general powers must be available for use respecting any official activities of all board members, officers, employees, and, in the case of the City, aldermen and employees of the City Council. These same powers should also extend to persons and organizations doing business with the agency or seeking to become eligible for its contracts and programs.

Host Agency Responsibilities

There must be an obligation on the part of the host agency, and those it does business with, to provide the inspector general with access to premises, equipment, books, and records. There must also be an obligation on the part of all board members, officers, and employees of the agency, and those it does business with, both to report wrongdoing to the inspector general and to cooperate with inspector general investigations and audits, with suitable “whistleblower” protections against recrimination.

BLUEPRINT PART THREE: COLLABORATION

The six Chicago inspectors general should work collaboratively and synergistically together. The advantages are obvious, including sharing of information, cooperating on investigations, developing common best practices, increasing effectiveness, and promoting efficiency.

And there you have it.

This, Mayor, is what our research tells us is a Blueprint for a state-of-the-art inspector general system for our City.

HOW TO GET FROM HERE TO THERE?

What to do? If New York and other cities can design and implement effective integrity systems, Chicago can too. You, as Chicago's Mayor, can follow the Blueprint and give high priority to transforming Chicago's flawed inspector general system into a state-of-the-art integrity system. Here's how.

You, as Mayor, will exercise great influence over the City's sister agencies. You will appoint the entire governing boards of most of them, and half the boards of the others. You will also appoint the police superintendent and exercise direct control over all City departments. Your predecessors have exercised great influence over the members of the City Council, and you no doubt will too. With all this mayoral power in your hands, you can in three steps do what needs to be done.

Step One

Persuade the City Council to enact an ordinance that gives the City's inspector general all of the independence, powers, and duties described in our Blueprint.

Step Two

Persuade each of the sister agencies to enter into an intergovernmental agreement with Chicago, authorized both by their respective boards and by the City Council, that as far as legally possible provides their respective inspectors general with identical independence, powers, and duties. (Exactly such a procedure is provided for in Section 2-56-030(i) of the Municipal Code.)

Step Three

You and the sister agency boards—by resolution of the City Council and each of the sister agency boards—should direct the inspectors general collectively to develop a plan to systematize inspector general collaboration, share information, develop common practices, and improve collective effectiveness. This plan would then be submitted to the Mayor, the City Council, and each of the sister agencies within a specified time frame, ultimately to be adopted by each as a charge to its inspector general.

TIME TO ACT

As Mayor of Chicago you can do this!

By making a state-of-the-art inspector general system one of your highest priorities, and by exercising your power and influence over the City Council and the sister agencies, you can build a culture of integrity in Chicago government. “The most corrupt city” is not a laurel to be worn proudly.

As the judge said, the people have been waiting.

Please, Mayor-Elect Lightfoot, don't keep them waiting any longer.

Very truly yours,

BPI

Business and Professional People for the Public Interest

BPI
For a Just Society



Business and Professional People
for the Public Interest

25 E. Washington St. | Suite 1515
Chicago, Illinois 60602
www.bpichicago.org

*Recipient of the MacArthur Award
for Creative and Effective Institutions*

E. Hoy McConnell, II
Executive Director