

## MILWAUKEE COUNTY ETHICS BOARD

### 2014 - ANNUAL ACTIVITIES REPORT

#### GENERAL INFORMATION

##### ETHICS BOARD MEMBERSHIP

##### TERM EXPIRATION YEAR

|  |                   |
|--|-------------------|
| David B. Carr, Chair   | February 28, 2013 |
| Christian B. Flores, Chair (Nominee of Public Policy Forum)        | February 28, 2015 |
| Marcia F. Drame, Vice Chair (Nominee of Milwaukee Bar Association) | February 28, 2016 |
| Henry Hamilton III (Nominee of NAACP)                              | February 28, 2014 |
| Gary Manning (Inter-Faith Conference of Greater Milwaukee)         | February 28, 2017 |
| Carol Wichmann (Nominee of Women League of Voters)                 | February 28, 2018 |
| Michael G. Spector (Nominee of the Greater Milwaukee Committee)    | February 28, 2019 |
| Clarence P. Nicholas (Nominee of NAACP)                            | February 28, 2020 |

On March 19, 2014, Michael G. Spector, nominee of the Greater Milwaukee Committee, replaced David Carr as a member of the Ethics Board.

The Ethics Board elected Christian B. Flores as Chair of the Board at its May 14, 2014 meeting.

On July 31, 2014, Clarence P. Nicholas, nominee of the NAACP, replaced Henry Hamilton III as a member of the Ethics Board.

Michael Spector passed away on October 31, 2014. The Board greatly appreciates Mr. Spector's impeccable character and commitment to public service.

##### EXECUTIVE DIRECTOR

Robert J. Tuszynski, Interim Director, January 2014 to April 2014  
Charmaine Gee, Interim Director, April 2014 to July 2014  
Rebecca M. Janz, Executive Director, July 2014 to present

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##### STAFF

Charmaine Gee, Administrative Assistant  
Julie Straseske (Cox), Clerical Specialist - Contractor

## 2014 BUDGET

The 2014 adopted Ethics Board budget was \$85,270, an increase of \$7,754 (about 10 percent) from the 2013 budget. Two major components of the budget are for support staff and outside counsel representation for the Board. Each year, predicting outside legal representation on behalf of the Board is nearly impossible. Fluctuations in the number of investigation requests, verified complaints, and requests for interpretations of Federal, State, and Municipal law cause fluctuations against the estimated amount approved.

## STATUTORY REFERENCE

The Milwaukee County Ethics Code is Chapter 9 of the Milwaukee County General Ordinances and is based largely on Section 19.59 of the Wisconsin Statutes. The Milwaukee County Lobbying Code is Chapter 14, Milwaukee County General Ordinances. The Board must also operate in compliance with other Wisconsin Statutes, such as Public Records and Open Meetings Laws.

## INTENT

It is the intent of the Milwaukee County Ethics Code that government decisions and policy be made in the best interests of the people, the community, and the government; public office not be used for personal gain; and the public have confidence in the integrity of the government.

## HISTORY

The Ethics Board and the Ethics Code it administers were created in February 1975. The Code sets forth standards of ethical conduct for all county employees, including elected and appointed officials and members of boards and commissions. The County Board has amended the Code 26 times since its inception, with the most recent amendment occurring in 2008. In the first quarter of 2013, the Ethics Board adopted revised Rules and Procedures. These revisions more clearly delineate the Ethics Board's responsibilities under the Milwaukee County Ethics Code.

## ORGANIZATION

The Board consists of six members appointed by the County Executive and confirmed by the Milwaukee County Board of Supervisors for staggered six-year terms. As of 2008, new members are nominated by one of the following six outside entities that are longstanding, broad-based Milwaukee County organizations interested in good government and institutional integrity:

- The National Association for the Advancement of Colored People (NAACP);
- The Public Policy Forum;
- The Greater Milwaukee Committee;
- The Milwaukee Bar Association;
- The Inter-Faith Conference of Greater Milwaukee; and
- The League of Women Voters of Greater Milwaukee.

The goal of this process is to ensure that the Board members reflect the racial and ethnic diversity of Milwaukee County, serve the residents of Milwaukee County according to their oaths of office, and act

independently from the nomination and appointing authorities. An action by the Ethics Board requires an affirmative vote of four members. While serving on the Board, and for one year prior to his/her appointment, no member can be a county public official or employee, or have been a candidate for public office.

### **BOARD RESPONSIBILITIES**

The Ethics Board administers the Code of Ethics written for county officials, employees, and members of county boards and commissions and is the primary source of interpretation of the Milwaukee County Ethics Code. The Board has three major responsibilities:

- Directs persons specified, pursuant to the Code, to timely file Statements of Economic Interests.
- Upon request, advises any county official, employee, or those who do business with county employees on the propriety of matters to which they may become a part, pursuant to the Code.
- Accepts investigation requests and verified complaints against county elected or appointed officials, employees, or members of county boards and commissions.

### **BOARD OPERATIONS**

During the 12 months covered by this report (calendar year 2014), the Ethics Board met six times, an increase of 50 percent from 2013. By ordinance, the Ethics Board meets four (4) times per year for the purpose of carrying out the Board's assigned duties and responsibilities. Each meeting was preceded by public announcements of the time, place, and matters to be discussed. Although requests for confidential written advice and investigations must, as a matter of ordinance, be held in closed session, the Board gives public notice of the time, place, and general subject of its closed sessions in conformance with the State of Wisconsin's Open Meetings law. Most all other items of the meeting agenda are held in public session. Preliminary conferences, by ordinance, are held in closed session.

### **MEETINGS AND ATTENDANCE**

Board member participation rates remain below 100% in part due to work or family conflicts experienced by the Board members. Membership participation rates declined slightly in 2014, potentially due to a slight increase in the number of meetings and changes in membership. When necessary and possible, Board members are able to participate in the meetings by conference phone. Additional data is below.

**Board Member Attendance Data 2012 to 2014**

| 2012                      |   | 2013                      |   | 2014                      |   |
|---------------------------|---|---------------------------|---|---------------------------|---|
| <u>MEMBER</u>             | <u>MEETINGS ATTENDED OF MEETINGS CALLED</u> | <u>MEMBER</u>             | <u>MEETINGS ATTENDED OF MEETINGS CALLED</u> | <u>MEMBER</u>             | <u>MEETINGS ATTENDED OF MEETINGS CALLED</u> |
| Rebecca Blemberg Resigned | 1 of 3 = 33 %                               | David B. Carr             | 4 of 4 = 100 %                              | David B. Carr             | 1 of 1 = 100 %                              |
| David B. Carr             | 8 of 9 = 89 %                               | Christian Flores          | 4 of 4 = 100 %                              | Christian Flores          | 5 of 6 = 83.3 %                             |
| Christian Flores          | 9 of 9 = 100 %                              | Henry Hamilton III        | 4 of 4 = 100 %                              | Marcia Drame              | 4 of 6 = 66.7 %                             |
| Henry Hamilton III        | 7 of 9 = 78 %                               | Marcia Drame (nee Facey)  | 4 of 4 = 100 %                              | Henry Hamilton III        | 1 of 2 = 50 %                               |
| Marcia Facey              | 7 of 9 = 78 %                               | Gary Manning              | 3 of 4 = 75 %                               | Gary Manning              | 2 of 6 = 16.7 %                             |
| Gary Manning              | 3 of 4 = 75%                                | Carol Wichmann            | 3 of 4 = 75%                                | Carol Wichmann            | 6 of 6 = 100 %                              |
| Carol Wichmann (New)      | 4 of 5 = 80%                                |                           |   | Michael Spector           | 4 of 4 = 100 %                              |
|                           |   |                           |   | Clarence P. Nicolas       | 2 of 2 = 100 %                              |
|                           |   |                           |   |                           |   |
| <b>Average Attendance</b> | <b>=78%</b>                                 | <b>Average Attendance</b> | <b>= 78%</b>                                | <b>Average Attendance</b> | <b>= 71%</b>                                |

**STATEMENTS OF ECONOMIC INTEREST**

One of the Board’s principal duties is to administer the financial disclosure provisions of the Code of Ethics. The Code requires that all candidates for elected County offices, all County employees, and all County elected and appointed officials, including members of boards and commissions, “whose duties and responsibilities include the awarding and execution of contracts for the purchase of supplies, services, materials, and equipment for or on behalf of Milwaukee County, for the construction of public works, or for the sale or leasing of real estate,” file a Statement of Economic Interests (“SEI”) form and Affidavit with the Office of the Ethics Board.

In 2014, the Board had 296 required SEI filers, a decrease from 305 filers in 2013.

**EXAMINATION OF STATEMENTS OF ECONOMIC INTERESTS**

At the end of 2014, the audit firm of Baker Tilly requested the Ethics Board staff complete an Affiliated Party Transaction worksheet, as has been done in prior years. The SEI is designed to capture three specific areas of concern: 1) Ownership of investments (including real property) that could potentially directly benefit from decisions made by a county official/employee; 2) Involvement or financial interest in for-profit companies where the company could benefit from decisions by a county official/employee; and 3) Involvement or financial interest in non-profit organizations where the non-profit entity could benefit greatly or receive funding from the County. If such a concern is revealed in the SEI, the next question is whether the individual has decision-making authority to directly benefit the organization in which the individual has an interest.

Further enhancements to the SEI process that are needed and should be made in 2015:

- 1) After verifying information from each form for completeness, the list of companies, organizations, and investments should be compared to a vendor list of the county to determine that no additional conflicts potentially remain.
- 2) The completed SEIs should be sent to each manager for their review should they be aware of consideration being given to entering into an arrangement with a firm or organization that could benefit from a decision reached by the county official
- 3) Consideration should be given to revising the form to have the individual provide the name of the brokerage firm or financial advisor that makes investments decisions for the individual
- 4) Although the Ethics Board no longer reviews all of the SEI's, any potential conflicts identified in steps 1-3, should be reviewed by the Ethics Board for final determination.

### **SEI AUTOMATION PROJECT**

The Ethics and Election Accountability Portal did not launch during 2014. According to the Milwaukee County Information Management Services Division, the Ethics piece is completed and ready to go, but the Election Commission is still testing its portion of the Portal. IMSD has suggested that the Ethics Board separate the SEI portion to ensure a live launch for the county-wide annual filing of 2015 SEIs, and the office staff are exploring this option.

### **AUTOMATED LOBBYIST CONTACT REPORTING**

Although the County Clerk maintains an online registration of Lobbyist activity, reporting of contacts made by Lobbyists are not part of an online process. A project is being opened to design an online process for reporting Lobbyist contacts. Triggers would be established to notify the County Clerk when the activity of any lobbyist exceeds the threshold for registration.

### **ETHICS COMPLIANCE & TRAINING**

In past years, the office of the Ethics Board celebrated Corporate Compliance & Ethics Week, a national week-long event that highlights the importance of ethics and compliance in the workplace. Recent staff turnover has prevented the office from supporting ethics compliance training for County staff and officials to an optimal degree. The Ethics Board staff aim to re-implement training and educational materials during 2015.

### **ETHICS BOARD DETERMINATIONS**

During 2014, the Ethics Board considered the following requests for advisory opinions, investigation requests, or other matters. Pursuant to rules established by County Ordinance and Statutes, these actions were discussed in closed session, and the synopses are written in a manner that protects the integrity of the closed session meetings and the confidentiality of the requesters.

1. The Board received an investigation request alleging that two public officials violated Code by accepting certain campaign contributions. After reviewing the request, the Board determined

the request did not produce facts sufficient to merit a conclusion that a violation of the Code occurred and dismissed the request.

2. A public official requested advice about whether to report certain expenses on the official's statement of economic interests. In one instance, the official received an award from an organization that invited the official to speak at a conference. The official paid for transportation and meals, but the organization paid for the official's hotel. The official stated that the official did not engage in any campaigning at the conference and neither the organization nor the conference have any influence over the official's duties with Milwaukee County.

In the other instance, another organization invited the official to speak at a conference and offered to pay for the official's travel expenses. The official stated that the conference had no relation to the official's work at Milwaukee County and would be a personal, networking event.

The Board did not find any violation of the Code based on the facts presented by the official, but it determined that the official needed report the expenses paid by the outside organizations on the official's Statement of Economic Interests.

3. The Board received an investigation request alleging a public official violated various sections of the Code by spending Milwaukee County funds to support a non-public purpose. The Board forwarded the request to the District Attorney's office, which took no action on the request. The Board's investigation of the complaint was pending at the end of 2014.
4. A manager asked the Board whether Chapter 9.05(3)(a) would apply to an employee of one Department contracting with another Department after the employee's retirement. If the Chapter did not apply, the manager inquired if the employee could begin the application process for contracting prior to the employee's retirement. The Board requested further information from the requester, but it did not receive any response. Accordingly, the Board was unable to issue an opinion on the matter.
5. The Board received a request for an advisory opinion from an employee of one Department asking if it would be a violation of the Code if the employee contracted with another Department to provide services to former clients of the Department for which the employee worked. The Board requested further information from the employee, but it did not receive any response. Accordingly, the Board was unable to issue an opinion on the matter.
6. The Board received a verified complaint alleging that a public official had spent Milwaukee County funds to communicate outside Milwaukee County. The Board forwarded the request to the District Attorney's office, which took no action on the request. The Board's investigation of the complaint was pending at the end of 2014.
7. The Board received a request for an advisory opinion whether it was a violation of the Code for a public official to raise money for another person using personal resources, The Board determined that the scenario set forth in the public official's request did not violate the Code because the public official separated the public official's official role from the public official's personal affairs. Accordingly, the Board found that the requests for donations were made in the public official's personal capacity, and thus the requests did not violated the Code. The Board

emphasized that the public official must continue to be vigilant in keeping the public official's role as a government official separate from personal matters.

8. A public official requested an advisory opinion about whether working for a specific company would violate the Ethics Code. The Board found that the company's work did not related to an area within the County's jurisdiction and that the company was unlikely to become a vendor or contractor for the County. Assuming the public official kept the public official's work and duties with Milwaukee County separate from the public official's work and duties as an employee of the company, the Board found such employment would not violate the Code.
9. The Board received a verified complaint alleging that a public official used the official's public position to obtain financial gain for private benefit. The District Attorney's office took no action on the complaint. After reviewing the complaint, the Board determined that it did not produce facts sufficient to merit a conclusion that a violation of the Code occurred, and the Board dismissed the complaint.

- END -