



Office of Executive Inspector General for the Agencies of the Illinois Governor

Ethics | Integrity | Illinois

ANNUAL REPORT | FISCAL YEAR 2011



Ethics | Integrity | Illinois

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FOR THE AGENCIES OF THE ILLINOIS GOVERNOR

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RICARDO MEZA
EXECUTIVE INSPECTOR GENERAL

September 1, 2011

Dear Citizens of Illinois:

I am pleased to release the Fiscal Year 2011 report covering the period of July 1, 2010 through June 30, 2011.

We have redesigned this year's report in an easier-to-read format that includes graphical representations of key statistics for quick reference. Additionally, we have included a section outlining new initiatives undertaken by the office since September, 2010.

Thank you for reading our annual report. Please feel free to contact our office if you have any questions or suggestions.

Sincerely,

Ricardo Meza
Executive Inspector General

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Introduction

In 2003, the General Assembly enacted the Illinois State Officials and Employees Ethics Act (Ethics Act). The Ethics Act created the Office of Executive Inspector General for the Agencies of the Illinois Governor (OEIG). The OEIG is tasked with investigating “allegations of fraud, waste, abuse, mismanagement, misconduct, nonfeasance, misfeasance, malfeasance, or violations of this Act or violations of other related laws and rules” against all “executive branch State agencies . . . not within the jurisdiction of the Attorney General, the Secretary of State, the Comptroller, or the Treasurer.”

The Ethics Act contains specific provisions prohibiting certain conduct, such as conducting prohibited political activity, accepting prohibited gifts, using the image or name of a constitutional officer in a state public service announcement, accepting certain employment after leaving state government, failing to complete state employee ethics training and making prohibited “ex parte” communications regarding certain official state actions. It is also a violation of the Ethics Act to obstruct or fail to cooperate with OEIG investigations and to retaliate against a state employee for reporting misconduct.

In certain instances, conduct that violates the Ethics Act may be subject individuals to administrative hearings before the state’s Executive Ethics Commission (EEC). The EEC may impose an administrative fine, recommend discipline including termination and issue injunctive relief.

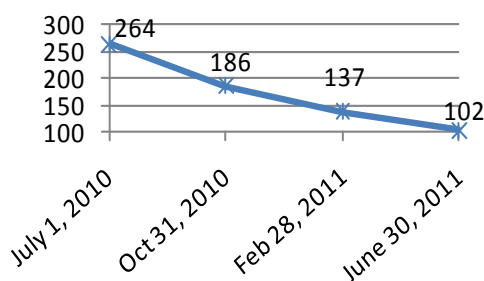
The OEIG’s jurisdiction encompasses over 300 state agencies and boards, and nine state public universities. In addition, as of July 1, 2011, new legislation added the Chicago Transit Authority, the Regional Transportation Authority, Pace and Metra to the OEIG’s jurisdiction.

In Fiscal Year (FY) 2011, one of the OEIG’s priorities was to reduce a backlog of pending investigations in order to focus resources on complaints involving systemic or significant misconduct. As shown in the graph to the right, the office was successful in reducing the number of pending investigations from 264 as of July 1, 2010 to 102 as of June 30, 2011.

Violations of the Ethics Act include:

- conducting certain political activity;
- accepting prohibited gifts;
- using constitutional officers’ names or pictures in public service announcements;
- taking “revolving door” employment after leaving state government;
- failing to complete state employee ethics training;
- making prohibited “ex parte” communications regarding some official state actions;
- obstructing OEIG investigations; and
- retaliating against state employees who report misconduct.

Pending Investigations



Mission

The OEIG is an independent state agency dedicated to ensuring accountability in state government. The OEIG receives and investigates complaints alleging misconduct and recommends appropriate corrective action.

Staff and Organizational Structure

The OEIG's senior staff is led by Executive Inspector General Ricardo Meza. Cole S. Kain serves as Chief of Staff and General Counsel. James Bonk is the Director of Investigations. Rochelle Hardy serves as the agency's Chief Financial and Compliance Officer and Wendy Washington serves as the OEIG's Director of Human Resources. David Keahl is Director of Ethics Training and Compliance.

The OEIG is responsible for administering four major programs: investigations, revolving door determinations, hiring monitoring and ethics training. The Investigations department manages the first three programs, while the Ethics Training and Compliance department oversees ethics training for state employees under OEIG jurisdiction.

OEIG offices are located in Chicago and Springfield. Staff conduct investigations in nearly every county in the state of Illinois. As of the close of Fiscal Year 2011 (June 30, 2011), the OEIG had a workforce of 60 full-time employees and one part-time employee, consisting of deputy and assistant inspectors general, investigators, computer forensic examiners, paralegals, accountants, administrative professionals, and support staff.

Investigations

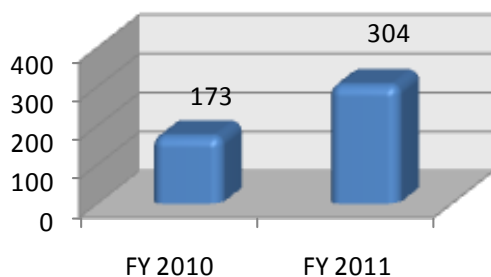
As an independent investigative agency, the OEIG works to detect, identify and eliminate waste, fraud, misconduct, mismanagement and malfeasance.

In order to facilitate the collection of information, investigators interview witnesses, acquire documents, analyze financial records, conduct surveillance, perform forensic examinations of computers and electronic files, and utilize a variety of other investigatory tools and techniques. As reflected in the graph to the left, in FY 2011, investigators completed 304 investigations. The OEIG has subpoena power to acquire information from any person or entity when relevant to an investigation. Pursuant to the governor's Administrative Order No. 6 (Dec. 2003), employees of state agencies



Executive Inspector General Ricardo Meza participates in the Illinois Department of Transportation's Fraud-Awareness Conference.

Investigations Completed Annually



under OEIG jurisdiction have a duty to report misconduct.

The OEIG receives numerous complaints through its toll-free Ethics Hotline, at (866) 814-1113 (TTY (888) 261-2734) and online via the OEIG website, www.inspectorgeneral.illinois.gov. Complaints are also received via facsimile transmission at either (312) 814-5479 or (217) 782-1605 and by in-person and mail deliveries. By law, the identity of a complainant is confidential and the OEIG takes every measure permissible by law to ensure it remains so.

For more information on investigations, see “Fiscal Year 2011 Investigative Activity” on page 8 and in Appendices A and B.

Revolving Door Determinations

Under Section 5-45 of the Ethics Act, known as the “Revolving Door Prohibition,” the OEIG is responsible for determining whether certain former state employees are prohibited from accepting, for one year after leaving state service, certain jobs after state employment. The Revolving Door Prohibition forbids certain former state employees or their immediate family members from taking jobs or receiving compensation from entities who were subject to licensing, regulatory or contract decisions involving the state employee.

Depending on their duties, certain current and former state employees are also required to notify the OEIG before they accept any non-state employment, so that the OEIG, working with agency ethics officers, may determine if there is any statutorily prohibited conflict-of-interest that would prevent the state employee from lawfully accepting an offer of employment.

In FY 2011, the OEIG issued 122 Revolving Door Determinations for workers leaving state employment.

Hiring Monitor

Under Section 20-20 of the Ethics Act, the OEIG is responsible for reviewing hiring practices and employment files of each state agency within its jurisdiction to ensure compliance with state and federal laws.

Ethics Training

In conjunction with the Executive Ethics Commission and in consultation with the Office of the Attorney General, the OEIG oversees an ethics training program that in Fiscal Year 2011 included 161,854 training sessions for employees, appointees and officials of state agencies under its jurisdiction.

The courses offered under this program are intended to educate state employees and appointees regarding issues of ethics and integrity, and specifically about laws and policies that govern their

The OEIG oversaw 161,854 ethics training sessions in Fiscal Year 2011.

conduct. Under the Ethics Act, employees and appointees are required to complete such training on at least an annual basis. Additionally, all new state employees, officials and appointees are required to complete ethics training within 30 days of their initial employment/appointment.

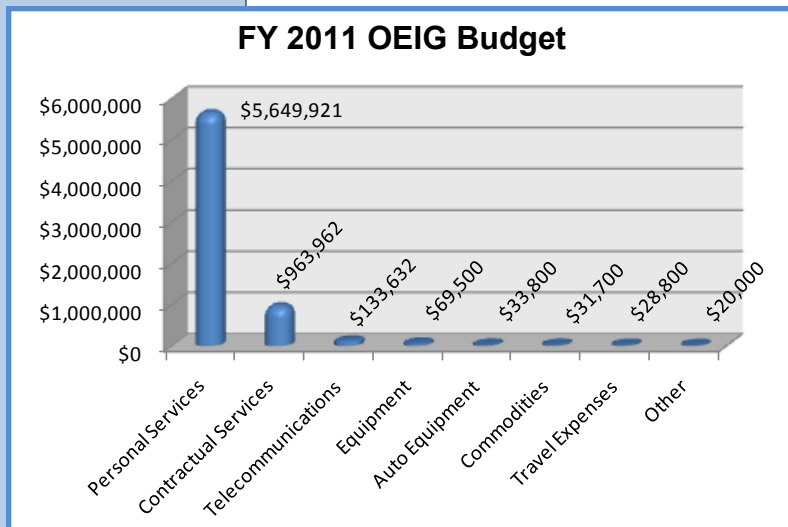
Other Statutory Provisions

In addition to establishing the statutory authority of the OEIG, the Ethics Act contains provisions regulating certain types of conduct by state employees, such as:

- engaging in political activity and soliciting political contributions;
- making *ex parte* communications imparting information regarding regulatory, adjudicatory, investment or licensing matters;
- accepting gifts; and
- protecting state employees from retaliation for reporting misconduct (Whistleblower Protection).

Budget

In Fiscal Year 2011, the legislature appropriated \$6,931,315.40 for OEIG operations. As with most organizations, the majority of the OEIG's



budget is expended on employee wages, salaries and benefits, which are reflected in the chart to the left under the “Personal Services” category. Contractual Services is the second most significant category of expenditure and is primarily composed of lease expenses for the OEIG’s Chicago and Springfield offices, costs for electronic data processing services provided by the Illinois Department of Central Management Services and vendor costs for technology used by the OEIG to deliver internet-based state employee ethics training.

New OEIG Initiatives for FY 2011

In Fiscal Year 2011, the OEIG implemented new initiatives focused on improving operations. The OEIG sought to:

- conduct thorough, objective and concise investigations in a timely manner;
- simplify the reporting of misconduct and interactions with the OEIG; and

- increase the transparency and visibility of OEIG operations to the fullest extent allowed by law.

The OEIG is pleased to report that each of the above initiatives was a success.

Thorough, Objective, Concise and Timely Investigations

The OEIG recognizes the importance of completing high-quality investigations in a timely manner. Accordingly, in FY 2011, the office:

- devoted greater resources to the most significant complaints and
- reduced the pending-investigations backlog by 61 percent, from 264 investigations pending as of July 1, 2010, to 102 as of June 30, 2011.

To achieve these goals, the OEIG increased the amount of training available to its staff. In FY 2011, OEIG staff attended:

- an all-staff conference and training session on March 2-3, 2011. The training featured instruction on concise report writing by Professor Mark E. Wojcik of The John Marshall School of Law; process improvement by Ray Arias, President of Arias Information Solutions; investigative best practices by Stuart Berman, Special Agent-in-Charge of the Office of Inspector General of the General Services Administration; and Illinois Executive Ethics Commission updates by Chad Fornoff, Executive Director of the EEC;
- the Association of Inspectors General conference in Chicago on May 18-20, 2011. Speakers included the U.S. Attorney for the Northern District of Illinois Patrick Fitzgerald and Illinois Attorney General Lisa Madigan; and
- local training sessions on the Reid Technique designed to increase the effectiveness of investigative interviews. The sessions were held June 15-17, 2011.



Executive Inspector General Ricardo Meza and John Marshall Law School Professor Mark Wojcik at the OEIG's 2011 annual training session.



OEIG Supervising Investigator William Drish, right, receives recognition for his service from OEIG Director of Investigations James Bonk, left, at the OEIG's 2011 annual training session.

Simplifying Interactions with the OEIG

The OEIG believes reporting misconduct should be easy and simple. To promote the filing of complaints, the OEIG:

- on October 5, 2010 initiated an online internet-based complaint form and
- in December, 2010 simplified and redesigned its "Revolving Door" forms for ease of use by both applicants and the OEIG.

Increasing Transparency and Visibility

Although the OEIG is statutorily limited in what information it may disclose, it also recognizes that transparency and visibility promote the reporting of misconduct, deter misconduct and improve the office's ability to root out corruption and waste.



Illinois Ethics Matters

July 18, 2011

www.inspectorgeneral.illinois.gov

Honesty, Integrity, Service

A newsletter from the Office of Executive Inspector General for the Agencies of the Illinois Governor

Office of Executive Inspector General

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Executive Inspector General

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Chief of Staff & General Counsel

James J. Bonk
Director of Investigations

Neil P. Olson
Deputy Director & Chief of Springfield Division

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James J. Bonk
Director of Investigations

Recent News

The Executive Ethics Commission (EEC) recently released a decision and issued additional redacted final reports related to the following matters investigated by the OEIG:

- *Meza v. Carolyn Brown Hodge*, 11-EEC-008, involved a former Office of the Governor Deputy Chief of Staff who engaged in prohibited political activities in violation of the Ethics Act. Ms. Brown Hodge resigned her State position and was fined \$1,000 by the EEC.
- *In re: Wilmer Caraballo*, 09-00645, involved an IDOT employee who abused State time and violated secondary employment policy. Mr. Caraballo was suspended without pay for one week.
- *In re: James Cockrell*, 09-00772, involved an Illinois Capital Development Board employee who engaged in personal business on State time, among other things. Mr. Cockrell was suspended without pay for five working days.
- *In re: Scott Flood*, 09-00508, involved a former Illinois Dept. of Natural Resources employee who abused State time, and misused State resources, among other things. Mr. Flood agreed to resign.
- *In re: Mary Alice Stouffe*, 10-00257, involved a DHS employee who abused State time and misused State resources. Ms. Stouffe was suspended without pay for 30 days.

We encourage individuals to visit the OEIG website to read the full reports and decisions.

Reduction of Pending (Open) OEIG Investigations



In Fiscal Year 2011, OEIG staff reduced the total number of pending (open) investigations. On July 1, 2010, the first day in FY 2011, there were 264 open investigations. By June 30, 2011, the last day in FY 2011, the number of open investigations had been reduced to 102, which represents a reduction of over 60%. This reduction occurred at the same time the number of new allegations increased significantly. In FY 2010, the OEIG received 1,100 allegations of wrongdoing but the number increased to over 2,000 allegations in FY 2011.

The OEIG, with its limited resources, is committed to conducting objective, thorough, and timely investigations. We will continue to evaluate investigative priorities and processes in an effort to meet agency expectations and our new responsibilities related to the regional transit boards. The entire OEIG staff is dedicated to identifying and eliminating waste, fraud, or misconduct.

OEIG in the News

Recently, investigative reports and EEC decisions involving OEIG investigations were covered by the news media, including, the *Chicago Tribune*, *Daily Herald*, and *Belleville News Democrat*. The media stories underscore the importance of work OEIG staff conducts on behalf of the State. The articles related to:

- the Carolyn Brown Hodge EEC decision, and
- the Scott Flood investigation.

In addition, the *Daily Herald* referred to the OEIG in its July 8, 2011 editorial. On July 13, 2011, the *Chicago Tribune* published an OEIG letter to the editor. On July 15, 2011, Executive Inspector General Meza, Chief of Staff and General Counsel Cole Kain and Legislative AIG Jessica Reese met with the *Daily Herald* editorial board—the same day, the *Daily Herald* published an OEIG letter to the editor. Links to the articles and editorial letters are posted on our website on the Newsletter/News page.

Ricardo Meza
Executive Inspector General

Calendar of Events: July 20, 2011 - Director of Investigations James Bonk will participate in an Association of Inspectors General Illinois Chapter board meeting. September 28, 2011 - Executive Inspector General Ricardo Meza will be speaking to the State of Illinois Internal Audit Advisory Board. September 2011 - Release of OEIG's Annual Report for Fiscal Year 2011.

The OEIG increased transparency:

- September 16, 2010, with the initial publication of OEIG's *Illinois Ethics Matters*, a monthly electronic newsletter. The newsletter summarizes OEIG investigative reports released for publication by the Executive Ethics Commission, alerts the public to ethics rules and laws, informs the public of OEIG initiatives and provides a calendar of upcoming OEIG outreach activities and
- May 16, 2011, with the launching of a redesigned website to add new information and make existing information easier to find.

The OEIG improved visibility and relations in the community and within state government:

- September 30, 2010, when EIG Ricardo Meza spoke before the Northwestern Latino Law Students Association;
- October 6, 2010, when EIG Meza addressed the Illinois Department of Transportation Fraud-Awareness Conference;
- October 19, 2010, when Director of Ethics Training and Compliance David Keahl and EIG Meza addressed Illinois Department of Human Services Executive Staff;
- November 17, 2010, when EIG Meza testified before the Illinois Senate Transportation Committee in support of Senate Bill 3965, which gave the OEIG jurisdiction over the Regional Transportation Authority, the Chicago Transit Authority, Metra and Pace;
- November 29, 2010 and January 3, 2011 when EIG Meza testified before the Illinois House Mass Transportation Committee, again in support of Senate Bill 3965;
- February 17, 2011 when Deputy Director Neil Olson gave a presentation to Illinois Department of Corrections employees;
- March 29, 2011 when Deputy Inspector General Kristy Shores and then-Chief of Staff Sean Ginty attended the Executive Ethics Commission annual ethics officer conference;
- April 30, 2011 when EIG Meza addressed Illinois State University's 2011 Prelaw/Mock Trial Team Awards banquet;



A delegation of inspectors general from the Turkish Interior Ministry visit OEIG offices on June 2, 2011.

- May 2, 2011 when EIG Meza and Deputy Director Olson met with Central Illinois Chapter of the American Society of Public Administration; and
- June 2, 2011 when EIG Meza and Director of Ethics Training & Compliance Keahl met in Chicago with a delegation of inspectors general from the Interior Ministry of Turkey.

Fiscal Year 2011 Investigative Activity

During Fiscal Year 2011 (July 1, 2010 through June 30, 2011), the OEIG received 2,041 complaints compared to 1,171 in FY 2010.

As complaints are received, they are evaluated and generally placed in one of three categories: investigate, refer or decline. (See Appendix G for investigative flow chart.)

A complaint may be referred to other authorities for many reasons. For example, complaints against legislators are referred to the Office of the Legislative Inspector General. In FY 2011, the OEIG referred 1,696 complaints. That figure includes complaints originating in prior fiscal years.

A complaint may be declined for various reasons. For instance, a complaint may be declined if it does not allege a violation of established policy, regulation or law. In FY 2011, the OEIG declined 291 complaints.

Complaints not referred or declined are investigated. In FY 2011, the OEIG opened 143 new investigations compared to 256 in FY 2010.

Once an investigation is opened, it may still be referred to another agency or closed if circumstances warrant. For example, an investigation may be “closed without report” if the OEIG lacks jurisdiction over the person or lacks subject matter jurisdiction, such as when the events giving rise to the allegation occurred more than one year before the complaint was filed. In FY 2011, 73 investigations were closed without report.

Unless an investigation is closed without report, the OEIG completes each investigation and makes a determination that allegations are either “founded” or “unfounded.” In FY 2011, the OEIG completed 304 investigations, a figure that includes some investigations opened in prior years, and includes two cases that were closed and later reopened. Of the investigations completed in FY 2011, the OEIG made findings in 231 cases, determining that 99 complaints involved at least one “founded” allegation while the remaining 132 investigations resulted in a finding that all allegations were “unfounded.” Both “founded” and “unfounded” determinations are summarized by the OEIG in a written report.

FISCAL YEAR 2011 INVESTIGATIVE ACTIVITY	
Complaints Received	2,041
Investigations Opened	143
Investigations Completed	304
Founded	99
Unfounded	132
Closed without Report	73

In unfounded cases, a copy of the report is sent to the Executive Ethics Commission. The OEIG also advises the head of the affected agency that the investigation is concluded.

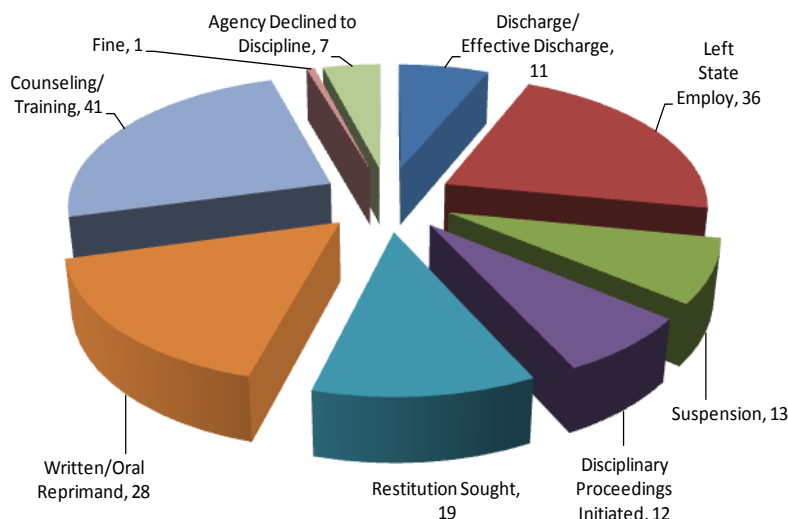
“Founded” cases fall into two categories: Ethics Act violations and non-Ethics Act violations.

When the OEIG determines that reasonable cause exists that a violation has occurred, it delivers its “founded” summary report and evidentiary support to the head of the affected agency and the ultimate jurisdictional authority, which in most cases is the Office of the Governor. The report will contain a summary of the allegations, a description of the misconduct discovered during the investigation and a recommendation for corrective or disciplinary action. Generally, the OEIG will make one of three recommendations: (1) termination; (2) discipline; or (3) training / re-training on the relevant rule(s).

The Ethics Act requires the head of the affected agency to submit a written response to the OEIG within 20 days after receipt of the summary report advising of any corrective or disciplinary action imposed upon the subject.

If a subject’s misconduct does not involve conduct prohibited by the Ethics Act, then within 30 days after receipt of the agency response, the OEIG is required to forward the founded summary report and agency response to the EEC. If the misconduct involves conduct prohibited by the Ethics Act, then within 30 days after receipt of the agency response, the OEIG may refer the case to the Attorney General, who will determine whether reasonable cause exists to believe that a violation of the Ethics Act has occurred. If so, then the Attorney General, as counsel for the OEIG, may file an administrative action before the EEC.

Agency Discipline Relating to Founded OEIG Investigations



Of the 99 founded reports issued by the OEIG in FY 2011, the OEIG referred eight cases to the Attorney General.

Agency Discipline Relating to Founded Investigations

State agencies notified the OEIG that, in FY 2011, 11 employees who were subjects of OEIG “founded” investigations were discharged or effectively discharged; 36 individuals left state employ (five individuals resigned in lieu of discipline,

14 resigned before discipline could be imposed, and 17 left state employ before the OEIG completed its investigation); 13 were suspended; 12 had discharge or disciplinary proceedings initiated against them with the outcome incomplete as of the end of the fiscal year; 19 individuals were asked to make restitution; 28 were reprimanded (23 in writing, five orally); 41 individuals were counseled, reminded of regulations or re-trained; and one was fined. In seven instances, state agencies declined to discipline individuals altogether. For more on disciplinary actions resulting from OEIG investigations, see Appendix H.

Law Enforcement Referrals

In FY 2011, the OEIG referred 117 cases to law enforcement agencies including the Illinois Attorney General, the FBI, the U.S. Attorney's Office, the Illinois State Police, county prosecutors, and various municipal and county police agencies.

OEIG referrals may result in criminal penalties. For example, on January 6, 2011, Angelica Vasquez was sentenced to eight years in prison for her role in an unemployment benefits scheme prosecuted by the U.S. Attorney's Office for the Northern District of Illinois. The matter was investigated by several agencies, including the OEIG.

In court documents, prosecutors alleged Vasquez conspired with an Illinois Department of Employment Security employee to fraudulently process unemployment benefits for at least 75 ineligible applicants. Vasquez would charge the applicants \$80 to submit benefit applications on their behalf and would also take their first unemployment check as payment. Vasquez contended she was acting as a legal facilitator and was not aware the applicants were not eligible for the benefits they received.

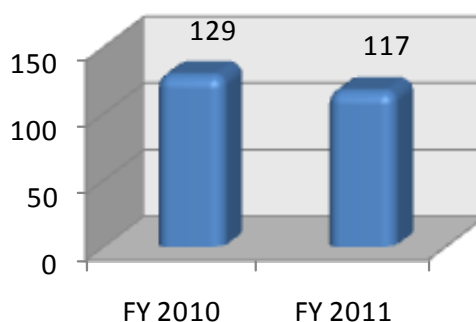
On June 17, 2010 a federal jury convicted Vasquez on eight counts of mail fraud, determining she caused the fraudulently-obtained unemployment benefits to be delivered by U.S. mail. In addition to the eight-year prison sentence, U.S. District Court Judge Ronald Guzman ordered Vasquez to forfeit \$172,499 in assets to pay part of \$724,596 in restitution.

For more statistics on OEIG cases, see Appendices A-F.

Disciplinary Decisions by the Executive Ethics Commission in FY 2011

The OEIG, the EEC, and the Illinois Attorney General's all play a role in the enforcement of the Illinois State Officials and Employees Ethics

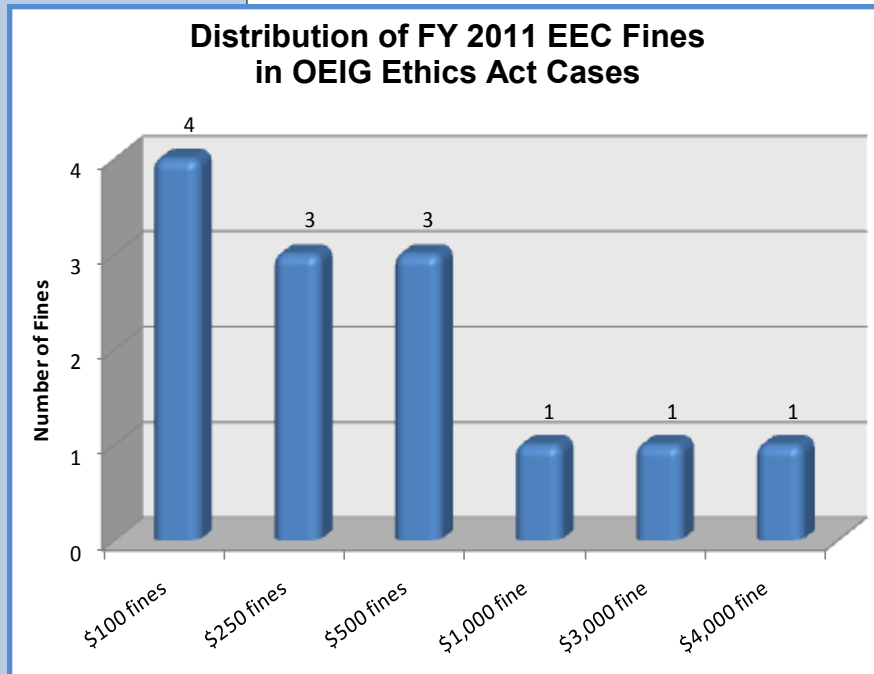
Law Enforcement Referrals



Act. If, at the conclusion of an investigation, the OEIG determines that a violation of the Ethics Act has occurred and it deems it appropriate to file a complaint with the EEC, the OEIG submits its report and supporting documents to the Illinois Attorney General.

If the Attorney General determines that reasonable cause exists to be-

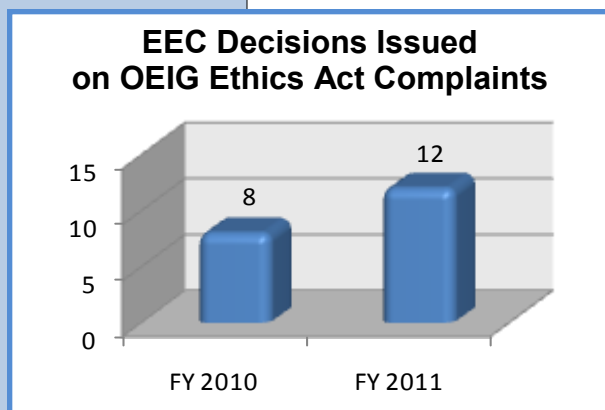
lieve a violation of the Ethics Act has occurred, the Attorney General may file a complaint before the EEC as counsel for the OEIG. The complaint must be filed within 18 months of the violation unless there is reasonable cause to believe the subject has fraudulently concealed the violation. A copy of the complaint is served upon the subject, who then has 30 days to file an objection with the EEC. After this 30-day period has expired, the members of the EEC meet to review the sufficiency of the complaint.



If the EEC determines that the complaint sufficiently alleges a violation, it issues a notice of a hearing date, which cannot be more than four weeks after the notice is sent. At the hearing, the Attorney General (on behalf of the OEIG) and the subject present testimony and evidence before a hearing officer appointed by the EEC. Each of the nine commissioners of the EEC receives a transcript of the hearing, and the EEC has 60 days from the last date of the hearing (or the date the last brief is filed) to render a decision.

In FY 2011, the OEIG referred eight violations to the Illinois Attorney General for review. The Attorney General accepted six of those for prosecution, rejected one and the OEIG withdrew the eighth. Of the six matters

accepted for prosecution by the Attorney General, the EEC found that an Ethics Act violation had occurred in three of them. The other three cases were still pending as of mid-August, 2011.



During FY 2011, the Executive Ethics Commission publicly released 12 Ethics Act decisions resulting from OEIG cases. The 12 decisions included some of the OEIG cases presented to the EEC in FY 2011 and some cases presented to the EEC in the prior fiscal year. The following are summaries of the 12 decisions.

***Wright v. Criss* (10-EEC-004)**

On August 18, 2010, the Executive Ethics Commission issued its decision in *Wright v. Criss*. The EEC found, pursuant to stipulations agreed to by Illinois Department of Public Health (IDPH) employee Kathy Criss and IDPH employee Sally Norris, that Criss and Norris each misappropriated state property in violation of Section 5-15(a) of the Ethics Act by forwarding via state e-mail accounts a political message on September 22, 2008 that opposed the candidacy of vice-presidential candidate Sarah Palin. Each was fined \$100.

The EEC imposed a total of \$10,650 in fines in OEIG cases in FY 2011.

***Wright v. Haddad* (10-EEC-008)**

On August 18, 2010, the EEC issued its decision in *Wright v. Haddad*. The EEC found, pursuant to stipulations agreed to by Illinois Department of Transportation Project Manager Nicholas Haddad, that Haddad misappropriated state property in violation of 5 ILCS 430/5-15(a) by using a state computer to view, in 2008, two political campaign-related e-mails in Haddad's non-state e-mail account. Haddad had already been suspended five days without pay for the infraction. Haddad was fined \$250.

***Wright v. Hartigan* (10-EEC-010)**

On September 15, 2010, the EEC issued its decision in *Wright v. Hartigan*. The EEC found after an evidentiary hearing that Illinois Department of Transportation employee Sylvester Hartigan misappropriated state property for prohibited political purposes. He used his IDOT truck to stop at North Riverside municipal offices on his way home from work on December 17, 2008 to pick up permit applications for campaign signs for Hartigan's campaign for North Riverside mayor. Hartigan was fined \$100.

***Meza v. Moore* (09-EEC-012)**

On October 13, 2010, the EEC issued its decision in *Meza v. Moore*. After an evidentiary hearing. The EEC determined that Illinois Department of Transportation Deputy Director for the Office of Business and Workforce Diversity Stanley Moore violated two sections of the Ethics Act. The EEC determined that Moore, who was a candidate for state representative, violated Section 5-15(a) of the act on December 18, 2007, January 8, 2008 and January 14, 2009 when he left his state office to engage in political fundraising during hours he reported as working for the state. The EEC also found that Moore subsequently violated Section 50-5(e) of the Ethics Act when he obstructed and interfered with an OEIG investigation by falsely claiming he had actually been in the office during those times. Moore's employment was terminated April 1, 2009. He was fined \$3,000.

"Respondent Stanley Moore intentionally obstructed and interfered with an investigation."

—09-EEC-012

***Meza v. Martinez* (10-EEC-015)**

On October 13, 2010, the EEC issued its decision in *Meza v. Martinez*. The EEC issued its findings pursuant to stipulations agreed to by Jesus

“Respondent has received a 30-day suspension from the agency, which has resulted in his loss of \$5,200 in gross salary, plus insurance and retirement benefits.”

—10-EEC-015

Martinez, the administrator of the Division of Fair Practices of the Illinois Capital Development Board. The EEC found that Martinez, a Proviso Township trustee and a candidate for the mayor of Melrose Park, attended hearings in Melrose Park regarding his candidacy on February 9, 19 and 25, 2009 while he was on state time or on days for which he received sick pay. The EEC noted the transgressions were “not inadvertent or insignificant.” The EEC indicated it would have fined Martinez a much higher amount, but took into account that he had already forfeited \$5,200 in salary and \$526.32 in benefits resulting from a 30-day suspension imposed by the Capital Development Board. Martinez was fined \$500.

***Meza v. Fredrick* (10-EEC-013)**

On October 13, 2010, the EEC issued its decision in *Meza v. Fredrick*. The EEC issued its findings pursuant to stipulations agreed to by former Illinois Department of Human Services Business Manager for the Fox Developmental Center Michael Fredrick. The EEC found that Fredrick obstructed an OEIG investigation when he made several false statements during interviews on September 3 and 18 and October 9, 2008. The EEC found that Fredrick lied to investigators in an attempt to justify miscoded agency expenditures. He later admitted to deliberately miscoding the expenditures to give them the appearance of having the requisite agency approval. Fredrick left state employ before the decision was issued. Fredrick was fined \$500.

“[H]e intentionally made several false statements attempting to justify expenditures he had authorized.”

—10-EEC-013

***Meza v. Frazer* (10-EEC-014)**

On November 17, 2010, the EEC issued its decision in *Meza v. Frazer*. The EEC found, per stipulations agreed to by Department of Human Services caseworker Judith Frazer, that Frazer misappropriated state property in violation of Section 5-15(a) of the Ethics Act by using a state computer to forward, on October 27, 2008, an e-mail seeking campaign volunteers for Presidential candidate Barack Obama. Frazer was fined \$100.

***Wright v. Alston* (10-EEC-016)**

On December 15, 2010, the EEC issued its decision in *Wright v. Alston*. The EEC found after an evidentiary hearing that DHS caseworker Nada Alston violated Section 5-15(a) of the Ethics Act sometime in 2008 by engaging in prohibited political activity by giving a Barack Obama button to a coworker during Alston’s state-compensated 15-minute break. Alston was fined \$250.

On February 16, 2011, the EEC issued its decision in *Meza v. Erwin*. The EEC found that former Illinois Board of Higher Education (IBHE) Director Judith Erwin had intentionally misappropriated state property and resources by engaging in prohibited political activity in violation of Section 5-15(a) of the Ethics Act. The EEC cited the following conduct by Erwin as violations:

- using state e-mail on July 11, 2008 to ask an IBHE employee to send her information about a political fundraiser for a state representative;
- asking an IBHE employee to hand-deliver a campaign contribution check at the fundraiser;
- using state e-mail to send 18 messages planning her trip to the 2008 Democratic National Convention, and to send near-daily reports from the convention;
- instructing a state employee to make travel arrangements to the convention for her, her nephew and a friend, which the employee did on state-compensated work time;
- using state e-mail to send and receive 22 messages related to her membership on Barack Obama's Education Policy Committee;
- giving out her state-issued cellular telephone number as a way to reach her regarding campaign matters;
- using state e-mail to communicate with the Obama campaign regarding political contributions she made to that campaign;
- using her state phone on February 20, 2009 to call a potential donor on behalf of a U.S. Congressional candidate; and
- using state e-mail on February 20, 2009 to describe the outcome of calls to potential donors.

Erwin resigned her post effective August 15, 2010 and agreed not seek or take employment with the State of Illinois. Erwin also reimbursed the state \$1,281.63 for personal travel and telephone usage. The EEC noted as mitigating factors that Erwin had owned up to her conduct and cooperated in the investigation. However, as aggravating factors, it cited Erwin's high-level office, her bad example of conduct for other employees, and her statement that she had made a political donation to a state representative because he was chairman of a committee with power over IBHE appropriations. "This suggests that she was responding to a real or imagined pay-to-play incentive within State government," the EEC wrote. Erwin was fined \$4,000 — the second highest fine ever issued by the EEC.

"Particularly troubling is [Erwin's] explanation for making a campaign contribution to a State Representative — she noted in her affidavit that he was the chairman of the IBHE budget. This suggests that she was responding to a real or imagined pay-to-play incentive within State government."

—11-EEC-05

***Meza v. Foreman* (11-EEC-012)**

“It appears that respondent recognized too late that it was improper for him to accept free tickets to this golf outing.”

—11-EEC-012

On March 28, 2011, the EEC issued its decision in *Meza v. Foreman*. The EEC found, pursuant to stipulations agreed to by the former State Fire Marshall David B. Foreman, that Foreman violated the Gift Ban Section (10-10) of the Ethics Act. The EEC found that in October of 2008, while serving as fire marshall, Foreman and his brother played in a charity golf outing sponsored by the International Union of Elevator Constructors Local #2, using tickets given to them by the union. Because the union conducts activities regulated by the fire marshall’s office, the EEC ruled it a “prohibited source” of a gift. The EEC noted that as soon as Foreman realized the union was a prohibited source, he reimbursed the union \$290 for the outing. Foreman was fined \$250.

***Meza v. Stoutamyer* (11-EEC-002)**

On May 18, 2011, the EEC issued its decision in *Meza v. Stoutamyer*. The EEC found, pursuant to stipulations agreed to by Illinois Department of Natural Resources Office Assistant Shaun Stoutamyer, that she violated Section 5-15(a) of the Ethics Act by engaging in prohibited political activity during compensated time. The EEC found that Stoutamyer, during compensated time, took a picture in January or February of 2009 of her husband, Nick Stoutamyer, in an IDNR office, and later delivered the picture to the manager of her husband’s campaign for the Springfield school board to be used in campaign literature. IDNR reprimanded Stoutamyer for her conduct. She was fined \$500.

***Meza v. Brown Hodge* (11-EEC-008)**

“By way of aggravation is the fact that respondent was a high-level State employee.”

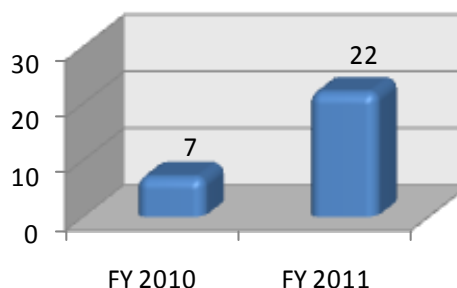
—11-EEC-008

On June 15, 2011, the EEC issued its decision in *Meza v. Brown Hodge*. Pursuant to stipulations entered into by Carolyn Brown Hodge, the EEC found that Deputy Chief of Staff for the Office of the Illinois Governor Carolyn Brown Hodge violated Section 5-15 (a) of the Ethics Act in 2009 by sending or receiving approximately 15 e-mail messages of a political nature either on state time, or using state e-mail accounts or computers. In one instance in June, 2009, she sent or received eight e-mails during work time regarding Governor Pat Quinn’s availability for a meeting of Democratic county chairpersons. The EEC noted the low number of e-mails mitigated the conduct, but that Brown Hodge’s high position was an aggravating factor. Brown Hodge was fined \$1,000.

FY 2011 OEIG Reports **Released by the EEC**

In 2009, the Illinois legislature directed the Executive Ethics Commission to release to the public OEIG reports that resulted in discipline of at least three days suspension or greater. Under Section 20-52 of the Ethics Act, the EEC is also empowered to publicly release other reports, even if the subject received less than a three-day suspension. The EEC is required to redact the reports to protect the identity of witnesses, complainants or informants, or to protect “any information it believes should not be made public.” In FY 2011, the EEC published 22 summary reports, more than three times the number released in FY 2010. The following is a summary of the 22 OEIG reports made public in FY 2011:

Published OEIG “Founded” Reports



In Re: David Roberts (Case 09-00598)

On July 22, 2010, the EEC released a redacted version of an OEIG report concerning Illinois Department of Human Services Disability Claims Adjudicator David J. Roberts. The OEIG found that Roberts had violated DHS policy by inappropriately communicating with a DHS client. The investigation revealed that Roberts sent the female client a postcard with a copy of a Renoir painting of a nude woman on it. Roberts noted on the postcard that the painting was his “vision” of the client. DHS suspended Roberts for 20 days. In a statement, Roberts maintained the client was mentally unbalanced and was motivated to complain about him because he had demanded medical proof of her alleged disability. He noted he had never had a complaint in 26 years of service to DHS and said he was resigning in protest over how he had been treated by the OEIG and DHS.

In Re: Carol Kraus and Kerrie Petzo (Case 08-00705)

On December 16, 2010, the EEC released a redacted version of an OEIG report concerning former Chief Auditor of the Illinois Office of Internal Auditor (IOIA) Carol Kraus and a former internal auditor under her supervision, Kerrie Petzo. The OEIG concluded that Kraus showed preferential treatment to Petzo, by threatening and intimidating other employees into not reporting Petzo’s poor work performance. The OEIG documented that Petzo, Kraus’ friend, was routinely late or absent from work. When other employees tried to document Petzo’s poor performance, Kraus responded with an e-mail to three employees, threatening that if they again assigned someone to monitor Petzo’s tardiness “I AM TOTALLY GOING TO LOSE MY

“Kraus said she was surprised when the OEIG informed her that Petzo was late 10 out of her first 14 days working at the [Illinois Office of Internal Audits.]”

— OEIG Report 08-00705

TEMPER WITH EACH AND EVERY ONE OF YOU.” Kraus later said the employees had not made clear the extent of Petzo’s absenteeism and tardiness, and she disputed many of the report’s conclusions. Kraus has since left the IOIA and as of April, 2010 began serving as the Chief Financial Officer at the Illinois Department of Human Services. Petzo was asked to resign in January, 2009 and later did so. The Department of Human Services declined to impose discipline, noting that the events had not occurred within its department.

In Re: Charles McClendon (Case 08-00249)

“IDOT, and the taxpayers, should not pay McClendon overtime for the same hours he worked at Olive Harvey.”

— OEIG Report 08-00249

On December 16, 2010, the EEC released a redacted version of an OEIG report concerning Illinois Department of Transportation Engineering Technician Charles McClendon. The investigation revealed that McClendon had fraudulently billed the state overtime in the amount of \$6,227.22 from 2002 through 2008 for hours he had actually spent working at a second job as an instructor at a community college. IDOT issued McClendon a letter of dismissal on September 14, 2010.

In Re: Darrin Riley (Case 08-00959)

On December 16, 2010, the EEC released a redacted version of an OEIG report concerning Department of Human Services Internal Security Investigator Darrin Riley. The OEIG concluded that Riley had: improperly used state vehicles for personal purposes, incurred a \$100 traffic citation on September 10, 2008 during one such personal use, and violated state law by driving state vehicles without a valid driver’s license. DHS informed the OEIG that it terminated Riley’s employment on May 27, 2010.

In Re: Patricia Hopper (Case 09-00809)

“Hopper was then observed sitting in her garage, cutting her grass, and re-entering her house.”

— OEIG Report 09-00809

On January 24, 2011, the EEC released a redacted version of an OEIG report concerning Illinois Department of Transportation Engineering Technician Patricia Hopper. The investigation revealed that Hopper had falsified time sheet records. The report noted OEIG investigators had put Hopper under surveillance on October 20, 2009 and on January 14, 2010 – two days that Hopper reported as having worked. Investigators observed Hopper on the first day cutting her lawn, sitting in her garage and entering a bar. On the second day she was observed emerging from her home only to retrieve her mail. In her response to the report, Hopper wrote “every penny I received from the state was earned.” Hopper’s employment was terminated October 8, 2010.

In Re: Troy McMillan (Case 09-00402)

On January 24, 2011, the EEC released a redacted version of an OEIG report concerning Illinois Department of Employment Security Public Service Administrator Troy McMillan. The OEIG concluded that McMillan, in early 2008, failed to timely report the theft of her state-issued laptop computer. It also found that McMillan provided inaccurate information on her employment application by not clearly marking academic hours as “quarter hours” rather than semester hours, even though the form provided a method for doing so. McMillan was disciplined with a seven-day suspension and made to pay restitution of \$300. McMillan maintained in her response to the report that she had timely reported the theft of the laptop but merely failed to get a copy of the police report, and that she never intended to deceive anyone regarding her academic credentials.

In Re: John Grana (Case 08-00871)

On January 28, 2011, the EEC released a redacted version of an OEIG report concerning Illinois Department of Transportation Highway Maintenance Lead Worker John Grana. The investigation revealed that Grana’s acceptance of gifts – such as lunches, cigars and a leather jacket – from employees whose assignments he determined, created the appearance of a conflict of interest. The OEIG specifically found that several employees alleged Grana had told employees he had an “open drawer” policy for employees who wanted preferred assignments. One employee who received exemplary reviews for three years received unsatisfactory ratings for 2008 – the year he stopped buying Grana lunch. Grana contended he never solicited the gifts and that no conflict of interest was created. IDOT indicated that it intended to hold a disciplinary hearing on the matter. The documents released by the EEC do not indicate if any discipline was ever imposed.

“Such gift garnering by Grana evidenced the interference of his personal interests with his ability to exercise independent judgment in IDOT’s best interest.”

— OEIG Report 08-00871

In Re: Deborah Bennett (Case 09-00672)

On February 17, 2011, the EEC released a redacted version of an OEIG report concerning Department of Human Services Human Resources Specialist Deborah Bennett. The OEIG concluded that Bennett had falsified multiple employment documents in an effort to ensure that her son would be hired as a DHS mental health technician Trainee. The OEIG concluded Bennett falsified records indicating her son was present at a testing and interview session June 4, 2009 when, in fact, the son was not present. After DHS began termination proceedings, Bennett resigned her position effective September 10, 2010 and agreed not to seek re-employment with DHS.

In Re: Douglas White, Greg Alt, JoEllen Bahnsen (Case 08-1028)

The “law firm received a total of \$535,541.35 from the University since the inception of the contract.”

— OEIG Report 08-01028

On February 17, 2011, the EEC released a redacted version of an OEIG report concerning Illinois State University Collections Manager Douglas White. The OEIG concluded that White, who did not have contracting authority, improperly authorized a collections contract in 2000 with a law firm that employed White’s wife as a secretary. The OEIG also concluded that ISU Comptroller Gregory Alt and Assistant Comptroller JoEllen Bahnsen improperly approved a number of payments to the firms. ISU reported to the OEIG in March of 2010 that it intended to initiate disciplinary procedures against White and that it would provide Alt and Bahnsen additional training in payment-approval processes. In a written reply to the investigation’s conclusion, White wrote: “While many, many words could be written as to this process and how it was carried out, suffice it to say that the sole result of this exercise was simply [a] great loss.”

In Re: William Yeager (Case 10-00078)

“Yeager violated IDOR policy when he consumed alcohol while on duty.”

— OEIG Report
10-00078

On February 17, 2011, the EEC released a redacted version of an OEIG report concerning Illinois Department of Revenue Liquor Control Special Agent William Yeager. The OEIG concluded that Yeager violated state policy by consuming alcohol while on duty, by using his state-owned vehicle for personal uses and in an unsafe manner, and by failing to submit leave requests when leaving work early. The report documented that OEIG and the Internal Affairs Division of the Department of Revenue placed Yeager under surveillance and observed him consuming alcohol on the evening of August 19, 2010 before driving his state-owned vehicle. The Department of Revenue informed the OEIG that Yeager resigned October 31, 2010, after it began disciplinary proceedings.

In Re: Mya Clements (Case 10-00140)

On March 28, 2011, the EEC released a redacted version of an OEIG report concerning University of Illinois at Urbana-Champaign (UIUC) Office Support Specialist Mya Clements. The investigation concluded Clements, who was responsible for facilitating the orientation process for College of Medicine medical residents, completed mandated ethics training for 19 residents in June of 2009 rather than ensuring they completed the training themselves. Clements admitted the conduct to OEIG investigators and said no one had specifically suggested she complete the residents’ training for them, but that she did so because she felt general pressure in her understaffed office to complete the orientation process so residents could begin their medical training. Clements’ employment was terminated on September 18, 2010 and UIUC verified that each of the 19 medical residents who were still at UIUC subsequently completed ethics

training.

In Re: Vanessa Graham (Case 09-01265)

On March 28, 2011, the EEC released a redacted version of an OEIG report concerning Department of Human Services Mental Health Technician Vanessa Graham. The OEIG concluded that Graham had engaged in misconduct from 2003 to 2008 by signing monthly statements in which she represented that she was providing child-care services for her sister, Linda Jackson. As a result, DHS, which provides child-care payments for certain families qualifying for benefits, paid Graham \$27,159.45. The investigation revealed that Graham was actually working night shifts at DHS during the hours she had claimed to be providing child care services for Jackson. The OEIG recommended DHS fire Graham with no right to reinstatement and that it pursue legal action to recover the childcare payments. In a December 6, 2010 letter, DHS indicated it was pursuing both remedies.

“The OEIG also recommends that DHS institute legal proceedings against Graham to recover \$27,159.45.”

—OEIG Report 09-01265

In Re: Rebecca Muniz (Case 09-00406)

On March 28, 2011, the EEC released a redacted version of an OEIG report concerning Department of Human Services Caseworker Rebecca Muniz. The OEIG concluded that Muniz falsified timekeeping records in early 2009 and received pay for several days on which she did not actually work. DHS reported to the OEIG on January 14, 2011 that Muniz was discharged. The agency also reported it modified certain time-keeping procedures at the DHS location at which Muniz worked in an effort to prevent any similar future misconduct.

In Re: Jaime Viteri (Case 09-00860)

On March 28, 2011, the EEC released a redacted version of an OEIG report concerning Department of Commerce and Economic Opportunity employee Jaime Viteri, the managing director of the DCEO’s Bureau of Entrepreneurship and Small Business. The OEIG concluded Mr. Viteri had failed to submit a secondary employment form in violation of DCEO policy and that he had engaged in work for his outside personal business, Chicago Latino Network, while on state time in 2009. The OEIG issued no disciplinary recommendation because Viteri retired from state employment prior to issuance of its report.

In Re: Benjamin Macarthy (Case 09-00654)

On May 2, 2011, the EEC released a redacted version of an OEIG report concerning Department of Human Services Senior Rehabilitation Counselor Benjamin Macarthy. The OEIG concluded that Macarthy created the appearance of a conflict of interest in violation of DHS policy by

referring one of his clients to Excelsior Healthcare Academy, owned by Macarthy's wife, and approving a \$1,080 payment to Excelsior for training services provided to that client. The OEIG also found Macarthy forged a coworker's signature to Macarthy's travel voucher, a violation of DHS policy. Macarthy retired on December 1, 2010.

In Re: James McDaniel (Case 10-0009(a))

"Mr. McDaniel admitted that he used cocaine."

—OEIG Report 10-0009(a)

On May 26, 2011, the EEC released a redacted version of an OEIG report concerning Illinois Department of Transportation Chief of Business Services James McDaniel. The OEIG concluded that Mr. McDaniel violated IDOT policy by using alcohol and cocaine on state time during mid-day meetings in June through October of 2009 with a woman whom he told he would assist in securing a state job. The OEIG also concluded McDaniel abused state time by not accurately reporting his absences during those meetings and misused his state computer by shopping for women's lingerie. McDaniel left state employment in September, 2010.

In Re: Terence Mitchell (Case 09-01006)

On May 26, 2011, the EEC released a redacted version of an OEIG report concerning Terence Mitchell, who worked at both the Illinois Department of Human Services as a member of the Taskforce on the Condition of African American Males and at the University of Illinois at Chicago (UIC) as a graduate assistant. The investigation concluded that from November 2007 through May 2009, Mitchell submitted, on dozens of occasions, paperwork that indicated he was working at both jobs at the same time, or indicated he was out of town on DHS business and also in Chicago working at UIC. UIC and DHS each indicated that Mitchell is no longer an employee, and copies of the OEIG report were placed in both entities' personnel files to avoid re-employing Mr. Mitchell.

In Re: James Graham (Case 10-01004)

"Mr. Graham's intentional use of IDOC equipment during work hours to make copies of documents needed in his campaign ... is 'prohibited political activity' within the meaning of the Ethics Act."

—OEIG Report 10-01004

On May 26, 2011, the EEC released a redacted version of an OEIG report concerning Illinois Department of Corrections employee James Graham. The investigation revealed that Graham, in January of 2010, used a state photocopier to copy a campaign flyer for Graham's run for Democratic Party precinct committeeman. The OEIG concluded Graham conducted prohibited political activity during working hours in violation of the Ethics Act, but declined to refer the case to the Attorney General for EEC prosecution. The report also concluded Graham violated IDOC regulations by using state equipment for a task unrelated to state work. IDOC reported that Graham was terminated from state employment on March 1, 2011.

In Re: Wilmer Caraballo (Case 09-00645)

On June 17, 2011, the EEC released a redacted version of an OEIG report concerning Illinois Department of Transportation Yard Technician Wilmer Caraballo. The OEIG concluded that Caraballo had, on various instances in the fall of 2009, abused State time by arriving late or leaving early. The OEIG also concluded he misrepresented his hours on his time-sheet and violated secondary employment policies by letting a secondary job interfere with his IDOT job. IDOT reported disciplining Caraballo by suspending him without pay for one week in March, 2011.

In Re: James Cockrell (Case 09-00772)

On June 17, 2011, the EEC released a redacted version of an OEIG report concerning Illinois Capital Development Board Administrator of Capital Planning Liaisons James Cockrell. The OEIG concluded that during the second half of 2009, Cockrell violated CDB policy by engaging in personal business on state-compensated time. Specifically, the investigation concluded Mr. Cockrell's personal cell phone records included 133 hours and 38 minutes of non-state related phone calls during 700 work hours. The calls included communications with at least 57 different companies related to the trucking industry, which Cockrell was involved in as president of a trucking company until late 2009. CDB imposed a five-day suspension. CDB noted that Cockrell has otherwise performed his job duties well. Cockrell, in a response to the investigation, submitted a copy of Psalm 83 and a prior letter from his boss noting he had "exhibited excellent job performance."

In Re: Scott Flood (Case 09-00508)

On June 30, 2011, the EEC released a redacted version of an OEIG report concerning Illinois Department of Natural Resources Regional Land Manager for Region Four Scott Flood. The OEIG concluded that in 2009, Flood abused time by conducting personal business during the work day and by arriving late and leaving early; violated state vehicle policies by using a state pickup truck to transport a family member, a friend and a personally owned boat; violated IDNR phone policies; failed to properly disclose secondary employment and slept during the work day. The OEIG recommended that Flood be terminated. The IDNR placed Flood on paid administrative leave for two and one-half months through July 15, 2011 "to allow employee to vest with the State Employees Retirement System" before resigning from state employ, according to a separation agreement signed by Mr. Flood and IDNR Chief of Staff Jay Curtis.

"Mr. Flood recalled periodically 'nodding off' in his office."

—OEIG Report
09-0058

In Re: Mary Alice Stouffe (Case 10-00257)

On June 30, 2011, the EEC released a redacted version of an OEIG report concerning Illinois Department of Human Services Human Re-

sources Specialist Mary Alice Stouffe. The OEIG concluded that between June, 2009 and February, 2010, Stouffe abused state time and violated department phone and e-mail policies by engaging in excessive personal e-mails, phone calls and lengthy at-work visitations with personal friends not employed by DHS. Ms. Stouffe received a 30-day suspension.

EEC Revolving Door Appeals

State employees who disagree with the OEIG's determination regarding their acceptance of non-state employment may appeal the OEIG's decision to the Executive Ethics Commission.

In FY 2011, there was one such appeal heard by the EEC:

***In Re: Juan Lopez, Jr.* (11-EEC-006)**

On October 7, 2010, the EEC determined that Juan Lopez, Jr., a former investment officer with the Teachers Retirement System, failed to give timely notice before accepting a consulting Contract with Cabrera Capital Markets, LLC. Lopez worked for TRS until February 26, 2010 and was already working for Cabrera in April when he gave the OEIG notice of the Cabrera arrangement. Although both the OEIG and the EEC determined that Lopez was not personally and substantially involved with any Cabrera matters while at TRS, the EEC determined that Lopez' notification was nonetheless untimely because the Ethics Act required him to notify the OEIG before accepting the position.

FY 2011 Legislative Developments

Public Act 96-1528 (Senate Bill 3965)

In the wake of investigations into financial and management irregularities at Metra, the commuter rail agency of northeastern Illinois, legislators introduced Senate Bill 3965 in November, 2010. The bill placed not only Metra, but the region's other transit agencies (the Chicago Transit Authority, Pace and the Regional Transportation Authority) under the jurisdiction of the OEIG.

On November 17, 2010 and January 3, 2011, Executive Inspector General Ricardo Meza testified before an Illinois Senate transportation committee and an Illinois House transportation committee, respectively, in support of the bill. The Senate approved the bill November 17, 2010 and the House approved its version January 5, 2011. The Senate approved the House's version on January 6, and sent the measure to the governor on January 18. The governor signed the bill on February 14, 2011, thus enacting Public Act 96-1528.

The law adds approximately 15,000 employees to the OEIG's jurisdic-

tion and gives the OEIG purview over not only misconduct and Ethics Act investigations, but makes the agency responsible for administering ethics training to the transit agencies' employees.

In preparation the for law's effective date of July 1, 2011, the OEIG sent requests to each transit agency on February 14, 2011 for documents and policies and procedures. On June 6, 2011, EIG Meza notified Metra that as of the law's effective date, the OEIG would accept and review all future complaints regarding Metra and would assume investigative duties for any investigations open as of that date under Metra's interim inspector general, the private firm Hillard Heintze, LLC.

Public Act 96-1346 (Senate Bill 3815)

On July 27, 2010, the governor signed Senate Bill 3815 into law. The act created a 17-member task force on public benefits fraud and named the Executive Inspector General or his designee as one of the 17 members.

Public Act 96-1533 (House Bill 1410)

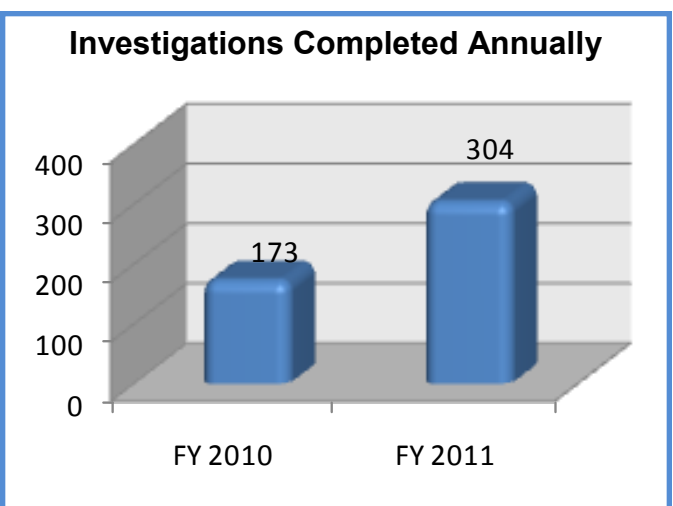
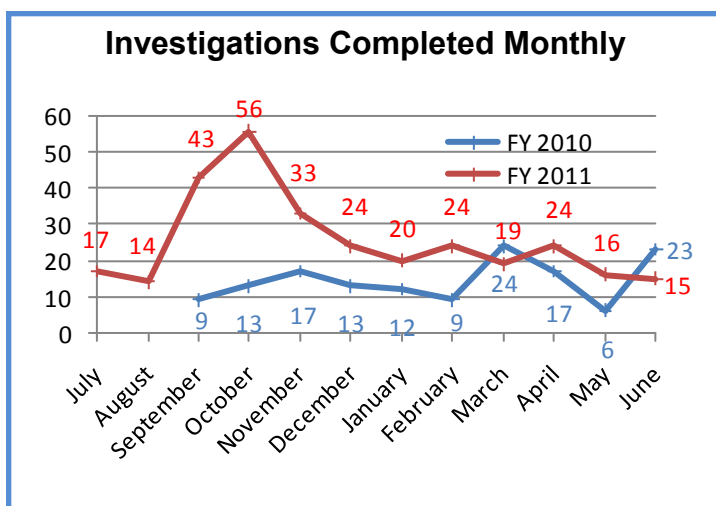
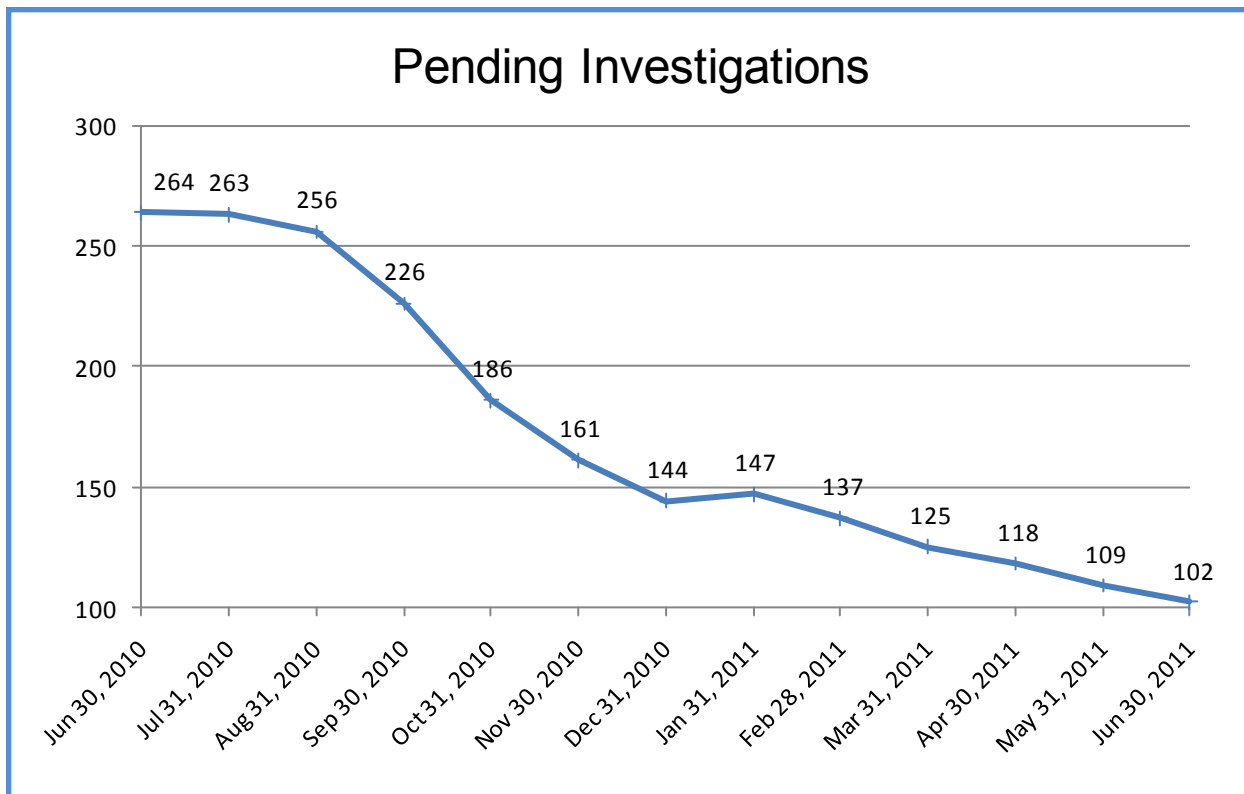
On March 4, 2011, the governor signed House Bill 1410 into law. The act amended Section 1-5 of the Ethics Act to authorize the Executive Ethics Commission to create regulations further defining the value of gifts that are prohibited under Section 10-10 of the Ethics Act.

Public Act 97-13 (Senate Bill 1344)

On June 16, 2011, the governor signed Senate Bill 1344 into law. The act expanded the Section 5-20 of the Ethics Act, which prohibits the use of the name of any executive branch constitutional officer or General Assembly member in public service announcements or advertisements for state programs. The act widened the ban to include the use of names on billboards and electronic message boards.

Appendix A

Investigative Activity Graphs



Appendix B

Monthly Activity Data

Activity/FY Year	July	August	September	October	November	December	January	February	March	April	May	June	TOTALS:
Complaints Received (FY 2011)	167	171	189	164	178	182 [±]	118	131	221	188	160	172	2,041
Complaints Received (FY 2010)	—	197 [†]	97	81	78	108	69	65	146	87	159	84	1,171
Investigations Opened (FY 2011)	16	8	12	16	8	7	23	14	7	17	7	8	143
Investigations Opened (FY 2010)	—	42 [†]	15	7	9	20	19	14	27	41	17	45	256
Investigations Concluded (FY 2011)	17	14	42 [!]	56	33	24	20	24	19	24	16	15	304
Investigations Concluded (FY 2010)	—	30 [†]	9	13	17	13	12	9	24	17	6	23	173
Investigations Pending* (FY 2011)	263	256	226	186	161	144	147	137	125	118	109	102	N/A
Investigations Pending* (FY 2010)	—	192 [†]	198	192	184	191	198	203	206	231	242	264	N/A
Cases Sent to Att’y General for EEC Action (FY 2011)	1	1	1	0	0	2	0	1	1	1	0	0	8
Cases Pending with EEC* (FY 2011)	12	11	11	10	7	6	6	5	5	6	7	7	N/A

In FY 2011, the OEIG referred a total of 117 cases to law enforcement agencies.

[±] The number of complaints received in December 2010 was initially incorrectly reported as 183 because of the presence of an extra, blank complaint file required by a computer database.

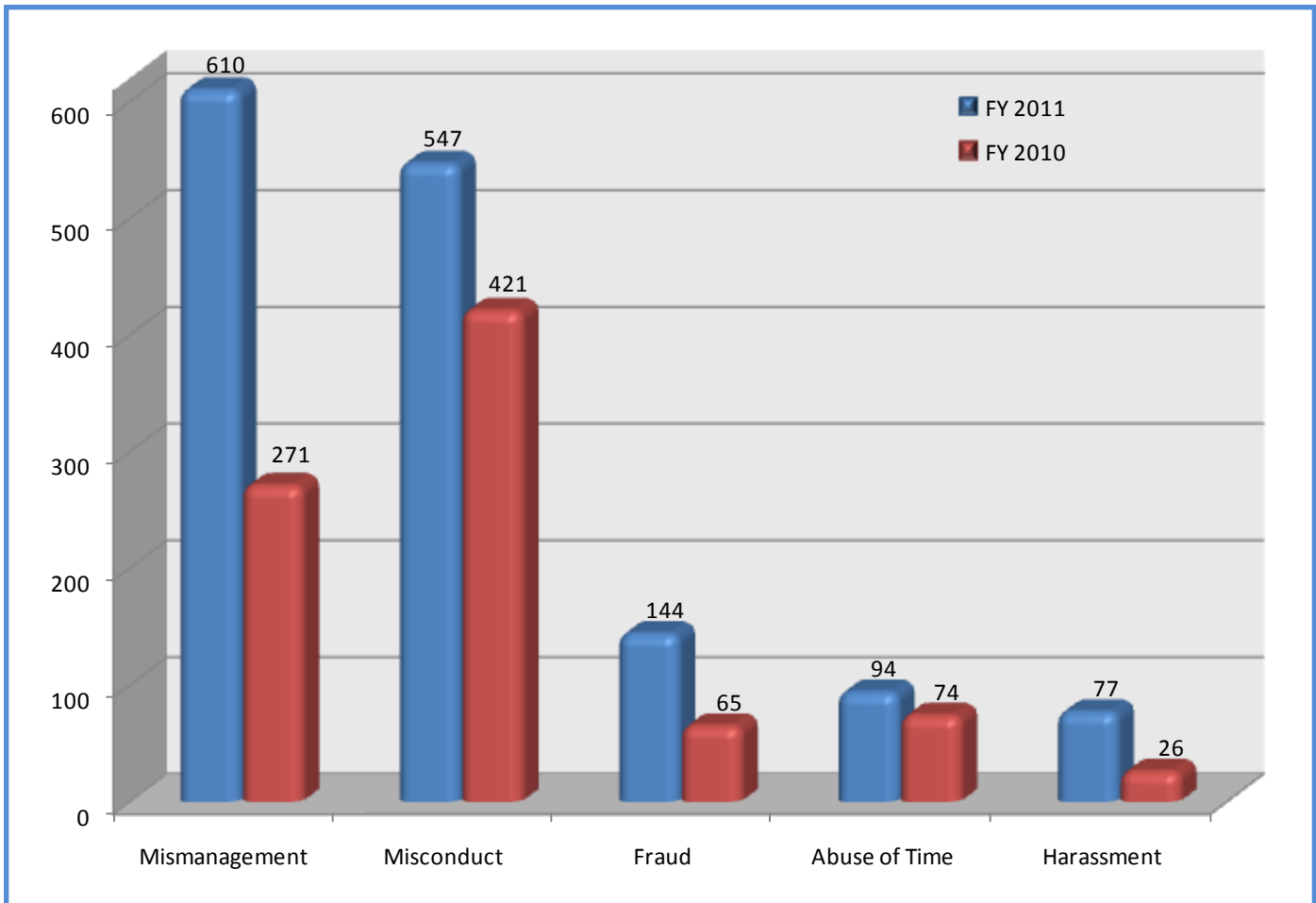
[†] Data for July and August of FY 2010 is available only aggregately and is displayed in the August column.

[!] The September, 2010 “Investigations Concluded” data was originally reported as 43 but changed to 42 after one case was recategorized.

* Cases “pending” are those still open as of the last day of each month.

Appendix C

Most Common Primary Allegation of Complaints¹



¹ Some complaints contain more than one allegation; this graph involves only the primary allegations of complaints. “Most Common” refers only to FY 2011 data; the same categories were not necessarily the most common allegations in FY 2010.

Appendix D

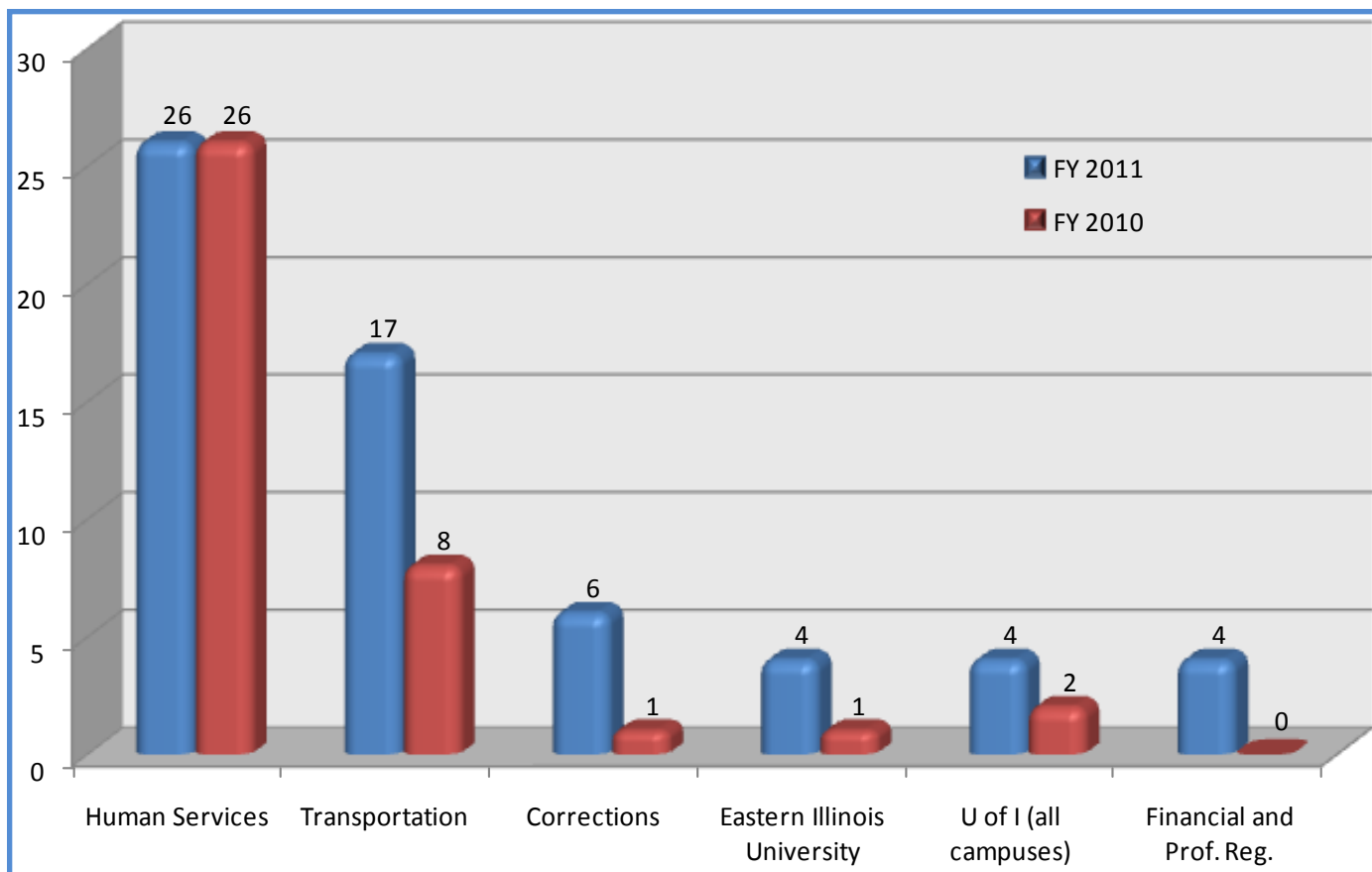
Primary Allegation of Complaints in FYs 2010, 2011¹

Category of Misconduct	FY 2010	FY 2011
Abuse	2	29
Abuse of Time	74	94
Americans with Disabilities violation	0	1
Bid-rigging	5	4
Breach of Confidentiality	20	19
Bribery	2	4
Child Support	0	9
Conflict of Interest	33	28
Corruption	0	5
Discrimination	10	26
Ex Parte Communication	0	2
Extortion	0	2
Failure to Cooperate	0	4
Failure to Follow Department Policy	5	24
False Employment Application	2	2
Fraud	65	144
Ghost Payrolling	1	6
Gift Ban Violation	5	4
Harassment	26	77
Hiring Improprieties	42	60
Improper Political Promotion	2	0
Misappropriation/Misuse of Funds	17	28
Misconduct	421	547
Mismanagement	271	610
Misuse of Property	48	70
Other	14	55
Patronage	0	2
Personnel	0	3
Political Work on State Time	3	4
Prisoner Complaint	0	3
Procurement Fraud	0	14
Prohibited Political Activity	13	12
Retaliation	32	40
Revolving Door Violation	2	6
Sexual Harassment	1	12
Theft	19	31
Unethical Behavior/Practices	0	20
Violence in Workplace	0	4
Waste	13	20
Wrongful Termination	23	16
TOTAL	1,171	2,041

¹ Some complaints contain more than one allegation; this chart displays only the primary allegation of each complaint.

Appendix E

Agencies with the Greatest Number of Founded Complaints¹



¹ Because of the different number of employees per agency and the different severity of violations in founded complaints, data should not be interpreted to reflect any greater or lesser degree of ethical integrity. “Greatest Number” refers only to FY 2011 data; the same agencies did not necessarily have the greatest number of founded reports in FY 2010.

Appendix F

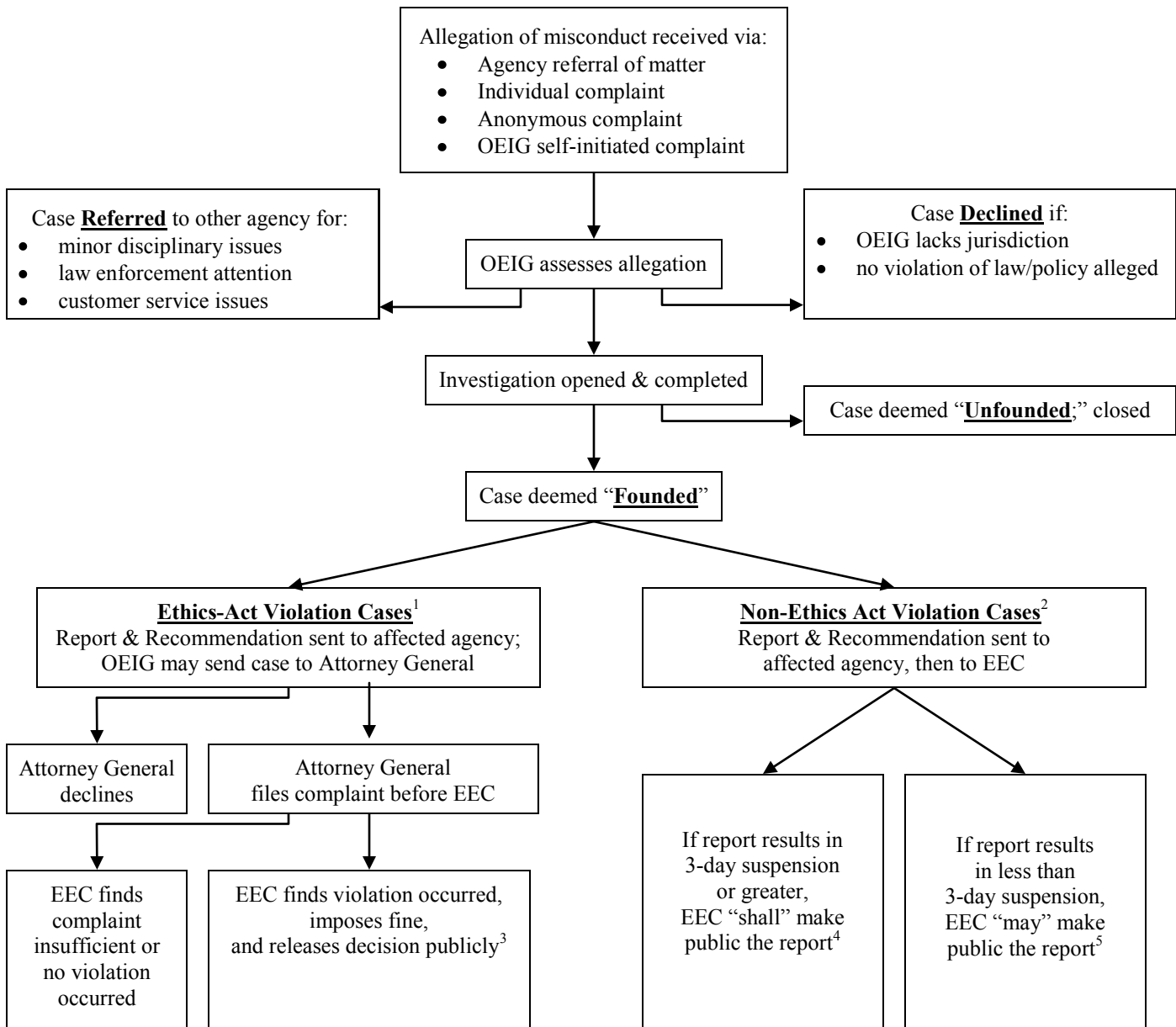
Founded Complaints by Agency

Agency	FY 2010	FY 2011
Aging	1	1
Agriculture	1	1
Board of Education	1	0
Board of Higher Education	0	1
Capital Development Board	1	1
Central Management Services	2	2
Children & Family Services	2	1
Commerce & Economic Opportunity	1	2
Corrections	1	6
Eastern Illinois University	1	4
Emergency Management Agency	0	2
Employment Security	2	2
Environmental Protection Agency	1	1
Financial and Professional Regulation	0	4
Governor's Office	0	2
Governor's State University	0	1
Healthcare and Family Services	4	1
Historic Preservation Agency	2	0
Human Rights	0	1
Human Services	26	26
Illinois Medical District	1	0
Illinois State University	1	0
Juvenile Justice	0	2
Labor	0	1
Natural Resources	3	3
Non-State Agency	0	1
Northern Illinois University	2	0
Office of the State Fire Marshal	1	0
Public Health	3	1
Revenue	0	1
Southern Illinois University	0	1
State Employees Retirement System	0	1
State Police	0	1
Toll Highway Authority	1	3
Transportation	8	17
University of Illinois (all campuses)	2	4
Veterans Affairs	1	1
Western Illinois University	0	1
Workers Compensation Commission	0	2
TOTAL	69	99

1 Because of the different number of employees per agency and the different severity of violations in founded complaints, data should not be interpreted to reflect any greater or lesser degree of ethical integrity.

Appendix G

OEIG Case Flowchart



¹ Ethics Act violations include, for example, conducting prohibited political activity, accepting prohibited gifts, using the image or name of a constitutional officers in a state public service announcement, accepting certain “revolving door” employment after leaving state government; making prohibited “ex parte” communications regarding certain official state actions; failing to complete and certify completion of ethics training; obstructing or failing to cooperate with OEIG investigations; and retaliating against a state employee for reporting misconduct.

² Non-Ethics Act violations are any violations of policy, rule or law other than one involving a violation of the Ethics Act. This can include, for example or violating agency policies.

³ In Fiscal Year 2011, the EEC published 12 Ethics Act decisions.

⁴ In Fiscal Year 2011, the EEC published 11 non-Ethics Act reports involving three-day suspensions or greater.

⁵ In Fiscal Year 2011, the EEC published 11 non-Ethics Act reports involving discipline of less than a three-day suspension, including 9 cases where a subject resigned or retired before discipline could be imposed.

Appendix H

FY 2011 Disciplinary Actions Taken in Response to OEIG Recommendations¹

OEIG DISCIPLINARY RECOMENDATION	AGENCY ACTION TAKEN IN RESPONSE
24 Discharge recommendations related to state employee/appointee/contractor	7 Individuals discharged 5 Individuals resigned in lieu of discharge/discipline 3 Discharge proceedings initiated 2 Individuals resigned/retired prior to imposition of discharge/disciplinary proceedings 2 Individuals suspended 1 Disciplinary proceeding initiated 1 Individual fined and counseled 1 Individual given written reprimand 1 Individual counseled 1 Instance where agency declined to impose discipline
63 Discipline recommendations related to state employee/appointee/contractor	3 Individuals discharged 9 Individuals resigned/retired prior to imposition of discharge/disciplinary proceedings 1 Individual effectively discharged (contract-position funding eliminated) 10 Individuals suspended 6 Disciplinary proceedings initiated 18 Individuals given written reprimand 5 Individuals given oral reprimand 6 Individuals counseled 1 Individual counseled and restitution requested 4 Instances where agency declined to impose discipline
44 Counsel and/or train recommendations related to state employee/appointee/contractor	3 Individuals resigned/retired prior to imposition of discharge/disciplinary proceedings 1 Individual suspended 2 Disciplinary proceedings initiated 4 Individuals given written reprimands 32 Individuals counseled 1 Individual given additional training 1 Instance where agency declined to counsel
19 “Seek restitution” recommendations	18 Individuals subjected to restitution proceedings 1 Instance where agency declined to seek restitution
17 Instances where employee/appointee/contractor left state employ before recommendation was made ²	N/A

1 Data includes some FY 2010 “founded” cases where discipline was administered in FY 2011. Data does not include 2011 “founded” cases where agency did not indicate by the end of the fiscal year what action it was taking.

2 All 17 instances relate to FY 2011 “Founded” cases.

Appendix I

OEIG Management Biographies

Ricardo Meza, Executive Inspector General

On September 7, 2010, Illinois Governor Pat Quinn appointed Mr. Meza as acting executive inspector general for the Agencies of the Illinois Governor. The Illinois Senate confirmed the appointment November 17, 2010. Prior to his appointment, Mr. Meza was the Midwest regional counsel for the Mexican American Legal Defense and Educational Fund, a civil rights organization. Mr. Meza also served more than 10 years as an assistant U.S. attorney, primarily in the Chicago office where he tried over 30 federal criminal trials. Mr. Meza began his legal career as a judicial law clerk to the late Honorable Wendell C. Radford, U.S. magistrate judge for the Eastern District of Texas and he also served as an assistant attorney general, where he represented the State of Texas. Mr. Meza received his B.A. in Political Science from Illinois State University and obtained his law degree in 1990 from The John Marshall Law School, where he was a published author, member of the Software Law Journal, and president of the Hispanic Law Students Association. Mr. Meza is a 2007 fellow of the Leadership Greater Chicago Program and also sits on the boards of directors for non-profit organizations. He is also the recipient of numerous awards including the 2010 Vanguard Award, the 2008 Cook County State's Attorney *El Humanitario* Award. He is licensed to practice law in Illinois and Texas.

Cole S. Kain, Chief of Staff & General Counsel

Cole S. Kain has more than fifteen years experience investigating and litigating employee dishonesty and fraud claims involving commercial businesses and federally insured financial institutions as a partner in a Chicago law firm. An industry leader, he has authored and edited numerous publications addressing employee dishonesty and fraud. He is editor of *Annotated Commercial Crime Policy (Second Edition)*, a book published by the American Bar Association in 2006. Mr. Kain graduated from The University of Iowa (B.A.), The John Marshall Law School (J.D., *with high distinction*) and New York University School of Law (LL. M.). He is a former law clerk to the late Honorable Dominick L. DiCarlo, chief judge, United States Court of International Trade.

James J. Bonk, Director of Investigations

Mr. Bonk joined the OEIG as director of investigations in July 2008 with responsibilities for investigative operations, policies and procedures. Mr. Bonk has over 30 years of public and private sector experience in investigations, leadership, and operations. Mr. Bonk's background in the insurance fraud industry, coupled with his strong investigative knowledge and experience, operational skills and business acumen, brings extraordinary value to the OEIG investigative operations. He began his career in law enforcement for two Chicago suburban police departments and received numerous commendations and citations for work relating to several high-profile criminal matters. He then joined CNA Insurance Companies where he led their nationwide Special Investigations Unit focused on the identification, investigation and prosecution of multi-line insurance fraud. Mr. Bonk rose to the position of assistant vice president at CNA. He previously was an active board member with the Coalition Against Insurance Fraud, Washington, D.C., where he held positions of treasurer and co-chair. He graduated from National-Louis University with a Bachelor of Arts Degree in Applied Behavioral Science. Mr. Bonk is also a director of the Association of Inspectors General, Illinois Chapter.

Rochelle M. Hardy, Chief Financial & Compliance Officer

Rochelle M. Hardy has 31 years of experience in management, accounting, finance, information technology and professional development of staff in both government and the private sector. She was previously employed by the State of Illinois, first serving as the chief fiscal officer and then as the deputy director of administration for the Illinois State Police. As Deputy Director of Administration, Ms. Hardy created the pilot Shared Service Public Safety Center, consolidating seven public safety agencies, and providing fiscal and HR business process redesign for statewide systems. Also, she created the Kenosha County data center and worked for six years as the director of information systems for County of Kenosha (WI). Prior to joining state government, Ms. Hardy held various positions in the private sector including manager of accounting, senior accountant/controller, and manager of consulting services. She received her Bachelor of Science degree in business administration from Roosevelt University and her Master of business administration degree from Keller Graduate School of Business. She is an active member of the National Association of Black Accountants and the National Black MBA Association.

David E. Keahl, Director of Ethics Training & Compliance

Mr. Keahl is responsible for the establishment of standards for and oversight of ethics training for the officials, employees, and appointees of the state agencies, departments, boards, commissions, and state public universities under the OEIG's jurisdiction. Prior to joining the OEIG in 2003, Mr. Keahl worked in the telecommunications industry for 27 years. There, he directed activities related to corporate planning, accounting, finance, regulatory affairs, engineering and human resources, and has considerable experience in managing matters related to organizational governance, internal controls, and legal/regulatory compliance. Mr. Keahl is a graduate of the University of Michigan.

Wendy L. Washington, Director of Human Resources

Ms. Washington has over 27 years of state government experience in various administrative and human resource positions. She joined the OEIG in July 2003 shortly after the agency was created and was instrumental in establishing the agency. Ms. Washington currently serves as the director of human resources with responsibility for all personnel related matters including but not limited to, employee relations, recruitment, payroll and group insurance. Ms. Washington also serves as the equal employment opportunity/affirmative action officer for the OEIG and is a former board member of the Illinois Affirmative Action Officers Association. She received her Bachelor of Arts degree from DePaul University in business administration, is a member of the Society for Human Resource Management and maintains her certification as a Professional in Human Resources.

Neil P. Olson, Deputy Director and Chief of the Springfield Division

Mr. Olson joined the OEIG in February 2010 after spending the majority of his legal career working for the Commonwealth of Massachusetts. He was formerly an Assistant Attorney General in the Massachusetts Attorney General's Office, where he represented state agencies in federal and state court litigation. He received the office's Francis X. Belotti Award for Excellence in 2007. Mr. Olson also served as a staff attorney at the Massachusetts Commission on Judicial Conduct, where he investigated and prosecuted cases of judicial misconduct. In addition to his state government experience, Mr. Olson was a litigator at Choate, Hall & Stewart in Boston, and specialized in labor and employment law. Mr. Olson began his legal career as the law clerk to the Honorable Kenneth Laurence of the Massachusetts Appeals Court. He is a graduate of Grinnell College and Northeastern University School of Law, and is licensed to practice law in Massachusetts and Illinois.

Appendix J

Illinois Freedom of Information Act Facts

FOIA Applicability:

Under the Ethics Act, the OEIG must keep confidential the identity of a person acting as a source of an allegation (the complainant) and documents revealing it are exempt from the Freedom of Information Act. (Sec. 20-90(a).) Similarly, the Ethics Act exempts any allegations and related documents submitted to the OEIG, all investigatory files and reports of the OEIG. (Sec. 20-95(b-d).)

OEIG Operating Budget for Fiscal Year 2011: \$6,931,315.00

OEIG Offices:

32 W. Randolph, Suite 1900
Chicago, IL 60601-3414

607 E. Adams, 14th Floor
Springfield, IL 62701-1634

Number of OEIG Employees:

Sixty full-time employees and one part-time employee as of June 30, 2011.

State Agency with Limited Oversight Role over the OEIG:

The Executive Ethics Commission

OEIG FOIA Officer:

Thomas Klein
Deputy Inspector General
OEIG
607 E. Adams, 14th Floor
Springfield, IL 62701-1634

Photocopy costs for FOIA requests:

First 50 black-and-white copies are at no charge; fifteen cents per page for each additional page.

Appendix K

Useful Websites

State Officials and Employees Ethics Act (5 ILCS 430, *et seq.*)

<http://www.ilga.gov/legislation/ilcs/ilcs5.asp?ActID=2529&ChapterID=2>

OEIG Monthly Reports

http://www2.illinois.gov/oeig/Pages/monthly_reports.aspx

Executive Ethics Commission Revolving Door Decisions

<http://www2.illinois.gov/eec/Pages/RevolvingDoorAppeals.aspx>

OEIG Cases (Ethics Act Decisions and non-Ethics Act Reports Published by EEC)

<http://www2.illinois.gov/oeig/Pages/PublishedOEIGCases.aspx>

OEIG Investigation Policy Manual

<http://www2.illinois.gov/oeig/Pages/policy.aspx>

Two hundred and fifty copies of this annual report were reproduced for physical distribution on digital color printers by the Illinois Department of Central Management Services under the authority of the State of Illinois. The printing cost per copy was \$4.36. (This notice required by 30 ILCS 500/25-55.)

A copy of this report can be downloaded from:

http://www2.illinois.gov/oeig/Pages/annual_reports.aspx.



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