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Michael M. Berzowski  
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Reply to Milwaukee

October 9, 2003

Marvin Pratt, Alderman  
Milwaukee City Hall  
200 East Wells Street  
Milwaukee, Wisconsin 53202

Re: Code of Conduct Task Force Work Product

Dear Alderman Pratt:

The purpose of this letter is to render a report on the activities of the Code of Conduct Task Force established pursuant to your memorandum dated November 27, 2002.

Among other things, the Task Force examined the existing city ethics code and other ordinances for areas that could be strengthened. In addition, it conducted an examination of what other cities have developed as a code of conduct for their elected officials. It also held a public hearing in which the Task Force received testimony with respect to these matters. Finally, it prepared a final report with a list of policy recommendations that could be developed into legislation.

More to the point, enclosed you will find Recommendations, Findings and a draft Ethics Handbook for Milwaukee City Officials. In conducting your review of these materials, you will note that our Recommendations give you a choice with regard to the manner in which solicitation of contributions for or against a political candidate or ballot measure are handled. One choice prohibits city officials from soliciting contributions from any city official or employee. Another choice prohibits city officials from soliciting contributions from any city official over whom they have any form of supervisory authority. The view of the Task Force was that discussions would occur as to what rules people wanted not only in this vein but in others as well. Segments can be advanced as to what is desirable and not.

Marvin Pratt, Alderman

October 9, 2003

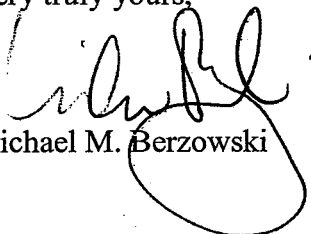
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On reflection this was a fairly complicated matter in terms of the multiple considerations involved, appearance of rules that are fair and the effect that rule enforcement would have on available resources and vice versa. Along those lines, I think that it is reasonable to expect that some additional resources will have to be devoted to the topic of ethics if elected officials want to put some teeth into these matters since the present system may be inadequate from a staffing perspective.

I would like to extend the thanks of our Committee to Ronald D. Leonhardt, City Clerk, and Henry Stein, City Attorney, as well as James Owczarski, Legislative Research Analyst and also recognize their efforts. They provided valuable insight throughout the proceedings. The members of Committee are appreciative of the opportunity to participate in this undertaking.

In conclusion, we believe that there should be careful and thoughtful deliberation with respect to our Findings, Recommendations and the Ethics Handbook. We believe adoption of these conclusions would be in the best interest of the citizens of the City of Milwaukee. This report is being submitted on behalf of all Committee Members whose names appear on the attached sheet. I believe that submission of this report completes the mission of our Code of Conduct Task Force group.

Very truly yours,



Michael M. Berzowski

MMB:blt  
Enclosures  
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## **CODE OF CONDUCT TASK FORCE**

### **RECOMMENDATIONS**

1. That the Common Council adopt an ordinance requiring all employees, elected officials and board/commission members who are required to file statements of economic interests to attend an annual briefing with respect to standards of conduct, ethics and conflicts of interest.
2. That the processes and procedures for reporting alleged ethical violations be made clear to all citizens and City employees and that information about these processes and procedures be posted. Further, in these postings, special mention should be made that all reports of ethical violations will remain confidential.
3. That the City of Milwaukee's Common Council consider adopting the ethics handbook included in this report. Included in this handbook are the following legislative changes, which the task force also recommends:
  - a. Requiring City officials to report all gifts, of whatever value, on a gift report form to be submitted no less frequently than once per quarter.
  - b. Prohibiting City officials from accepting any discount, on either admission or parking, to any event held at the Wisconsin Center District.
  - c. Prohibiting City officials from knowingly soliciting contributions for or against a political candidate or ballot measure from any City official or employee.
  - d. Prohibiting City officials from soliciting contributions for or against a political candidate or ballot measure from any City official over whom they have any form of supervisory authority. This prohibition would apply both at and away from the workplace.
  - e. Prohibiting City officials from soliciting campaign contributions from another City official or employee. In the interest of fairness, it is important that this restriction apply to both elected officials and candidates for office.
4. That the City's Board of Ethics receive the authority and resources it believes necessary and prudent to insure that the provisions of the City's Code of Ethics are enforced.
5. That the task force recommends in principle that the Common Council consider both the registration and regulation of lobbyists. This regulation should include those who intend to lobby administrative agencies for contracts.
6. That legislation protecting "whistle-blowers" and preventing retaliation against employees who report ethical violations be adopted.
7. That the City urge the State of Wisconsin to adopt legislation that would allow the City to enact an ordinance prohibiting City employees from soliciting political

contributions from anyone over whom they have supervisory responsibility at any place and at any time.

8. That a simple reminder campaign be instituted to remind City employees that they are subject to the Code of Ethics. This could be accomplished through pamphlets, notices on bulleting boards, distributed with check stubs or other payroll information, included with W-2 forms, etc.
9. That the appropriate listings be place in the telephone books serving the City of Milwaukee advising people where they can report alleged ethical violations.

## CODE OF CONDUCT TASK FORCE

### FINDINGS

1. There appears to be a general lack of understanding with respect to the content and applicability of the City of Milwaukee's Code of Ethics.
2. There is a patchwork system of rules and regulations to follow with regard to ethical behavior. The relationship of the Wisconsin State Statutes to City of Milwaukee officials is not clear.
3. The Code of Ethics *does not address the issue* of prohibited and permissible political activities.
4. There is no current regulation of lobbyists who work with City government and their activities.
5. The Code of Ethics offers no protection for "whistle-blowers" and employees who might be the victims of retaliation for reporting unethical conduct.
6. There is no "handbook" on ethics.

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# **Ethics Handbook for Milwaukee City Officials**

**Prepared by the Code of Conduct Task Force**

**Submitted:**

This "Ethics Handbook for Milwaukee City Officials" was prepared by the Code of Conduct Task Force. It is recommended for adoption to the Milwaukee Common Council in the fourth recommendation submitted by the Task Force. Some of the text included in this handbook is highlighted in red. These sections do not reflect the current law or practice of the City of Milwaukee. The Code of Conduct Task Force, however, based on its research and deliberations, has decided to recommend that the City of Milwaukee, the State of Wisconsin or both, adopt the rules and regulations those sections reflect.

## *City of Milwaukee*

City of Milwaukee Board of Ethics  
200 East Wells Street  
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# **ETHICS HANDBOOK for MILWAUKEE CITY OFFICIALS**

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A “City official” is any person required to file a Statement of Economic Interests form by the City Code of Ethics with the City of Milwaukee Board of Ethics. This handbook, drafted specifically for City officials, summarizes significant provisions of the City’s Code of Ethics Ordinance and relevant state ethics laws. It is provided as a means of educating officials about the *general* provisions of these laws. Any City official, however, contemplating an action covered by the ethics rules is encouraged to contact the Board of Ethics with questions about applying the law.

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# **FORWARD**

July 2003

In 1977, the City of Milwaukee adopted a Code of Ethics for its elected officials, employees and various board/commission members. The City's Code of Ethics Ordinance, in combination with state law is intended to protect the integrity of the City's decision-making process. The goals are to avoid conflicts of interest, improve standards of public service and promote and strengthen the faith and confidence of the people of Milwaukee in their public officials and other city employees. Often, even the perception that a City official has acted with bias can seriously erode public confidence as much as if any real bias existed. Therefore, it is crucial that you are ever conscious of the conflict of interest laws and other ethics rules establish by state and city laws.

The goal of this Ethics Handbook is to increase your awareness of the ethics and conflict of interest laws and to provide you with information about how to seek advice from the City Board of Ethics.

*Thank you for your service to the City and your commitment to providing open, honest and accountable City government to the people of the City of Milwaukee.*

## **Any Time You Need Assistance**

Assistance for questions regarding conflicts of interest, gifts, honoraria, financial disclosures, political activity, past city service restrictions or other ethics rules may be addressed to:

***City of Milwaukee Board of Ethics  
200 East Wells Street  
Room 205, City Hall  
Milwaukee, Wisconsin 53202  
414/286-8641  
E-Mail: [Ethics@milwaukee.gov](mailto:Ethics@milwaukee.gov)  
Website: [www.milwaukee.gov](http://www.milwaukee.gov)***

Information about ethics rules, the text of the City's laws and financial disclosure forms are available on the City Board of Ethics website.

## ***CONFLICTS OF INTERESTS***

### **General Rule**

As a general rule, you should avoid situations where your official actions may affect or appear to affect your private interests, financial or non-financial.

### **What is a Conflict of Interest?**

You have a conflict of interest if your public actions as a city official affect your personal financial interests or the interests of your immediate family members. It does not matter whether the action has a negative or positive effect on the interest. Therefore, state law prohibits you from making, participating in making, or attempting to influence *any* government decision if it is reasonably foreseeable that the decision will have a material financial effect on any of your economic interests or those of an immediate family member.

#### ***The City's "Appearance" Standard***

In addition to state law, the City has its own conflict provision. It is "not in the public interest" for you to act on a matter if you do not believe that you could act impartially or if the public might reasonably reach that conclusion.

#### ***Decisions Related to Contracts***

State law prohibits you from being financially interested in any City contract if your duties call on you to participate in any way or at any stage in the approval of the contract. Any participation in the process by which such a contract is developed, negotiated or executed is a violation of the law.

### **How Do I Know If I Have a Conflict?**

It can be difficult to determine whether you have a legal conflict of interest pursuant to state or City law. Therefore, you should always contact the City of Milwaukee's Board of Ethics for advice *any* time your work with the City involves:

- ◆ a business in which you or family members have an investment; or
- ◆ real property in which you or family members have an interest; or
- ◆ any source of income or loans to you or family (includes a person or entity that has provided *you* with gifts); or
- ◆ any person or entity with which you have a relationship other than in your capacity as a City official (examples: a personal friend; a person with whom you are in a business; a person with whom you own real property; a close relative's employer); or
- ◆ any person with whom you have an agreement concerning future employment.

The Board of Ethics will work with you to determine if you have a conflict pursuant to City or state law and determine whether you must "disqualify" yourself. Please note that the mere presence of one of the interests listed does not necessarily mean that you have a conflict. Other factors may be involved and the Board of Ethics will advise you of your responsibilities.

## ***CONFLICTS OF INTERESTS***

(Continued)

### **Acting in an Official Capacity**

***Making Policy.*** When an official or a board, commission or body of which an official is a member is called upon to propose or to act on an ordinance or to promulgate or issue a general policy, the official may participate in that action, even though the action will affect the official, a member of the official's immediate family or an organization with which the official is associated, as long as:

- ◆ The official's action affects a whole class of similarly-situated interests;
- ◆ Neither the official's interest, the interest of a member of the official's immediate family, nor the interest of a business or organization with which the official is associated is significant when compared to all affected interests in the class; AND
- ◆ The action's effect on the interests of the official, of a member of the official's immediate family, or of the related business or organization is neither significantly greater nor less than upon other members of the class.

***Applying Policy.*** A local public official should not, in an official capacity, participate in or perform any discretionary action with respect to the making, grant, or imposition of an award, sanction, permit, license, zoning change, contract, offer of employment, or agreement in which the official or a member of the official's immediate family or a business or organization with which the official is associated has a substantial financial interest, direct or indirect. In addition, a local public official should not, in an official capacity, participate in a matter affecting a business or organization from which the official or a member of the official's immediate family receives substantial compensation or income.

### **Remedies for Conflicts**

If a conflict of interest exists, you must be "disqualified" – meaning that you must abstain from making, participating in making or attempting to use your official position in any way to influence the government decision that might affect that personal interest. The Board of Ethics provides advice about whether a conflict exists and if disqualification is required. Please be aware that severe penalties may result for you and the City, if you do not abstain when appropriate.

## CONFLICTS OF INTERESTS

(Continued)

### **How Do I Disqualify Myself?**

If you or, upon your request, the Board determines that there is a matter in which you should not participate before a board, commission or other body of which you are a member, then you should leave that portion of the body's meeting involving discussion, deliberations or votes related to that matter. The body's remaining members may review the matter and take whatever action they find appropriate. When, because of a potential conflict between a private interest and public responsibility, an official withdraws from the body's discussion, deliberation and vote, the body's minutes should reflect the absence.

### **Acting in a Private Capacity**

*Applications, Bids and Contracts.* Usually, a local public official should not in a private capacity, apply, negotiate, bid for, or receive any award, sanction, permit, license, zoning change, contract, offer of employment, or agreement in which the official has a private financial interest, direct or indirect, if the official is authorized to perform in regard to it any governmental function requiring the exercise of discretion, even if the official does not participate in the governmental action or exert any influence on his or her own behalf.

*Representing Clients.* A local public official should not, for compensation or on behalf of an employer, represent an individual, business or organization before a board, commission or other body of which an official is a member. The Code of Ethics is not an obstacle to an official's partner or business associate representing a client before such board, commission or other body as long as the official is not financially interested in, and does not exercise control over, the representation. In such cases, however, the official should not participate in deliberations or voting when the matter in which his or her partner or business associate is involved is considered.



## ***FINANCIAL DISCLOSURE***

State and City laws prevent conflicts of interest in two ways – disclosure and disqualification. The purpose of financial disclosure is to alert you to the personal interests that might be affected while you perform your official duties, i.e., making governmental decisions.

### **Who Files Financial Disclosure Statements?**

All employees, officials and board/commission members are covered by the City Code of Ethics (Chapter 303, Code of Ordinances). In addition the Milwaukee Common Council determines which individuals are required to file a Statement of Economic Interest pursuant to Chapter 303. These persons include:

- ◆ All elected City officials.
- ◆ City employees identified as having to complete statements of economic interest in the City's positions ordinance. ("y-footnote")
- ◆ Members and nominees of designated boards and commissions.

### **What Interests are Required to be Publicly Disclosed?**

You must disclose the information called for on the Statement of Economic Interests for yourself and members of your immediate family which means your spouse and any child, stepchild, parent or parent-in-law who receives more than one-half of his or her support from you or from whom you receive more than one-half of your support. Reportable items include:

- ◆ Sources of income.
- ◆ Real estate in Wisconsin in which you held a 10% interest directly or indirectly.
- ◆ Creditors.
- ◆ Securities.
- ◆ Ownership interests in business.
- ◆ Officers or directorships.
- ◆ Honoraria and payment of expenses.

# ***FINANCIAL DISCLOSURE***

*(Continued)*

## **What is Income?**

The City of Milwaukee's Code of Ethics requires an individual filing a Statement of Economic Interests to report sources from which the individual or a member of the individual's immediate family received \$1,000 or more during the previous year.

Income means gross income under section 61 of the Internal Revenue Code. (cf. §19.42(7m), Wis. Stats.).

Income means:

- ◆ compensation for services (including salary, wages, fees and commissions)
- ◆ gross income derived from business
- ◆ rents and royalties
- ◆ annuities and pensions
- ◆ gains from dealing in real estate
- ◆ distributive share of partnership gross income
- ◆ unemployment compensation
- ◆ social security benefits
- ◆ prizes and awards
- ◆ scholarships and fellowships if teaching, research or other services required as condition of receipt
- ◆ alimony and separate maintenance

Income does not refer to:

- ◆ proceeds from life insurance
- ◆ gifts and inheritances
- ◆ compensation for injuries or sickness
- ◆ amounts received from accident and health plans
- ◆ qualified foster care payments
- ◆ child support
- ◆ scholarships and fellowships without teaching, research or other service in exchange

## **How Do I Disclose My Financial Interests?**

Your public disclosure is made by filing a Statement of Economic Interests with the Board of Ethics. Income and honoraria are reported for the entire year whereas interests in various assets and creditors are reported as of December 31.

## **When Do I File My Statements of Economic Interests?**

You must file your Statement of Economic Interests from by February 28 of each year for the preceding year with the Board of Ethics.

Newly elected, appointed or employed individuals must file a Statement of Economic Interests within 21 days following the date he or she assumes office if the individual has not previously filed during that year.

## ***FINANCIAL DISCLOSURE***

*(Continued)*

Nominees to a City board, commission or committee who are required to file shall do so within 21 days of being nominated unless the nominee has previously filed a statement during that year.

### **Help Available**

The staff of the City's Board of Ethics is happy to help if you need assistance completing your disclosure forms. Please call the Board at 414/286-8641



## ***ACCEPTING GIFTS***

### **General Rule**

No person may offer or give to an official or other City employee, directly or indirectly, and no official or other City employee may solicit or accept from any person, directly or indirectly, anything of value if it could be reasonably considered as a reward for any official action or inaction on the part of the official or other City employee.

### **What are Acceptable Gifts?**

Consistent with the ordinances administered by the Board of Ethics, local public officials may accept and retain:

#### ***Items and Services Unrelated to Public Position.***

Food, drink, transportation, lodging, items and services which are offered for a reason unrelated to the recipient's holding a public position (§19.59(1)(a), Wis. Stats.) and which could not reasonably be expected to influence an official's vote, official actions or judgment, nor reasonably be considered a reward for any official action or inaction.

#### ***Expenses Provided by or for the Benefit of the City.***

Food, drink, transportation, lodging or payment or reimbursement of costs that are provided by or for the benefit of the local governmental unit, not for a private benefit.

#### ***Items of Insubstantial Value.***

Mere token and items or services of only nominal, insignificant or trivial value.

### **What are Restraints on Receipt of Food, Drinks, Favors, Services.**

Except as noted above, local public officials should not accept:

#### ***Items or Services Offered Because of Public Position.***

Any item or service, including food, drink and travel, of more than nominal value offered because of the person's holding a public office.

#### ***Items that Could Influence Judgment.***

Any item or service that could reasonably be expected to influence an official's vote, official actions or judgment.

#### ***Rewards for Official Action.***

Any item or service that could reasonably be considered a reward for any official action or inaction.

#### ***Transportation or Traveling Accommodations.***

Transportation, traveling accommodation or communication services for which the supplier would usually charge.



## **ACCEPTING GIFTS**

(Continued)

### **What Test Can I Apply?**

To analyze a situation in which you are offered items or services, ask yourself these questions:

With respect to the item or service offered:

- ◆ Is it being offered because of my public position?
- ◆ Is it of more than nominal or insignificant value?
- ◆ Is it primarily for my personal benefit rather than for the benefit of my local unit of government?

If you answered “yes” to all three questions, you may not accept the item or service.

Would it be reasonable for someone to believe that the item or service is likely to influence my judgment or actions or that it is a reward for past action?

If you answered “yes,” you may not accept the item or service.

*If you have any doubts about a situation,  
seek advice from the City's Board of Ethics.*

### **Disposition of Gifts**

The Board of Ethics generally recommends one of the options below.

- ◆ Return the item to the giver.
- ◆ Turn the item over to the official's agency, if the item is one the agency can use.
- ◆ Turn the item over to another City agency or to a public institution, such as a school, library or museum, that can use the item.
- ◆ Donate the item to a charitable organization (other than one of which the official or a family member is an officer, director or agent).

## ***ACCEPTING GIFTS***

(Continued)

### **What About Skyboxes or Other Premium Areas**

An official should not accept or purchase a ticket or admission to an event or access to a loge, skybox or other premium area unless the official can clearly and convincingly demonstrate that:

- ◆ The ticket, admission or access cannot reasonably be expected to influence the official's vote, official actions or judgment and cannot reasonably be considered as a reward for any official action or inaction on the part of the official; and either
- ◆ The ticket, admission or access is offered for a reason unrelated to the official's holding or having held a public office; or
- ◆ The ticket, admission or access is available to the general public on the same terms and conditions.

#### ***Limited Exceptions to the Preceding Restrictions.***

Substantive or ceremonial governmental responsibilities. To the extent an official's participation in an event is in furtherance of substantive or ceremonial governmental responsibilities appropriate to the official's government office so as to be clearly and convincingly for the benefit primarily of the local government and any private benefit is merely incidental, then an individual or organization may provide admission to or accommodation at the event and an official may attend the event without payment or on terms not available to the general public.

Ticket of no pecuniary value. In the unusual circumstance in which a ticket, admission or access is without pecuniary value, an official may accept it.

#### ***Restriction Concerning Admission To Certain Stadiums.***

An elected official should not accept a discount (including a discount on the use of a skybox or private luxury box) on the price of admission or parking charged to members of the general public at Miller Park or the Wisconsin Center District in Milwaukee or Lambeau Field in Green Bay.

## **ACCEPTING GIFTS**

(Continued)

*All gifts must be reported on a Gift Report form to the Board of Ethics. This form must be filed no less frequently than once a quarter. If you have any questions regarding propriety of your accepting a gift, please request a confidential advisory opinion from the Board of Ethics prior to acceptance.*



## ***ETHICS RULES***

### **Misuse of City Authority and Resources**

As representatives to the public on behalf of the City, you are held to appropriately high standards of conduct and demeanor. This important concept is expressed in the City of Milwaukee Code of Ethics as follows:

It is declared that high moral and ethical standards among officials and other city employees are essential to the conduct of free government.

The ordinances and policies of the City of Milwaukee state that you may not::

- ◆ use your position, or the authority of your office or position, to cause any person to provide anything of value which shall accrue to your personal, private benefit or to the personal benefit of any other person;
- ◆ use or authorize the use of city offices, stationery, telephones, vehicles, equipment, internet access or email or any other City property for any non-City business purpose, including but not limited to campaign activity;
- ◆ use or disclose confidential information acquired in the course of official City business.

### **Prohibited Practices** The Milwaukee City Charter states that you may not:

- ◆ Be retained or employed by any common carrier or by any public utility corporation except such public utilities as are owned by the City or by any other municipal corporation.
- ◆ In connection with the purchase or sale of any land by the City be retained or employed by any purchaser or owner thereof or act as agent or broker for such owner or purchaser or receive any fee or commission or anything of value from such owner or purchaser.
- ◆ Appraise or assess for any City purpose any real or personal property in which you have any direct or indirect pecuniary interest.
- ◆ Sell stock or bonds of any company in which you are interested to any contractor or other person doing business with the City or sell or attempt to sell stock or bonds or solicit any funds or subscription of any kind from any other person by offering or promising to obtain for the person so solicited some special privilege, favor or appointment in connection with City offices or government.
- ◆ Sell any real or personal property or any interest therein or merchandise, commodities or any services of whatever nature or description to any public utility transactions business or operating within the City of Milwaukee nor shall sell to such public utility anything of value from which a commission or premium or any other consideration may be paid to him or anyone else on or in his behalf as a result thereof from which he may derive directly or indirectly a personal profit, consideration or gain.

### **Confidential Information**

You may not use or disclose to any other person for pecuniary gain or personal advantage or privilege, any confidential information that you acquired in the course of your official duties as a City official or employee. This provision applies even after you leave City service.

## ***ETHICS RULES***

(Continued)

### **Outside Employment**

The law does not bar you from seeking or holding an outside job provided the work does not present a conflict of interest or keep you from performing your assigned duties.

### **Honoraria**

An honorarium is a payment for giving a speech, writing an article for publication or attending a conference, convention, meeting, social event, meal or similar gathering. Every public official is encouraged to meet with clubs, conventions, special interest groups, political groups, school groups and other gatherings to discuss and interpret legislative, administrative, executive or judicial processes and proposals. The receipt of transportation, money or other things with a combined pecuniary value exceeding \$50 excluding the value of food or beverage offered coincidentally with a talk or meeting must be reported on a Statement of Economic Interests.



## ***POLITICAL ACTIVITY***

Laws governing City officials' and employees' political activity have been established to 1) safeguard public resources; 2) ensure the government remains nonpartisan and neutral in election matters; and 3) protect City employees from pressure to support or oppose candidates or ballot measures.

### **Prohibited Political Activity**

#### ***You may not:***

- ◆ engage in fundraising or other campaign activities during hours for which you are paid to conduct City business;
- ◆ knowingly solicit contributions for or against a political candidate or ballot measure from any City official or employee. Soliciting a contribution from the spouse of a City officer or employee is permissible so long as it is not a subterfuge for soliciting the City employee;
- ◆ solicit contributions for or against a political candidate or ballot measure from any City official over whom you have any form of supervisory authority. This prohibition applies both at and away from the workplace.
- ◆ be solicited for a campaign contribution by another City official or employee;
- ◆ receive, deliver or attempt to deliver a political contribution in City hall, any City office building, or in any office for which the City pays the majority of the rent.
- ◆ use or authorize the use of City offices, stationery, telephones, vehicles, equipment or any other City property for any campaign activity;

### **Permissible Political Activity**

#### ***You may:***

- ◆ perform volunteer work, endorse candidates, and take a position on a ballot measure, as long as these activities do not involve the use of City time, property, facilities or equipment.
- ◆ use your own funds to make political contributions, subject to applicable laws.
- ◆ solicit political contributions from persons other than City officials and employees on behalf of candidates or ballot measures.
- ◆ use City resources to provide unbiased, balanced and factual information about the purposes, provisions and estimated impact of bond issues and ballot measures. (Remember, however, that City funds may not be spent to urge the passage or defeat of any ballot measure.)



## ***POST-CITY SERVICE RESTRICTIONS***

### **Post-City Service Restriction**

To prevent former City officials from exercising or appearing to exercise improper influence over City-decision making, City law establishes certain limitations on their attempts to influence City decisions after they leave City service. These restrictions apply to you only if you are compensated for these activities.

There are two types of post-City service restrictions: a ban that applies to all former City officials, appointees and employees in very specific circumstances, and a one-year "cooling off" period that applies only to those former City officials who were required to file financial disclosure statements ("statements of economic interests") during their City service.

### **Twelve Month Period**

No former official or other city employee for 12 months following the date on which he or she ceases to be an official or employee, may, for compensation, on behalf of any person other than a governmental entity, make any formal or informal appearance before, or negotiate with, any officer or employee of a department in connection with any judicial or quasi-judicial proceeding, application, contract, claim, or charge which might give rise to a judicial or quasi-judicial proceeding which was under the former official's or employee's responsibility as an official or employ, within 12 months prior to the date on which he or she ceased to be an official or employee.

### **Matters in Which You "Personally and Substantially" Participated**

No former official or other city employee, may for compensation act on behalf of any party other than the city in connection with any judicial or quasi-judicial proceeding, application, contract, claim or charge which might give rise to a judicial or quasi-judicial proceeding in which the former official or other city employee participated personally and substantially as an official or other city employee.



## ***PENALTIES***

### **Penalties**

Any person who violates any provision of the City's Code of Ethics is subject to, in addition to any other action, forfeiture of not less than \$100 nor more than \$1,000 for each violation. In addition, solely for elected officials, other ordinances and certain violations constitute malfeasance in office and may result in forfeiture of office or position and may be deemed guilty of a felony and upon conviction thereof result in imprisonment for not more than 1 year or by fine of not more than \$5,000 or less than \$500 or both.

**(N.B.: Barry Zalben, Manager of the LRB, wondered if language ought not be included here dealing with the Board of Ethic's responsibility for investigating and, if necessary, prosecuting individuals for violations of the code of ethics.)**





## ***INFORMATION***

### **Getting Your Questions Answered!**

#### ***The City Board of Ethics (414/286-8641)***

The City Board of Ethics will gladly assist you with any questions you have regarding the laws contained in this guide. During normal business hours, the staff can provide you with informal advice in person or by telephone. The Board can also issue formal, written advice applying the law to your specific set of facts if you provide the facts in writing. No person who receives formal, written advice and acts in good faith based on that advice will be subject to penalties. This immunity, however, does not apply to informal advice.



## **CODE OF CONDUCT TASK FORCE**

### **RECOMMENDATIONS**

1. That the Common Council adopt an ordinance requiring all employees, elected officials and board/commission members who are required to file statements of economic interests to attend an annual briefing with respect to standards of conduct, ethics and conflicts of interest.
2. That the processes and procedures for reporting alleged ethical violations be made clear to all citizens and City employees and that information about these processes and procedures be posted. Further, in these postings, special mention should be made that all reports of ethical violations will remain confidential.
3. That the City of Milwaukee's Common Council consider adopting the ethics handbook included in this report. Included in this handbook are the following legislative changes, which the task force also recommends:
  - a. Requiring City officials to report all gifts, of whatever value, on a gift report form to be submitted no less frequently than once per quarter.
  - b. Prohibiting City officials from accepting any discount, on either admission or parking, to any event held at the Wisconsin Center District.
  - c. Prohibiting City officials from knowingly soliciting contributions for or against a political candidate or ballot measure from any City official or employee.
  - d. Prohibiting City officials from soliciting contributions for or against a political candidate or ballot measure from any City official over whom they have any form of supervisory authority. This prohibition would apply both at and away from the workplace.
  - e. Prohibiting City officials from soliciting campaign contributions from another City official or employee. In the interest of fairness, it is important that this restriction apply to both elected officials and candidates for office.
4. That the City's Board of Ethics receive the authority and resources it believes necessary and prudent to insure that the provisions of the City's Code of Ethics are enforced.
5. That the task force recommends in principle that the Common Council consider both the registration and regulation of lobbyists. This regulation should include those who intend to lobby administrative agencies for contracts.
6. That legislation protecting "whistle-blowers" and preventing retaliation against employees who report ethical violations be adopted.
7. That the City urge the State of Wisconsin to adopt legislation that would allow the City to enact an ordinance prohibiting City employees from soliciting political

contributions from anyone over whom they have supervisory responsibility at any place and at any time.

8. That a simple reminder campaign be instituted to remind City employees that they are subject to the Code of Ethics. This could be accomplished through pamphlets, notices on bulleting boards, distributed with check stubs or other payroll information, included with W-2 forms, etc.
9. That the appropriate listings be place in the telephone books serving the City of Milwaukee advising people where they can report alleged ethical violations.

## **CODE OF CONDUCT TASK FORCE**

### **FINDINGS**

1. There appears to be a general lack of understanding with respect to the content and applicability of the City of Milwaukee's Code of Ethics.
2. There is a patchwork system of rules and regulations to follow with regard to ethical behavior. The relationship of the Wisconsin State Statutes to City of Milwaukee officials is not clear.
3. The Code of Ethics does not clearly distinguish between prohibited and permissible political activities.
4. There is no current regulation of lobbyists who work with City government and their activities.
5. The Code of Ethics offers no protection for "whistle-blowers" and employees who might be the victims of retaliation for reporting unethical conduct.
6. There is no "handbook" on ethics.

MEMO

TO: Members of the Code of Conduct Task Force  
FROM: Jim Owczarski, Legislative Fiscal Analyst  
DATE: September 24, 2003  
RE: Issues remaining from your meeting of September 18, 2003

\*\*\*\*\*

The following is intended to address the small list of issues remaining from your meeting of September 18, 2003. They are offered in no particular order:

1. **Regarding the legal status of the Bradley Center.** Per Assistant City Attorney Harry Stein: "The Bradley Center is designated as a "public body corporate and politic" under Chap. 232, Stats., but is then further specified to be a nonprofit corporation under Chap., 181, Stats. The State Ethics Code provides that the members of the Bradley Center are not persons required to file ethics annual statements, 19.42(10)(d), and the Bradley Center is exempted from the public records statute, 19.32(1). Further, there is no reference to public monies for the Bradley Center in the statutes."
2. **Regarding the regulation of the solicitation of items or services:** This conduct is generally regulated by s. 303-5 of the Milwaukee Code of Ordinance. Of particular note is s. 303-5-2 and 3. I believe a complete copy of chapter 303 was included in your initial packet of information. It is also available on the Internet at [www.milwaukee.gov](http://www.milwaukee.gov).
3. **Regarding the attendance of City officials at conferences, seminars and receptions:** While the City of Milwaukee, as you are aware, does not regulate the activities of lobbyists, these circumstances generally are regulated by s. 303-9-3 of the code in language taken verbatim from statute.
4. **Regarding nepotism:** Although the Code of Ordinances has no specific provision related to nepotism, the practice is explicitly prohibited by Section #10, Rule #8 of the City of Milwaukee's Civil Service Code. This also is available at [www.milwaukee.gov](http://www.milwaukee.gov).
5. **Findings, Recommendations and Ethics Handbook:** I have amended all 3 in a manner that, I believe, reflects the intentions of the task force. They are attached for your review.

Should you have any further questions, please feel free to contact me at your convenience. I am available at either [jowcza@milwaukee.gov](mailto:jowcza@milwaukee.gov) or 286-2299.

LRB03435

**DRAFT**

# **Ethics Handbook for Milwaukee City Officials**

**Prepared by the Code of Conduct Task Force**

**Submitted August 28, 2003**

The attached "Ethics Handbook for Milwaukee City Officials" was prepared by the Code of Conduct Task Force. It is recommended for adoption to the Milwaukee Common Council in the fourth recommendation submitted by the Task Force. Some of the text included in this handbook is highlighted in red. These sections do not reflect the current law or practice of the City of Milwaukee. The Code of Conduct Task Force, however, based on its research and deliberations, has decided to recommend that the City of Milwaukee, the State of Wisconsin or both, adopt the rules and regulations those sections reflect. The members of the Task Force would be particularly interested in hearing public comment -- either favorable or unfavorable -- regarding these sections.

## *City of Milwaukee*

City of Milwaukee Board of Ethics  
200 East Wells Street  
Room 205, City Hall  
Milwaukee, Wisconsin 53202  
414/286-8641  
E-Mail: [Ethics@milwaukee.gov](mailto:Ethics@milwaukee.gov)  
Website: [www.milwaukee.gov](http://www.milwaukee.gov)

# **ETHICS HANDBOOK for MILWAUKEE CITY OFFICIALS**

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A “City official” is any person required to file a Statement of Economic Interests form by the City Code of Ethics with the City of Milwaukee Board of Ethics. This handbook, drafted specifically for City officials, summarizes significant provisions of the City’s Code of Ethics Ordinance and relevant state ethics laws. It is provided as a means of educating officials about the *general* provisions of these laws. Any City official, however, contemplating an action covered by the ethics rules is encouraged to contact the Board of Ethics with questions about applying the law.

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# **FORWARD**

July 2003

In 1977, the City of Milwaukee adopted a Code of Ethics for its elected officials, employees and various board/commission members. The City's Code of Ethics Ordinance, in combination with state law is intended to protect the integrity of the City's decision-making process. The goals are to avoid conflicts of interest, improve standards of public service and promote and strengthen the faith and confidence of the people of Milwaukee in their public officials and other city employees. Often, even the perception that a City official has acted with bias can seriously erode public confidence as much as if any real bias existed. Therefore, it is crucial that you are ever conscious of the conflict of interest laws and other ethics rules establish by state and city laws.

The goal of this Ethics Handbook is to increase your awareness of the ethics and conflict of interest laws and to provide you with information about how to seek advice from the City Board of Ethics.

*Thank you for your service to the City and your commitment to providing open, honest and accountable City government to the people of the City of Milwaukee.*

## **Any Time You Need Assistance**

Assistance for questions regarding conflicts of interest, gifts, honoraria, financial disclosures, political activity, past city service restrictions or other ethics rules may be addressed to:

*City of Milwaukee Board of Ethics  
200 East Wells Street  
Room 205, City Hall  
Milwaukee, Wisconsin 53202  
414/286-8641  
E-Mail: [Ethics@milwaukee.gov](mailto:Ethics@milwaukee.gov)  
Website: [www.milwaukee.gov](http://www.milwaukee.gov)*

Information about ethics rules, the text of the City's laws and financial disclosure forms are available on the City Board of Ethics website.

## *CONFLICTS OF INTERESTS*

### **General Rule**

As a general rule, you should avoid situations where your official actions may affect or appear to affect your private interests, financial or non-financial.

### **What is a Conflict of Interest?**

You have a conflict of interest if your public actions as a city official affect your personal financial interests or the interests of your immediate family members. It does not matter whether the action has a negative or positive effect on the interest. Therefore, state law prohibits you from making, participating in making, or attempting to influence *any* government decision if it is reasonably foreseeable that the decision will have a material financial effect on any of your economic interests or those of an immediate family member.

#### ***The City's "Appearance" Standard***

In addition to state law, the City has its own conflict provision. It is "not in the public interest" for you to act on a matter if you do not believe that you could act impartially or if the public might reasonably reach that conclusion.

#### ***Decisions Related to Contracts***

State law prohibits you from being financially interested in any City contract if your duties call on you to participate in any way or at any stage in the approval of the contract. Any participation in the process by which such a contract is developed, negotiated or executed is a violation of the law.

### **How Do I Know If I Have a Conflict?**

It can be difficult to determine whether you have a legal conflict of interest pursuant to state or City law. Therefore, you should always contact the City of Milwaukee's Board of Ethics for advice *any* time your work with the City involves:

- ◆ a business in which you or family members have an investment; or
- ◆ real property in which you or family members have an interest; or
- ◆ any source of income or loans to you or family (includes a person or entity that has provided *you* with gifts); or
- ◆ any person or entity with which you have a relationship other than in your capacity as a City official (examples: a personal friend; a person with whom you are in a business; a person with whom you own real property; a close relative's employer); or
- ◆ any person with whom you have an agreement concerning future employment.

The Board of Ethics will work with you to determine if you have a conflict pursuant to City or state law and determine whether you must "disqualify" yourself. Please note that the mere presence of one of the interests listed does not necessarily mean that you have a conflict. Other factors may be involved and the Board of Ethics will advise you of your responsibilities.

# ***CONFLICTS OF INTERESTS***

(Continued)

## **Acting in an Official Capacity**

***Making Policy.*** When an official or a board, commission or body of which an official is a member is called upon to propose or to act on an ordinance or to promulgate or issue a general policy, the official may participate in that action, even though the action will affect the official, a member of the official's immediate family or an organization with which the official is associated, as long as:

- ◆ The official's action affects a whole class of similarly-situated interests;
- ◆ Neither the official's interest, the interest of a member of the official's immediate family, nor the interest of a business or organization with which the official is associated is significant when compared to all affected interests in the class; AND
- ◆ The action's effect on the interests of the official, of a member of the official's immediate family, or of the related business or organization is neither significantly greater nor less than upon other members of the class.

***Applying Policy.*** A local public official should not, in an official capacity, participate in or perform any discretionary action with respect to the making, grant, or imposition of an award, sanction, permit, license, zoning change, contract, offer of employment, or agreement in which the official or a member of the official's immediate family or a business or organization with which the official is associated has a substantial financial interest, direct or indirect. In addition, a local public official should not, in an official capacity, participate in a matter affecting a business or organization from which the official or a member of the official's immediate family receives substantial compensation or income.

## **Remedies for Conflicts**

If a conflict of interest exists, you must be "disqualified" – meaning that you must abstain from making, participating in making or attempting to use your official position in any way to influence the government decision that might affect that personal interest. The Board of Ethics provides advice about whether a conflict exists and if disqualification is required. Please be aware that severe penalties may result for you and the City, if you do not abstain when appropriate.

## CONFLICTS OF INTERESTS

(Continued)

### How Do I Disqualify Myself?

If you or, upon your request, the Board determines that there is a matter in which you should not participate before a board, commission or other body of which you are a member, then you should leave that portion of the body's meeting involving discussion, deliberations or votes related to that matter. The body's remaining members may review the matter and take whatever action they find appropriate. When, because of a potential conflict between a private interest and public responsibility, an official withdraws from the body's discussion, deliberation and vote, the body's minutes should reflect the absence.

### Acting in a Private Capacity

***Applications, Bids and Contracts.*** Usually, a local public official should not in a private capacity, apply, negotiate, bid for, or receive any award, sanction, permit, license, zoning change, contract, offer of employment, or agreement in which the official has a private financial interest, direct or indirect, if the official is authorized to perform in regard to it any governmental function requiring the exercise of discretion, even if the official does not participate in the governmental action or exert any influence on his or her own behalf.

***Representing Clients.*** A local public official should not, for compensation or on behalf of an employer, represent an individual, business or organization before a board, commission or other body of which an official is a member. The Code of Ethics is not an obstacle to an official's partner or business associate representing a client before such board, commission or other body as long as the official is not financially interested in, and does not exercise control over, the representation. In such cases, however, the official should not participate in deliberations or voting when the matter in which his or her partner or business associate is involved is considered.



## ***FINANCIAL DISCLOSURE***

State and City laws prevent conflicts of interest in two ways – disclosure and disqualification. The purpose of financial disclosure is to alert you to the personal interests that might be affected while you perform your official duties, i.e., making governmental decisions.

### **Who Files Financial Disclosure Statements?**

All employees, officials and board/commission members are covered by the City Code of Ethics (Chapter 303, Code of Ordinances). In addition the Milwaukee Common Council determines which individuals are required to file a Statement of Economic Interest pursuant to Chapter 303. These persons include:

- ◆ All elected City officials.
- ◆ City employees identified as having to complete statements of economic interest in the City's positions ordinance. ("y-footnote")
- ◆ Members and nominees of designated boards and commissions.

### **What Interests are Required to be Publicly Disclosed?**

You must disclose the information called for on the Statement of Economic Interests for yourself and members of your immediate family which means your spouse and any child, stepchild, parent or parent-in-law who receives more than one-half of his or her support from you or from whom you receive more than one-half of your support. Reportable items include:

- ◆ Sources of income.
- ◆ Real estate in Milwaukee and surrounding counties in which you held a 10% interest directly or indirectly.
- ◆ Creditors.
- ◆ Securities.
- ◆ Ownership interests in business.
- ◆ Officers or directorships.
- ◆ Honoraria and payment of expenses.

## ***FINANCIAL DISCLOSURE***

*(Continued)*

### **What is Income?**

The City of Milwaukee's Code of Ethics requires an individual filing a Statement of Economic Interests to report sources from which the individual or a member of the individual's immediate family received \$1,000 or more during the previous year.

Income means gross income under section 61 of the Internal Revenue Code. (cf. §19.42(7m), Wis. Stats.).

Income means:

- ◆ compensation for services (including salary, wages, fees and commissions)
- ◆ gross income derived from business
- ◆ rents and royalties
- ◆ annuities and pensions
- ◆ gains from dealing in real estate
- ◆ distributive share of partnership gross income
- ◆ unemployment compensation
- ◆ social security benefits
- ◆ prizes and awards
- ◆ scholarships and fellowships if teaching, research or other services required as condition of receipt
- ◆ alimony and separate maintenance

Income does not refer to:

- ◆ proceeds from life insurance
- ◆ gifts and inheritances
- ◆ compensation for injuries or sickness
- ◆ amounts received from accident and health plans
- ◆ qualified foster care payments
- ◆ child support
- ◆ scholarships and fellowships without teaching, research or other service in exchange

### **How Do I Disclose My Financial Interests?**

Your public disclosure is made by filing a Statement of Economic Interests with the Board of Ethics. Income and honoraria are reported for the entire year whereas interests in various assets and creditors are reported as of December 31.

### **When Do I File My Statements of Economic Interests?**

You must file your Statement of Economic Interests from by February 28 of each year for the preceding year with the Board of Ethics.

Newly elected, appointed or employed individuals must file a Statement of Economic Interests within 21 days following the date he or she assumes office if the individual has not previously filed during that year.

## ***FINANCIAL DISCLOSURE***

*(Continued)*

Nominees to a City board, commission or committee who are required to file shall do so within 21 days of being nominated unless the nominee has previously filed a statement during that year.

### **Help Available**

The staff of the City's Board of Ethics is happy to help if you need assistance completing your disclosure forms. Please call the Board at 414/286-8641



## ***ACCEPTING GIFTS***

### **General Rule**

No person may offer or give to an official or other City employee, directly or indirectly, and no official or other City employee may solicit or accept from any person, directly or indirectly, anything of value if it could be reasonably considered as a reward for any official action or inaction on the part of the official or other City employee.

### **What are Acceptable Gifts?**

Consistent with the ordinances administered by the Board of Ethics, local public officials may accept and retain.

#### ***Items and Services Unrelated to Public Position.***

Food, drink, transportation, lodging, items and services which are offered for a reason unrelated to the recipient's holding a public position (§19.59(1)(a), Wis. Stats.) and which could not reasonably be expected to influence an official's vote, official actions or judgment, nor reasonably be considered a reward for any official action or inaction.

#### ***Expenses Provided by or for the Benefit of the City.***

Food, drink, transportation, lodging or payment or reimbursement of costs that are provided by or for the benefit of the local governmental unit, not for a private benefit.

#### ***Items of Insubstantial Value.***

Mere token and items or services of only nominal, insignificant or trivial value.

### **What are Restraints on Receipt of Food, Drinks, Favors, Services?**

Except as noted above, local public officials should not accept:

#### **Items or Services Offered Because of Public Position.**

Any item or service, including food, drink and travel, of more than nominal value offered because of the person's holding a public office.

#### ***Items or Services Offered Because of Public Position.***

Any item or service, including food, drink and travel, of more than nominal value offered because of the person's holding a public office.

#### ***Items that Could Influence Judgment.***

Any item or service that could reasonably be expected to influence an official's vote, official actions or judgment.

#### ***Rewards for Official Action.***

Any item or service that could reasonably be considered a reward for any official action or inaction.

#### ***Transportation or Traveling Accommodations.***

Transportation, traveling accommodation or communication services for which the supplier would usually charge.



## ***ACCEPTING GIFTS***

(Continued)

### **What Test Can I Apply?**

To analyze a situation in which you are offered items or services, ask yourself these questions:

With respect to the item or service offered:

- ◆ Is it being offered because of my public position?
- ◆ Is it of more than nominal or insignificant value?
- ◆ Is it primarily for my personal benefit rather than for the benefit of my local unit of government?

If you answered “yes” to all three questions, you may not accept the item or service.

Would it be reasonable for someone to believe that the item or service is likely to influence my judgment or actions or that it is a reward for past action?

If you answered “yes,” you may not accept the item or service.

*If you have any doubts about a situation,  
seek advice from the City’s Board of Ethics.*

### **Disposition of Gifts**

The Board of Ethics generally recommends one of the options below.

- ◆ Return the item to the giver.
- ◆ Turn the item over to the official’s agency, if the item is one the agency can use.
- ◆ Turn the item over to another City agency or to a public institution, such as a school, library or museum, that can use the item.
- ◆ Donate the item to a charitable organization (other than one of which the official or a family member is an officer, director or agent).

## ***ACCEPTING GIFTS***

(Continued)

### **What About Skyboxes or Other Premium Areas**

An official should not accept or purchase a ticket or admission to an event or access to a loge, skybox or other premium area unless the official can clearly and convincingly demonstrate that:

- ◆ The ticket, admission or access cannot reasonably be expected to influence the official's vote, official actions or judgment and cannot reasonably be considered as a reward for any official action or inaction on the part of the official; and either
- ◆ The ticket, admission or access is offered for a reason unrelated to the official's holding or having held a public office; or
- ◆ The ticket, admission or access is available to the general public on the same terms and conditions.

#### ***Limited Exceptions to the Preceding Restrictions.***

Substantive or ceremonial governmental responsibilities. To the extent an official's participation in an event is in furtherance of substantive or ceremonial governmental responsibilities appropriate to the official's government office so as to be clearly and convincingly for the benefit primarily of the local government and any private benefit is merely incidental, then an individual or organization may provide admission to or accommodation at the event and an official may attend the event without payment or on terms not available to the general public.

Ticket of no pecuniary value. In the unusual circumstance in which a ticket, admission or access is without pecuniary value, an official may accept it.

#### ***Restriction Concerning Admission To Certain Stadiums.***

An elected official should not accept a discount (including a discount on the use of a skybox or private luxury box) on the price of admission or parking charged to members of the general public at Miller Park in Milwaukee or Lambeau Field in Green Bay.

## **ACCEPTING GIFTS**

(Continued)

*Token gifts must be reported on a Gift Report form to the Board of Ethics upon receipt. You must properly declare their receipt. If you have any questions regarding propriety of your accepting such a gift, please request a confidential advisory opinion from the Board of Ethics prior to such an acceptance. Any gift or gifts with an aggregate value of more than \$50 must be reported.*



## ***ETHICS RULES***

### **Misuse of City Authority and Resources**

As representatives to the public on behalf of the City, you are held to appropriately high standards of conduct and demeanor. This important concept is expressed in the City of Milwaukee Code of Ethics as follows:

It is declared that high moral and ethical standards among officials and other city employees are essential to the conduct of free government.

The ordinances and policies of the City of Milwaukee state that you may not:

- ◆ use your position, or the authority of your office or position, to cause any person to provide anything of value which shall accrue to your personal, private benefit or to the personal benefit of any other person;
- ◆ use or authorize the use of city offices, stationery, telephones, vehicles, equipment, internet access or email or any other City property for any non-City business purpose, including but not limited to campaign activity;
- ◆ use or disclose confidential information acquired in the course of official City business.

### **Prohibited Practices** The Milwaukee City Charter states that you may not:

- ◆ Be retained or employed by any common carrier or by any public utility corporation except such public utilities as are owned by the City or by any other municipal corporation.
- ◆ In connection with the purchase or sale of any land by the City be retained or employed by any purchaser or owner thereof or act as agent or broker for such owner or purchaser or receive any fee or commission or anything of value from such owner or purchaser.
- ◆ Appraise or assess for any City purpose any real or personal property in which you have any direct or indirect pecuniary interest.
- ◆ Sell stock or bonds of any company in which you are interested to any contractor or other person doing business with the City or seller attempt to sell stock or bonds or solicit any funds or subscription of any kind from any other person by offering or promising to obtain for the person so solicited some special privilege, favor or appointment in connection with City offices or government.
- ◆ Sell any real or personal property or any interest therein or merchandise, commodities or any services of whatever nature or description to any public utility transactions business or operating within the City of Milwaukee nor shall sell to such public utility anything of value from which a commission or premium or any other consideration may be paid to him or anyone else on or in his behalf as a result thereof from which he may derive directly or indirectly a personal profit, consideration or gain.

### **Confidential Information**

You may not use or disclose to any other person for pecuniary gain or personal advantage or privilege, any confidential information that you acquired in the course of your official duties as a City official or employee. This provision applies even after you leave City service.

## ***ETHICS RULES***

(Continued)

### **Outside Employment**

The law does not bar you from seeking or holding an outside job provided the work does not present a conflict of interest or keep you from performing your assigned duties.

### **Honoraria**

An honorarium is a payment for giving a speech, writing an article for publication or attending a conference, convention, meeting, social event, meal or similar gathering. Every public official is encouraged to meet with clubs, conventions, special interest groups, political groups, school groups and other gatherings to discuss and interpret legislative, administrative, executive or judicial processes and proposals. The receipt of transportation, money or other things with a combined pecuniary value exceeding \$50 excluding the value of food or beverage offered coincidentally with a talk or meeting must be reported on a Statement of Economic Interests.



## ***POLITICAL ACTIVITY***

Laws governing City officials' and employees' political activity have been established to 1) safeguard public resources; 2) ensure the government remains nonpartisan and neutral in election matters; and 3) protect City employees from pressure to support or oppose candidates or ballot measures.

### **Prohibited Political Activity**

#### ***You may not:***

- ◆ engage in fundraising or other campaign activities during hours for which you are paid to conduct City business;
- ◆ knowingly solicit contributions for or against a political candidate or ballot measure from any City official or employee. Soliciting a contribution from the spouse of a City officer or employee is permissible so long as it is not a subterfuge for soliciting the City employee;
- ◆ solicit contributions for or against a political candidate or ballot measure from any City official over whom you have any form of supervisory authority. This prohibition applies both at and away from the workplace.
- ◆ be solicited for a campaign contribution by another City official or employee;
- ◆ receive, deliver or attempt to deliver a political contribution in City hall, any City office building, or in any office for which the City pays the majority of the rent.
- ◆ use or authorize the use of City offices, stationery, telephones, vehicles, equipment or any other City property for any campaign activity;

### **Permissible Political Activity**

#### ***You may:***

- ◆ perform volunteer work, endorse candidates, and take a position on a ballot measure, as long as these activities do not involve the use of City time, property, facilities or equipment.
- ◆ use your own funds to make political contributions, subject to applicable laws.
- ◆ solicit political contributions from persons other than City officials and employees on behalf of candidates or ballot measures.
- ◆ use City resources to provide unbiased, balanced and factual information about the purposes, provisions and estimated impact of bond issues and ballot measures. (Remember, however, that City funds may not be spent to urge the passage or defeat of any ballot measure.)



## ***POST-CITY SERVICE RESTRICTIONS***

### **Post-City Service Restriction**

To prevent former City officials from exercising or appearing to exercise improper influence over City-decision making, City law establishes certain limitations on their attempts to influence City decisions after they leave City service. These restrictions apply to you only if you are compensated for these activities.

There are two types of post-City service restrictions: a ban that applies to all former City officials, appointees and employees in very specific circumstances, and a one-year "cooling off" period that applies only to those former City officials who were required to file financial disclosure statements ("statements of economic interests") during their City service.

### **Twelve Month Period**

No former official or other city employee for 12 months following the date on which he or she ceases to be an official or employee, may, for compensation, on behalf of any person other than a governmental entity, make any formal or informal appearance before, or negotiate with, any officer or employee of a department in connection with any judicial or quasi-judicial proceeding, application, contract, claim, or charge which might give rise to a judicial or quasi-judicial proceeding which was under the former official's or employee's responsibility as an official or employ, within 12 months prior to the date on which he or she ceased to be an official or employee.

### **Matters in Which You "Personally and Substantially" Participated**

No former official or other city employee, may for compensation act on behalf of any party other than the city in connection with any judicial or quasi-judicial proceeding, application, contract, claim or charge which might give rise to a judicial or quasi-judicial proceeding in which the former official or other city employee participated personally and substantially as an official or other city employee.



## ***PENALTIES***

### **Penalties**

Any person who violates any provision of the City's Code of Ethics is subject to, in addition to any other action, forfeiture of not less than \$100 nor more than \$1,000 for each violation. In addition, solely for elected officials, other ordinances and certain violations constitute malfeasance in office and may result in forfeiture of office or position and may be deemed guilty of a felony and upon conviction thereof result in imprisonment for not more than 1 year or by fine of not more than \$5,000 or less than \$500 or both.





## *INFORMATION*

### **Getting Your Questions Answered!**

#### *The City Board of Ethics (414/286-8641)*

The City Board of Ethics will gladly assist you with any questions you have regarding the laws contained in this guide. During normal business hours, the staff can provide you with informal advice in person or by telephone. The Board can also issue formal, written advice applying the law to your specific set of facts if you provide the facts in writing. No person who receives formal, written advice and acts in good faith based on that advice will be subject to penalties. This immunity, however, does not apply to informal advice.



**From:** James Owczarski  
**To:** Harry Stein; jerry\_gonzalez@gshllp.com; mbb@wbb-law.com; mordecai@uwm.edu; ncade@mbf-law.com; pms@whdlaw.com; rleonh  
**Date:** Fri, Sep 26, 2003 12:22 PM  
**Subject:** Final Work Product: Code of Conduct Task Force

Task Force Members:

Attached, please find the following:

1. A memorandum from myself detailing responses to various questions posed at the final task force meeting.
2. A revised version of the Task Force's findings and recommendations. I believe it reflects all the changes requested at the final meeting.
3. A revised version of the handbook, again reflecting changes made at the final meeting.

I believe this completes the tasks set before the LRB at the final meeting. If it does not, please let me know. If it does, let me take a moment to thank you all for your patient indulgence through all of this. It has been a pleasure.

Regards,

Jim Owczarski  
LRB  
286-2299

**CC:** bzalbe; mpratt

Should you have any further questions, please feel free to contact me at your convenience. I am available at either [jowcza@milwaukee.gov](mailto:jowcza@milwaukee.gov) or 286-2299.

LRB03435

MEMO

TO: Members of the Code of Conduct Task Force  
FROM: Jim Owczarski, Legislative Fiscal Analyst  
DATE: September 24, 2003  
RE: Issues remaining from your meeting of September 18, 2003

\*\*\*\*\*

The following is intended to address the small list of issues remaining from your meeting of September 18, 2003. They are offered in no particular order:

1. **Regarding the legal status of the Bradley Center.** Per Assistant City Attorney Harry Stein: "The Bradley Center is designated as a "public body corporate and politic" under Chap. 232, Stats., but is then further specified to be a nonprofit corporation under Chap., 181, Stats. The State Ethics Code provides that the members of the Bradley Center are not persons required to file ethics annual statements, 19.42(10)(d), and the Bradley Center is exempted from the public records statute, 19.32(1). Further, there is no reference to public monies for the Bradley Center in the statutes."
2. **Regarding the regulation of the solicitation of items or services:** This conduct is generally regulated by s. 303-5 of the Milwaukee Code of Ordinance. Of particular note is s. 303-5-2 and 3. I believe a complete copy of chapter 303 was included in your initial packet of information. It is also available on the Internet at [www.milwaukee.gov](http://www.milwaukee.gov).
3. **Regarding the attendance of City officials at conferences, seminars and receptions:** While the City of Milwaukee, as you are aware, does not regulate the activities of lobbyists, these circumstances generally are regulated by s. 303-9-3 of the code in language taken verbatim from statute.
4. **Regarding nepotism:** Although the Code of Ordinances has no specific provision related to nepotism, the practice is explicitly prohibited by Section #10, Rule #8 of the City of Milwaukee's Civil Service Code. This also is available at [www.milwaukee.gov](http://www.milwaukee.gov).
5. **Findings, Recommendations and Ethics Handbook:** I have amended all 3 in a manner that, I believe, reflects the intentions of the task force. They are attached for your review.

# **Ethics Handbook for Milwaukee City Officials**

**Prepared by the Code of Conduct Task Force**

**Submitted:**

This "Ethics Handbook for Milwaukee City Officials" was prepared by the Code of Conduct Task Force. It is recommended for adoption to the Milwaukee Common Council in the fourth recommendation submitted by the Task Force. Some of the text included in this handbook is highlighted in red. These sections do not reflect the current law or practice of the City of Milwaukee. The Code of Conduct Task Force, however, based on its research and deliberations, has decided to recommend that the City of Milwaukee, the State of Wisconsin or both, adopt the rules and regulations those sections reflect.

## *City of Milwaukee*

City of Milwaukee Board of Ethics  
200 East Wells Street  
Room 205, City Hall  
Milwaukee, Wisconsin 53202  
414/286-8641  
E-Mail: [Ethics@milwaukee.gov](mailto:Ethics@milwaukee.gov)  
Website: [www.milwaukee.gov](http://www.milwaukee.gov)

# **ETHICS HANDBOOK for MILWAUKEE CITY OFFICIALS**

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A “City official” is any person required to file a Statement of Economic Interests form by the City Code of Ethics with the City of Milwaukee Board of Ethics. This handbook, drafted specifically for City officials, summarizes significant provisions of the City’s Code of Ethics Ordinance and relevant state ethics laws. It is provided as a means of educating officials about the *general* provisions of these laws. Any City official, however, contemplating an action covered by the ethics rules is encouraged to contact the Board of Ethics with questions about applying the law.

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## **FORWARD**

July 2003

In 1977, the City of Milwaukee adopted a Code of Ethics for its elected officials, employees and various board/commission members. The City's Code of Ethics Ordinance, in combination with state law is intended to protect the integrity of the City's decision-making process. The goals are to avoid conflicts of interest, improve standards of public service and promote and strengthen the faith and confidence of the people of Milwaukee in their public officials and other city employees. Often, even the perception that a City official has acted with bias can seriously erode public confidence as much as if any real bias existed. Therefore, it is crucial that you are ever conscious of the conflict of interest laws and other ethics rules establish by state and city laws.

The goal of this Ethics Handbook is to increase your awareness of the ethics and conflict of interest laws and to provide you with information about how to seek advice from the City Board of Ethics.

*Thank you for your service to the City and your commitment to providing open, honest and accountable City government to the people of the City of Milwaukee.*

### **Any Time You Need Assistance**

Assistance for questions regarding conflicts of interest, gifts, honoraria, financial disclosures, political activity, past city service restrictions or other ethics rules may be addressed to:

***City of Milwaukee Board of Ethics  
200 East Wells Street  
Room 205, City Hall  
Milwaukee, Wisconsin 53202  
414/286-8641  
E-Mail: [Ethics@milwaukee.gov](mailto:Ethics@milwaukee.gov)  
Website: [www.milwaukee.gov](http://www.milwaukee.gov)***

Information about ethics rules, the text of the City's laws and financial disclosure forms are available on the City Board of Ethics website.

# CONFLICTS OF INTERESTS

## General Rule

As a general rule, you should avoid situations where your official actions may affect or appear to affect your private interests, financial or non-financial.

## What is a Conflict of Interest?

You have a conflict of interest if your public actions as a city official affect your personal financial interests or the interests of your immediate family members. It does not matter whether the action has a negative or positive effect on the interest. Therefore, state law prohibits you from making, participating in making, or attempting to influence *any* government decision if it is reasonably foreseeable that the decision will have a material financial effect on any of your economic interests or those of an immediate family member.

### *The City's "Appearance" Standard*

In addition to state law, the City has its own conflict provision. It is "not in the public interest" for you to act on a matter if you do not believe that you could act impartially or if the public might reasonably reach that conclusion.

### *Decisions Related to Contracts*

State law prohibits you from being financially interested in any City contract if your duties call on you to participate in any way or at any stage in the approval of the contract. Any participation in the process by which such a contract is developed, negotiated or executed is a violation of the law.

## How Do I Know If I Have a Conflict?

It can be difficult to determine whether you have a legal conflict of interest pursuant to state or City law. Therefore, you should always contact the City of Milwaukee's Board of Ethics for advice *any* time your work with the City involves:

- ◆ a business in which you or family members have an investment; or
- ◆ real property in which you or family members have an interest; or
- ◆ any source of income or loans to you or family (includes a person or entity that has provided *you* with gifts); or
- ◆ any person or entity with which you have a relationship other than in your capacity as a City official (examples: a personal friend; a person with whom you are in a business; a person with whom you own real property; a close relative's employer); or
- ◆ any person with whom you have an agreement concerning future employment.

The Board of Ethics will work with you to determine if you have a conflict pursuant to City or state law and determine whether you must "disqualify" yourself. Please note that the mere presence of one of the interests listed does not necessarily mean that you have a conflict. Other factors may be involved and the Board of Ethics will advise you of your responsibilities.



# CONFLICTS OF INTERESTS

(Continued)

## Acting in an Official Capacity

**Making Policy.** When an official or a board, commission or body of which an official is a member is called upon to propose or to act on an ordinance or to promulgate or issue a general policy, the official may participate in that action, even though the action will affect the official, a member of the official's immediate family or an organization with which the official is associated, as long as:

- ◆ The official's action affects a whole class of similarly-situated interests;
- ◆ Neither the official's interest, the interest of a member of the official's immediate family, nor the interest of a business or organization with which the official is associated is significant when compared to all affected interests in the class; AND
- ◆ The action's effect on the interests of the official, of a member of the official's immediate family, or of the related business or organization is neither significantly greater nor less than upon other members of the class.

**Applying Policy.** A local public official should not, in an official capacity, participate in or perform any discretionary action with respect to the making, grant, or imposition of an award, sanction, permit, license, zoning change, contract, offer of employment, or agreement in which the official or a member of the official's immediate family or a business or organization with which the official is associated has a substantial financial interest, direct or indirect. In addition, a local public official should not, in an official capacity, participate in a matter affecting a business or organization from which the official or a member of the official's immediate family receives substantial compensation or income.

## Remedies for Conflicts

If a conflict of interest exists, you must be "disqualified" – meaning that you must abstain from making, participating in making or attempting to use your official position in any way to influence the government decision that might affect that personal interest. The Board of Ethics provides advice about whether a conflict exists and if disqualification is required. Please be aware that severe penalties may result for you and the City, if you do not abstain when appropriate.

## CONFLICTS OF INTERESTS

(Continued)

### **How Do I Disqualify Myself?**

If you or, upon your request, the Board determines that there is a matter in which you should not participate before a board, commission or other body of which you are a member, then you should leave that portion of the body's meeting involving discussion, deliberations or votes related to that matter. The body's remaining members may review the matter and take whatever action they find appropriate. When, because of a potential conflict between a private interest and public responsibility, an official withdraws from the body's discussion, deliberation and vote, the body's minutes should reflect the absence.

### **Acting in a Private Capacity**

*Applications, Bids and Contracts.* Usually, a local public official should not in a private capacity, apply, negotiate, bid for, or receive any award, sanction, permit, license, zoning change, contract, offer of employment, or agreement in which the official has a private financial interest, direct or indirect, if the official is authorized to perform in regard to it any governmental function requiring the exercise of discretion, even if the official does not participate in the governmental action or exert any influence on his or her own behalf.

*Representing Clients.* A local public official should not, for compensation or on behalf of an employer, represent an individual, business or organization before a board, commission or other body of which an official is a member. The Code of Ethics is not an obstacle to an official's partner or business associate representing a client before such board, commission or other body as long as the official is not financially interested in, and does not exercise control over, the representation. In such cases, however, the official should not participate in deliberations or voting when the matter in which his or her partner or business associate is involved is considered.



## *FINANCIAL DISCLOSURE*

State and City laws prevent conflicts of interest in two ways – disclosure and disqualification. The purpose of financial disclosure is to alert you to the personal interests that might be affected while you perform your official duties, i.e., making governmental decisions.

### **Who Files Financial Disclosure Statements?**

All employees, officials and board/commission members are covered by the City Code of Ethics (Chapter 303, Code of Ordinances). In addition the Milwaukee Common Council determines which individuals are required to file a Statement of Economic Interest pursuant to Chapter 303. These persons include:

- ◆ All elected City officials.
- ◆ City employees identified as having to complete statements of economic interest in the City's positions ordinance. ("y-footnote")
- ◆ Members and nominees of designated boards and commissions.

### **What Interests are Required to be Publicly Disclosed?**

You must disclose the information called for on the Statement of Economic Interests for yourself and members of your immediate family which means your spouse and any child, stepchild, parent or parent-in-law who receives more than one-half of his or her support from you or from whom you receive more than one-half of your support. Reportable items include:

- ◆ Sources of income.
- ◆ Real estate in Wisconsin in which you held a 10% interest directly or indirectly.
- ◆ Creditors.
- ◆ Securities.
- ◆ Ownership interests in business.
- ◆ Officers or directorships.
- ◆ Honoraria and payment of expenses.

# *FINANCIAL DISCLOSURE*

*(Continued)*

## **What is Income?**

The City of Milwaukee's Code of Ethics requires an individual filing a Statement of Economic Interests to report sources from which the individual or a member of the individual's immediate family received \$1,000 or more during the previous year.

Income means gross income under section 61 of the Internal Revenue Code. (cf. §19.42(7m), Wis. Stats.).

Income means:

- ◆ compensation for services (including salary, wages, fees and commissions)
- ◆ gross income derived from business
- ◆ rents and royalties
- ◆ annuities and pensions
- ◆ gains from dealing in real estate
- ◆ distributive share of partnership gross income
- ◆ unemployment compensation
- ◆ social security benefits
- ◆ prizes and awards
- ◆ scholarships and fellowships if teaching, research or other services required as condition of receipt
- ◆ alimony and separate maintenance

Income does not refer to:

- ◆ proceeds from life insurance
- ◆ gifts and inheritances
- ◆ compensation for injuries or sickness
- ◆ amounts received from accident and health plans
- ◆ qualified foster care payments
- ◆ child support
- ◆ scholarships and fellowships without teaching, research or other service in exchange

## **How Do I Disclose My Financial Interests?**

Your public disclosure is made by filing a Statement of Economic Interests with the Board of Ethics. Income and honoraria are reported for the entire year whereas interests in various assets and creditors are reported as of December 31.

## **When Do I File My Statements of Economic Interests?**

You must file your Statement of Economic Interests from by February 28 of each year for the preceding year with the Board of Ethics.

Newly elected, appointed or employed individuals must file a Statement of Economic Interests within 21 days following the date he or she assumes office if the individual has not previously filed during that year.

## *FINANCIAL DISCLOSURE*

*(Continued)*

Nominees to a City board, commission or committee who are required to file shall do so within 21 days of being nominated unless the nominee has previously filed a statement during that year.

### **Help Available**

The staff of the City's Board of Ethics is happy to help if you need assistance completing your disclosure forms. Please call the Board at 414/286-8641



## ***ACCEPTING GIFTS***

### **General Rule**

No person may offer or give to an official or other City employee, directly or indirectly, and no official or other City employee may solicit or accept from any person, directly or indirectly, anything of value if it could be reasonably considered as a reward for any official action or inaction on the part of the official or other City employee.

### **What are Acceptable Gifts?**

Consistent with the ordinances administered by the Board of Ethics, local public officials may accept and retain:

#### ***Items and Services Unrelated to Public Position.***

Food, drink, transportation, lodging, items and services which are offered for a reason unrelated to the recipient's holding a public position (§19.59(1)(a), Wis. Stats.) and which could not reasonably be expected to influence an official's vote, official actions or judgment, nor reasonably be considered a reward for any official action or inaction.

#### ***Expenses Provided by or for the Benefit of the City.***

Food, drink, transportation, lodging or payment or reimbursement of costs that are provided by or for the benefit of the local governmental unit, not for a private benefit.

#### ***Items of Insubstantial Value.***

Mere token and items or services of only nominal, insignificant or trivial value.

### **What are Restraints on Receipt of Food, Drinks, Favors, Services.**

Except as noted above, local public officials should not accept:

#### ***Items or Services Offered Because of Public Position.***

Any item or service, including food, drink and travel, of more than nominal value offered because of the person's holding a public office.

#### ***Items that Could Influence Judgment.***

Any item or service that could reasonably be expected to influence an official's vote, official actions or judgment.

#### ***Rewards for Official Action.***

Any item or service that could reasonably be considered a reward for any official action or inaction.

#### ***Transportation or Traveling Accommodations.***

Transportation, traveling accommodation or communication services for which the supplier would usually charge.

# ACCEPTING GIFTS

(Continued)

## What Test Can I Apply?

To analyze a situation in which you are offered items or services, ask yourself these questions:

With respect to the item or service offered:

- ◆ Is it being offered because of my public position?
- ◆ Is it of more than nominal or insignificant value?
- ◆ Is it primarily for my personal benefit rather than for the benefit of my local unit of government?

If you answered "yes" to all three questions, you may not accept the item or service.

Would it be reasonable for someone to believe that the item or service is likely to influence my judgment or actions or that it is a reward for past action?

If you answered "yes," you may not accept the item or service.

*If you have any doubts about a situation,  
seek advice from the City's Board of Ethics.*

## Disposition of Gifts

The Board of Ethics generally recommends one of the options below.

- ◆ Return the item to the giver.
- ◆ Turn the item over to the official's agency, if the item is one the agency can use.
- ◆ Turn the item over to another City agency or to a public institution, such as a school, library or museum, that can use the item.
- ◆ Donate the item to a charitable organization (other than one of which the official or a family member is an officer, director or agent).

## ***ACCEPTING GIFTS***

(Continued)

### **What About Skyboxes or Other Premium Areas**

An official should not accept or purchase a ticket or admission to an event or access to a loge, skybox or other premium area unless the official can clearly and convincingly demonstrate that:

- ◆ The ticket, admission or access cannot reasonably be expected to influence the official's vote, official actions or judgment and cannot reasonably be considered as a reward for any official action or inaction on the part of the official; and either
- ◆ The ticket, admission or access is offered for a reason unrelated to the official's holding or having held a public office; or
- ◆ The ticket, admission or access is available to the general public on the same terms and conditions.

#### ***Limited Exceptions to the Preceding Restrictions.***

Substantive or ceremonial governmental responsibilities. To the extent an official's participation in an event is in furtherance of substantive or ceremonial governmental responsibilities appropriate to the official's government office so as to be clearly and convincingly for the benefit primarily of the local government and any private benefit is merely incidental, then an individual or organization may provide admission to or accommodation at the event and an official may attend the event without payment or on terms not available to the general public.

Ticket of no pecuniary value. In the unusual circumstance in which a ticket, admission or access is without pecuniary value, an official may accept it.

#### ***Restriction Concerning Admission To Certain Stadiums.***

An elected official should not accept a discount (including a discount on the use of a skybox or private luxury box) on the price of admission or parking charged to members of the general public at Miller Park or the Wisconsin Center District in Milwaukee or Lambeau Field in Green Bay.



## **ACCEPTING GIFTS**

(Continued)

*All gifts must be reported on a Gift Report form to the Board of Ethics. This form must be filed no less frequently than once a quarter. If you have any questions regarding propriety of your accepting a gift, please request a confidential advisory opinion from the Board of Ethics prior to acceptance.*



## ***ETHICS RULES***

### **Misuse of City Authority and Resources**

As representatives to the public on behalf of the City, you are held to appropriately high standards of conduct and demeanor. This important concept is expressed in the City of Milwaukee Code of Ethics as follows:

It is declared that high moral and ethical standards among officials and other city employees are essential to the conduct of free government.

The ordinances and policies of the City of Milwaukee state that you may not::

- ◆ use your position, or the authority of your office or position, to cause any person to provide anything of value which shall accrue to your personal, private benefit or to the personal benefit of any other person;
- ◆ use or authorize the use of city offices, stationery, telephones, vehicles, equipment, internet access or email or any other City property for any non-City business purpose, including but not limited to campaign activity;
- ◆ use or disclose confidential information acquired in the course of official City business.

### **Prohibited Practices** The Milwaukee City Charter states that you may not:

- ◆ Be retained or employed by any common carrier or by any public utility corporation except such public utilities as are owned by the City or by any other municipal corporation.
- ◆ In connection with the purchase or sale of any land by the City be retained or employed by any purchaser or owner thereof or act as agent or broker for such owner or purchaser or receive any fee or commission or anything of value from such owner or purchaser.
- ◆ Appraise or assess for any City purpose any real or personal property in which you have any direct or indirect pecuniary interest.
- ◆ Sell stock or bonds of any company in which you are interested to any contractor or other person doing business with the City or sell or attempt to sell stock or bonds or solicit any funds or subscription of any kind from any other person by offering or promising to obtain for the person so solicited some special privilege, favor or appointment in connection with City offices or government.
- ◆ Sell any real or personal property or any interest therein or merchandise, commodities or any services of whatever nature or description to any public utility transactions business or operating within the City of Milwaukee nor shall sell to such public utility anything of value from which a commission or premium or any other consideration may be paid to him or anyone else on or in his behalf as a result thereof from which he may derive directly or indirectly a personal profit, consideration or gain.

### **Confidential Information**

You may not use or disclose to any other person for pecuniary gain or personal advantage or privilege, any confidential information that you acquired in the course of your official duties as a City official or employee. This provision applies even after you leave City service.

## ***ETHICS RULES***

(Continued)

### **Outside Employment**

The law does not bar you from seeking or holding an outside job provided the work does not present a conflict of interest or keep you from performing your assigned duties.

### **Honoraria**

An honorarium is a payment for giving a speech, writing an article for publication or attending a conference, convention, meeting, social event, meal or similar gathering. Every public official is encouraged to meet with clubs, conventions, special interest groups, political groups, school groups and other gatherings to discuss and interpret legislative, administrative, executive or judicial processes and proposals. The receipt of transportation, money or other things with a combined pecuniary value exceeding \$50 excluding the value of food or beverage offered coincidentally with a talk or meeting must be reported on a Statement of Economic Interests.



## ***POLITICAL ACTIVITY***

Laws governing City officials' and employees' political activity have been established to 1) safeguard public resources; 2) ensure the government remains nonpartisan and neutral in election matters; and 3) protect City employees from pressure to support or oppose candidates or ballot measures.

### **Prohibited Political Activity**

#### ***You may not:***

- ◆ engage in fundraising or other campaign activities during hours for which you are paid to conduct City business;
- ◆ knowingly solicit contributions for or against a political candidate or ballot measure from any City official or employee. Soliciting a contribution from the spouse of a City officer or employee is permissible so long as it is not a subterfuge for soliciting the City employee;
- ◆ solicit contributions for or against a political candidate or ballot measure from any City official over whom you have any form of supervisory authority. This prohibition applies both at and away from the workplace.
- ◆ be solicited for a campaign contribution by another City official or employee;
- ◆ receive, deliver or attempt to deliver a political contribution in City hall, any City office building, or in any office for which the City pays the majority of the rent.
- ◆ use or authorize the use of City offices, stationery, telephones, vehicles, equipment or any other City property for any campaign activity;

### **Permissible Political Activity**

#### ***You may:***

- ◆ perform volunteer work, endorse candidates, and take a position on a ballot measure, as long as these activities do not involve the use of City time, property, facilities or equipment.
- ◆ use your own funds to make political contributions, subject to applicable laws.
- ◆ solicit political contributions from persons other than City officials and employees on behalf of candidates or ballot measures.
- ◆ use City resources to provide unbiased, balanced and factual information about the purposes, provisions and estimated impact of bond issues and ballot measures. (Remember, however, that City funds may not be spent to urge the passage or defeat of any ballot measure.)



## ***POST-CITY SERVICE RESTRICTIONS***

### **Post-City Service Restriction**

To prevent former City officials from exercising or appearing to exercise improper influence over City-decision making, City law establishes certain limitations on their attempts to influence City decisions after they leave City service. These restrictions apply to you only if you are compensated for these activities.

There are two types of post-City service restrictions: a ban that applies to all former City officials, appointees and employees in very specific circumstances, and a one-year "cooling off" period that applies only to those former City officials who were required to file financial disclosure statements ("statements of economic interests") during their City service.

### **Twelve Month Period**

No former official or other city employee for 12 months following the date on which he or she ceases to be an official or employee, may, for compensation, on behalf of any person other than a governmental entity, make any formal or informal appearance before, or negotiate with, any officer or employee of a department in connection with any judicial or quasi-judicial proceeding, application, contract, claim, or charge which might give rise to a judicial or quasi-judicial proceeding which was under the former official's or employee's responsibility as an official or employ, within 12 months prior to the date on which he or she ceased to be an official or employee.

### **Matters in Which You "Personally and Substantially" Participated**

No former official or other city employee, may for compensation act on behalf of any party other than the city in connection with any judicial or quasi-judicial proceeding, application, contract, claim or charge which might give rise to a judicial or quasi-judicial proceeding in which the former official or other city employee participated personally and substantially as an official or other city employee.



## *PENALTIES*

### **Penalties**

Any person who violates any provision of the City's Code of Ethics is subject to, in addition to any other action, forfeiture of not less than \$100 nor more than \$1,000 for each violation. In addition, solely for elected officials, other ordinances and certain violations constitute malfeasance in office and may result in forfeiture of office or position and may be deemed guilty of a felony and upon conviction thereof result in imprisonment for not more than 1 year or by fine of not more than \$5,000 or less than \$500 or both.

**(N.B.: Barry Zalben, Manager of the LRB, wondered if language ought not be included here dealing with the Board of Ethic's responsibility for investigating and, if necessary, prosecuting individuals for violations of the code of ethics.)**



## *INFORMATION*

### **Getting Your Questions Answered!**

#### ***The City Board of Ethics (414/286-8641)***

The City Board of Ethics will gladly assist you with any questions you have regarding the laws contained in this guide. During normal business hours, the staff can provide you with informal advice in person or by telephone. The Board can also issue formal, written advice applying the law to your specific set of facts if you provide the facts in writing. No person who receives formal, written advice and acts in good faith based on that advice will be subject to penalties. This immunity, however, does not apply to informal advice.



## CODE OF CONDUCT TASK FORCE

### RECOMMENDATIONS

1. That the Common Council adopt an ordinance requiring all employees, elected officials and board/commission members who are required to file statements of economic interests to attend an annual briefing with respect to standards of conduct, ethics and conflicts of interest.
2. That the processes and procedures for reporting alleged ethical violations be made clear to all citizens and City employees and that information about these processes and procedures be posted. Further, in these postings, special mention should be made that all reports of ethical violations will remain confidential.
3. That the City of Milwaukee's Common Council consider adopting the ethics handbook included in this report. Included in this handbook are the following legislative changes, which the task force also recommends:
  - a. Requiring City officials to report all gifts, of whatever value, on a gift report form to be submitted no less frequently than once per quarter.
  - b. Prohibiting City officials from accepting any discount, on either admission or parking, to any event held at the Wisconsin Center District.
  - c. Prohibiting City officials from knowingly soliciting contributions for or against a political candidate or ballot measure from any City official or employee.
  - d. Prohibiting City officials from soliciting contributions for or against a political candidate or ballot measure from any City official over whom they have any form of supervisory authority. This prohibition would apply both at and away from the workplace.
  - e. Prohibiting City officials from soliciting campaign contributions from another City official or employee. In the interest of fairness, it is important that this restriction apply to both elected officials and candidates for office.
4. That the City's Board of Ethics receive the authority and resources it believes necessary and prudent to insure that the provisions of the City's Code of Ethics are enforced.
5. That the task force recommends in principle that the Common Council consider both the registration and regulation of lobbyists. This regulation should include those who intend to lobby administrative agencies for contracts.
6. That legislation protecting "whistle-blowers" and preventing retaliation against employees who report ethical violations be adopted.
7. That the City urge the State of Wisconsin to adopt legislation that would allow the City to enact an ordinance prohibiting City employees from soliciting political



contributions from anyone over whom they have supervisory responsibility at any place and at any time.

8. That a simple reminder campaign be instituted to remind City employees that they are subject to the Code of Ethics. This could be accomplished through pamphlets, notices on bulleting boards, distributed with check stubs or other payroll information, included with W-2 forms, etc.
9. That the appropriate listings be place in the telephone books serving the City of Milwaukee advising people where they can report alleged ethical violations.

## **CODE OF CONDUCT TASK FORCE**

### **FINDINGS**

1. There appears to be a general lack of understanding with respect to the content and applicability of the City of Milwaukee's Code of Ethics.
2. There is a patchwork system of rules and regulations to follow with regard to ethical behavior. The relationship of the Wisconsin State Statutes to City of Milwaukee officials is not clear.
3. The Code of Ethics does not clearly distinguish between prohibited and permissible political activities.
4. There is no current regulation of lobbyists who work with City government and their activities.
5. The Code of Ethics offers no protection for "whistle-blowers" and employees who might be the victims of retaliation for reporting unethical conduct.
6. There is no "handbook" on ethics.