



**2001  
ANNUAL REPORT**

**MARCH 2002**



**The Board of Ethics**

To the Honorable Mayor of Milwaukee  
and the Common Council

**BOARD OF ETHICS 2001 ANNUAL REPORT**

The City of Milwaukee Board of Ethics is a seven member volunteer board, comprised of individuals who have no affiliation to the City of Milwaukee except for residency. These individuals are recommended for nomination by seven, community-conscience groups throughout greater Milwaukee. The seven groups include: The League of Women Voters of Milwaukee County, the Milwaukee Labor Council, the Public Policy Forum, the Milwaukee Bar Association, the Metropolitan Milwaukee Association of Commerce, the Milwaukee Branch of the N.A.A.C.P. and the Interfaith Conference of Greater Milwaukee. The members of the Ethics Board diligently administer the City of Milwaukee Code of Ethics, which facilitates the essential elements of public trust.

In the year 2001, the Ethics Board held twelve regular board meetings, four subcommittee meetings, and two special meetings. The Board confidentially addressed fourteen requests for advisory opinions from a variety of sources, including employees, officials, board/commission members, and citizens. The Board initiated eighteen complaints against individuals who failed to meet the deadline for filing the Statement of Economic Interest for 2000. Two complaints were filed in September of 2001 against two individuals who did not properly complete the 2000 Statement of Economic Interest. One citizen complaint was filed and dismissed for lack of jurisdiction. Summaries of these opinions and complaints follow and should not be viewed as definitive opinions, but rather as a guide to the types of situations addressed by the Board. If persons subject to the ethics code have any questions regarding their actions, they should request a confidential opinion from the Board of Ethics.

The Board appointed a subcommittee in March to review the 2000 Statement of Economic Interest forms. The purpose of this review was to check for accuracy and inconsistencies in a random selection of completed forms. Overall, the committee found the Statements of Economic Interest to be properly completed.

A subcommittee, appointed in August 2000, continued working on a review of the City of Milwaukee Code of Ethics, Chapter 303. A comprehensive review of the Code

has not been completed since 1991. Because the City of Milwaukee Code of Ethics so closely parallels the State Ethics Code, and because many local city officials are subject to both codes, the Subcommittee began a line by line comparison of the two. In October of 2001 the Subcommittee completed its work with the help of Legislative Reference Bureau Research Analyst, Jim Owcarski. The Code revisions were then presented to the full Ethics Board, which opened a file for adoption with the Common Council. By December of 2001, the proposed ordinance changes were in Judiciary Legislative committee awaiting confirmation.

In August, the Board requested that all Department Heads review the list of persons, within their department, who are required to file an annual Statement of Economic Interest. The Department Heads then responded to the Board regarding any positions they feel should be added or deleted to the current list. The Board then reviews these requests according to the ethics code and current job descriptions and forwards the final recommendations to the Finance and Personnel committee. This process works well to keep the list accurate while giving Department Heads a yearly opportunity to refresh their understanding of Chapter 303.

Once again the Board distributed ethics information in a payroll stuffer to all City employees in March. This has proved to be an easy and economical way to get basic information to the people we most frequently serve. The Board will again distribute Ethics information in 2002, in a payroll suffer after the Code revisions are adopted.

The Board relies on the professional support services of some special people. The Board would like to take this opportunity to thank: Harry Stein, of the City Attorney's office, who provides legal counsel; Kathy Marquardt, staff assistant from the City Clerk's office, who provides legislative support; Marian Hartner, file specialist form the City Clerk's office, who provides additional secretarial support; and Nola Devereaux, the Board's Research Assistant, who provides technical support. We also wish to thank the City Clerk, Ronald Leonhardt for providing additional administrative support to our Board.

Please feel free to contact any member of the Board of Ethics should you have any questions or desire additional information. We welcome any comments or suggestions you may have.

Very truly yours,

*Pamela Schmidt*

Pamela Schmidt, Chair  
Board of Ethics

# THE CITY OF MILWAUKEE ETHICS BOARD

## 2001 ANNUAL REPORT

### ETHICS BOARD MEMBERS

### TERMS

<b>Pamela Schmidt, Chair</b> Public Policy Forum	(Jan. 2002 to Jan. 2005)
<b>Catherine Halloran, Vice Chair</b> League of Women Voters of Milwaukee County	(Jul. 1997 to Jul. 2003)
<b>Joseph Chambers, Chair</b> Milwaukee Labor Council	(Aug. 1991 to Feb. 2002)
<b>Hannah Dugan</b> Milwaukee Bar Association	(Feb. 1999 to Feb. 2002)
<b>Philip Levis</b> Metropolitan Milwaukee Assoc. of Commerce	(Oct. 1999 to Oct. 2002)
<b>Jessie Spraggins</b> Milwaukee Branch — N.A.A.C.P.	(Feb. 1996 to Mar. 2002)
<b>Donald Thielke</b> Interfaith Conference of Greater Milwaukee	(Nov. 1992 to Aug. 2002)

### MEMBERSHIP UPDATE 3/20/02

<b>Mary Jo Avery replacing Joseph Chambers</b> Milwaukee Labor Council	(Mar. 2002 to Mar. 2005)
<b>D. Michael Guerin replacing Hannah Dugan</b> Milwaukee Bar Association	(Mar. 2002 to March 2005)

### MAILING AND EMAIL ADDRESSES

City Hall, Room 205  
200 East Wells Street  
Milwaukee, Wisconsin 53202  
[ethics@ci.mil.wi.us](mailto:ethics@ci.mil.wi.us) or [ndeaver@ci.mil.wi.us](mailto:ndeaver@ci.mil.wi.us)

### TELEPHONE

(414) 286-8641  
FAX 286-0723

**STAFF**

Nola M. Devereaux, Research Assistant (part-time)

**2000 BUDGET**

\$22,100 in the 2001 adopted budget.

**STATUTORY REFERENCE**

Section 303, Milwaukee Code of Ordinances

# SUMMARIES

## Confidential Advisory Opinions

### MEB 01-1

**ISSUE:** A City employee requested an opinion as to whether a conflict of interest existed in being a candidate in a local election for a social services board. The position is a non-paid seat and meetings are held outside of regular work hours.

**ADVICE:** The Board found that it would be possible for the employee to serve on the social services board and maintain her/his present employment by following certain precautions.

- a) Never disclose or use information gained in the course of, or by reason of, your position with the City, in a manner that could result in the receipt of anything of value for the social services board, yourself, your family or any other person. (Code of Ethics 303-5(4))
- b) The employee must not lobby or testify in front of any City board or commission on behalf of the social services board where you may have influence or recognition because of your City employment.
- c) The employee may wish to discuss other potential areas of conflict or the appearance of conflict with supervisors especially in areas relating to official actions such as voting on contracts, grants or other issues relating to the social services agency.
- d) Always be alert to any other potential areas of conflict between the employees' job with the City and the social services board and request further opinions as issues arise.

\*\*\*\*\*

### MEB 01-2

**ISSUE:** A city official requested an opinion as to whether a conflict of interest exists in her/his involvement in community development outside the City of Milwaukee. The official would become a consultant in a limited liability corporation. The official's involvement includes overall management of the development process of commercial real estate including: negotiations with public entities; serving as a liaison to minority construction companies and suppliers; personal ownership in limited liability corporations; and earning of development fees related to the projects.

**ADVICE:** The Board determined that the official's participation would not be a conflict of interest based on the following information:

- a) the individual did not use her/his position with the City to obtain the management position
- b) the management position will not take away from the official obligations
- c) the official will not improperly use any information obtained as a result of this position.

The Board also cautioned:

- a) potential conflicts may arise in various actions the official may take in the course of her/his official duties and that the potential of these conflicts may be broad. It is the officials' responsibility to be informed of all such potential conflicts and recuse her/himself from any discussions and votes involving the LLC for which she/he is a consultant. Voting or participation in the discussions involving the LLC could be a conflict of interest in violation of 303-5(2).
- b) the official that she/he and the LLC are prohibited from entering into any contract or lease with the City of Milwaukee involving any payment or payments of more than \$3,000 within a 12 month period, unless you first make written disclosure of the contract and her/his relationship with the LLC as required by Section 303-5(6) of the City of Milwaukee Code of Ethics.

\*\*\*\*\*

#### **MEB 01-3**

**ISSUE:** A city official requested an opinion as to whether a conflict of interest exists in her/his participation in a seminar, held outside of the United States, as a representative of the City. All cost are paid by the organization presenting the conference, except per diem costs, which are paid by the city.

**ADVICE:** The Board determined that there was no apparent conflict of interest in the official attending the seminar.

\*\*\*\*\*

#### **MEB 01-4**

**ISSUE:** A city employee shared information regarding her/his candidacy in a local election.

**ADVICE:** The Board determined that the information the employee shared was not a request for a confidential advisory opinion and therefore no opinion was given.

\*\*\*\*\*

**MEB 01-5**

**ISSUE:** A city employee requested an opinion in three areas relating to her/his employment. First, whether a conflict of interest existed in having the dual role of being both a city employee and also a contract employee for a grant project within a city department. Second, what are the disclosure requirements for being both a city and a contracted employee. Finally, if no conflict exists, must she/he make full disclosure each time the contract is amended or a new contract drawn.

**ADVICE:** The Board determined that no conflict of interest existed in the employee having the dual role of employee and contract employee. The Board cautioned the employee to take care not to use any information gained in the course or by reason of city employment which is not publicly known in a manner that could result in the receipt of anything of value. Regarding the disclosure requirements, the Board advised that employees may not enter into a contract with the city involving a payment or payments of more than \$3,000 in a 12 month period unless the city employee has first made written disclosure to the Board of Ethics and the department involved. This requirement would be satisfied if the employee provided disclosure to the Ethics Board, the department involved in the grant contract and the employer's department information about each new contract.

\*\*\*\*\*

**MEB 01-6**

**ISSUE:** A part-time city employee requested an opinion as to whether a conflict of interest exists in her/his taking a position with a contractor in performing a study.

**ADVICE:** The Board determined that no violation of the Code of Ethics in taking the position with a contractor based on three main factors:

- 1) the employee disclose the participation to her/his department head
- 2) the employee did not use his/her position with the city to obtain the position or anything else of value relating to the position with the contractor
- 3) neither the employee, nor any member of her/his family owns or controls a least 10% of the organization seeking the contract.

\*\*\*\*\*



**MEB 01-7**

**ISSUE:** A city official requested an opinion as to whether a conflict of interest exists in serving on a board of advisors with a company which currently has a contract with the city and with which the official recommends sole source contracts. As a Board member the official would not be reimbursed of service except for travel and a meal for the meeting.

**ADVICE:** The Board determined that although there may be an appearance of a conflict of interest for the official to serve on the board, there is no prohibited conflict of interest in serving being that the official:

- a) will receive no compensation other than reimbursement for travel expenses and the meal for the meeting;
- b) neither the official, nor any family members have any financial interest in the company and that neither your family, nor the official will receive any financial interest in the company;
- c) the official will not use or disclose information gained in the course of or by reason of the officials position with the city that is not public information that could result in a gain for the official or immediate family members
- d) disclose the participation on the board when considering and discussing contracts between the company and the city;
- e) the company will not use the officials name or position with the City in promoting their products

\*\*\*\*\*

**MEB 01-8**

**ISSUE:** A Board or Commission member requested an advisory opinion as to whether a violation exists if another Board member votes on a contract in which that Board member has a financial interest. Would the requestor have the duty to file a complaint if a violation exists.

**ADVICE:** The Board advised the requestor that the Board member must recuse her/himself from all discussions and votes on the contract matter if a financial interest exists. Also, possible forfeiture penalties could be imposed if a violation was determined. The requestor has the option of filing a complaint under 303-19 of the Code of Ethics, but has no duty to do so under the code.

\*\*\*\*\*

**MEB 01-9**

**ISSUE:** A City official requested an opinion as to whether a conflict of interest existed in having fees waived for personal information service from a company for which she/he handles complaints.

**ADVICE:** The Board determined that a conflict of interest exists because the waiver of fees could be seen as a substantial benefit. The Board further advised that the appearance of a conflict might be as troublesome as the actual conflict.

\*\*\*\*\*

**MEB 01-10**

**ISSUE:** A City official requested an opinion as to whether a conflict of interest exists in his/her approving a City employee discount program from an approved business entity. The discount program would be available to all City of Milwaukee employees and would cover a variety of consumer services.

**ADVICE:** The Board determined that no conflict of interest exists in the offering of the discount program. The Board also found that no conflict of interest exists in the City Employees' participation in the program.

\*\*\*\*\*

**MEB 01-11**

**ISSUE:** A member of a local civic organization requested an opinion as to whether a conflict of interest exists in City employee holding a "moonlighting" position with a City sporting organization.

**ADVICE:** The Board determined that it did not have jurisdiction over the issues raised.

\*\*\*\*\*

**MEB 01-12**

**ISSUE:** A citizen inquired as to whether a conflict of interest or a violation exists in the participation of a City employee in a neighborhood dispute.

**ADVICE:** The Board determined that no allegations were found in the inquiry that would constitute a conflict of interest or a violation of which the Ethics Board would have jurisdiction.

\*\*\*\*\*

**MEB 01-13**

**ISSUE:** A member of a City Board requested an opinion as to whether a conflict of interest exists if she/he submit a bid for services under the Request for Proposal process.

**ADVICE:** The Board determined that no conflict of interest would arise as a result of her/his submission of a proposal to provide services in response to the bid. The Board also advised the Board member to be aware of the standards of conduct found in 303-5 MCO and those found in 303-7 MCO, which prohibits officials from using their position "in a way that produces or assists in the production of a substantial benefit, direct or indirect" for themselves or their immediate family.

\*\*\*\*\*

**MEB 01-14**

**ISSUE:** A City official requested an opinion as to whether a conflict of interest exists with family members that work for a local community service organization that receives funding through the Block Grant Process. The official does not vote in any categories in which the organization has applied for.

**ADVICE:** The Board determined that technically no violation of the Ethics Code exists if the official votes on issues relating to funding for the community organization based on two issues presented to the Ethics Board as facts:

- a) The family members that work for the community service organization are not part of the official's immediate family as defined in Section 303-3-5, MCO

- b) The official is not personally associated with the organization as defined in 303-3-2, MCO

The Board further cautioned the official that although there is technically no violation of the Ethics Code, that a very real appearance of a conflict of interest exists. The Board further advised that although not required, the official should continue to recuse her/himself from discussions and voting on issues pertaining to the community organization.

### **Complaints**

**MEB 01-301-01**  
**MEB 01-301-03**  
**MEB 01-301-04**  
**MEB 01-301-05**  
**MEB 01-301-07**  
**MEB 01-301-08**  
**MEB 01-301-09**  
**MEB 01-301-12**  
**MEB 01-301-14**  
**MEB 01-301-15**  
**MEB 01-301-17**  
**MEB 01-301-18**  
**MEB 01-301-19**  
**MEB 01-301-20**  
**MEB 01-301-21**  
**MEB 01-301-22**

Sixteen complaints filed against a members of a City Boards or Commissions for failure to file the annual Statement of Economic Interest form within the prescribed time. The individuals filed the completed Statement of Economic Interest and the complaints were dismissed.

**MEB 01-301-23**

A complaint filed against a member of a City of Milwaukee Employee for failure to file the annual Statement of Economic Interest form within the prescribed time. The individual filed a completed Statement of Economic Interest and the complaint was dismissed.

**MEB 01-401-01**

A complaint brought by a citizen against a City official was filed. The Board found that the complaint did not deal with an alleged violation within the jurisdiction of the Board of Ethics.

**MEB 01-901-01**

A complaint filed against a member of a City Board or Commission for failure to properly complete the 2000 Statement of Economic Interest form. The individual chose to resign from the City Board and the Ethics Board determined that it did not benefit the public trust to pursue a violation.

**MEB 01-901-02**

A complaint filed against a member of a City Board or Commission for failure to properly complete the 2000 Statement of Economic Interest form. The individual corrected the form and the complaint was dismissed.