

1. Letter from President Forrest Claypool



Forrest Claypool
President
Chicago Transit Authority

567 West Lake Street
Chicago, Illinois 60661

September 25, 2013

Ann L. Schneider, Co-Chair
Northeastern Illinois Public Transit Task Force
James R. Thompson Center--100 W. Randolph, 6-600
Chicago, IL 60601

George Ranney, Jr., Co-Chair
Northeastern Illinois Public Transit Task Force
James R. Thompson Center--100 W. Randolph, 6-600
Chicago, IL 60601

Dear Ms. Schneider and Mr. Ranney:

Below are the Chicago Transit Authority's responses to Questions 2, 3, 9, 10, 11, 12 and 13, which you requested in advance of today's hearing in your correspondence dated September 19, 2013. We will provide a written response for the remaining questions on or before October 1, 2013 as requested.

2. Identify any review or investigation process conducted on candidates or appointees to the Board of Directors, or current Directors, as well as officers and employees, staff members, or managers, including, but not limited to, an individual's potential criminal record.

Pursuant to Section 20 of the Metropolitan Transit Authority Act ("Act"), Directors of the Chicago Transit Board are appointed either by the Mayor of the City of Chicago or the Governor.

The CTA conducts background checks on all its employees, from the President of the agency to janitorial staff. The background check includes, but is not limited to, criminal investigations (fingerprints through the FBI and Illinois State Police), education, employment, and credit checks when appropriate under applicable State law. In addition to performing background checks, the CTA also conducts drug and alcohol testing in accordance with the Federal Transportation Administration (FTA) rules. This process is memorialized in CTA's Administrative Procedure (AP) #1021 (attached).

3. Identify any review or requirements regarding the disclosure by candidates, appointees, or Directors, or conflicts of interests in service to the Agency.

Section 19 of the Act states that “No member of the Board or employee of the Authority shall have any private financial interest, profit or benefit in any contract, work or business of the Authority nor in the sale or lease of any property to or from the Authority. “

The CTA implemented a comprehensive Code of Ethics in 1989. The Ethics Committee, whose members are appointed by the Chairman of the Transit Board with the advice and consent of the Board, oversees compliance with the Code of Ethics. In addition, the Ethics Officer, who is appointed by the Board, and oversees the Agency’s ethics training, provides ethics opinions to employees and counsels the Ethics Committee. In addition, in July, 2011, CTA along with the other Service Boards, became subject to certain sections of the State Officials and Employees Ethics Act (“State Ethics Act”) and to the jurisdiction of Office of Executive Inspector General (“OEIG”) for the Agencies of the Illinois Governor. Thereafter, CTA’s Transit Board modified the Code of Ethics in areas where the OEIG assumed exclusive jurisdiction. A copy of the CTA’s current Code of Ethics, which the Board adopted on August 10, 2011, is attached hereto.

Section 3.1(c) of the Code of Ethics requires all board members to file the CTA’s Statement of Financial Interests (SFI) “at the time of filing his oath of office.” Section 3.1(e) prohibits a board member from continuing in his or her duties, or receiving compensation, unless the SFI is filed as required by the Code. Thereafter, the CTA’s SFI must be filed annually if the board member continues to serve. CTA board members also are required to file annually a Statement of Economic Interests under the Illinois Governmental Ethics Act, a form that is filed with the Office of the Cook County Clerk.

In addition to filing disclosure forms, CTA board members are obligated under the Code of Ethics to disclose certain conflicts of interest that may arise. Two provisions in section 2.8 specifically provide for disclosure of potential conflicts under certain circumstances:

Section 2.8 (c): “Any officer who has any economic interest distinguishable from that of the general public in any matter pending before the Board or any Board committee shall publicly disclose the nature and extent of such interest or business relationship on the records of proceedings of the Board, and shall also notify the Ethics Committee of such interest within 72 hours of delivery by the Secretary to the member, of the introduction of any ordinance, resolution, order or other matter in the Board, or as soon thereafter as the officer is or should be aware of such potential conflict of interest. The Ethics Committee shall make such disclosures available for public inspection and copying immediately upon receipt. The officer shall abstain from voting on the matter but shall be counted present for purposes of a quorum. The obligation to report a potential conflict of interest

under this subsection arises as soon as the officer is or should be aware of such potential conflict.”

Section 2.8(d): “Any officer or employee who has a financial interest in any matter pending before the CTA shall disclose the nature of such interest to the Ethics Committee and, if the matter is pending in his/her own division/department, to the head of that division or department or, in the case of a division or department head, to the President or CTA Chairman as applicable. In the case of officers, all disclosures shall be made in writing to the Ethics Committee. The obligation to report under this subsection arises as soon as the officer or employee is or reasonably should be aware of the pendency of the matter. This subsection does not apply to applications for health, disability or worker’s compensation benefits.”

9. Indicate whether the principles of *Rutan v. Republican Party of Illinois*, apply to the Agency’s employment, staffing, management, or similar decisions or policies. If so, (a) identify the policies, procedures, and controls implemented by the Agency related to those principles and (b) indicate the percentage of Agency officers and employees, staff members or managers covered by those principles.

The principles of *Rutan* apply to CTA by virtue of Section 28 of the Act, which prohibits political consideration in hiring and promotion decisions:

“No discrimination shall be made in any appointment or promotion to any office, position, or grade of regular employment because of race, creed, color, sex, national origin, physical or mental handicap unrelated to ability, or political or religious affiliations.”

Section 28 also allows the Board to exempt positions as it deems necessary for the efficient operation of the CTA’s business in accordance with the non-discrimination provisions contained in that section. The total number of employees occupying exempt positions may not exceed 3% of the total employment of the CTA. See Board Ordinance 007-102 establishing exempt positions. See also AP 151 (attached) for CTA’s policy and procedures for hiring and promotions, which outlines consistent and uniform procedures for hiring and promotions throughout the agency, which processes are centralized in the Human Resources Department, and the purpose of which are to ensure compliance with all State and federal laws including those which prohibit discrimination based on political considerations.

10. Identify the policies, procedures, and controls implemented by your Agency related to 70 ILCS 3615/2.14, to ensure that no unlawful discrimination, as defined and prohibited in the Illinois Human Rights Act, is made in any term or aspect of employment, nor that there is discrimination based upon political reasons or factors.

See Section 28 of the Act and AP 151 (attached in response to No. 9) for CTA's policies, procedures and controls to ensure compliance with State and federal law, including the Illinois Human Rights Act.

11. Identify the policies, procedures, and controls in place regarding the outside influence on hiring, promotion, recall, transfer, or termination of any officer, employee, staff member, or manager, filling of any vacancy, or creation of any new position, or taking of any similar action, including, but not limited to, the tracking of recommendations, referrals, or sponsorships of individuals for employment, promotion, termination, transfer or related action by persons outside the Agency.

See AP 151 (attached in response to No. 9), which dictates consistent and uniform procedures for hiring, is designed to ensure compliance with State and federal laws. It also ensures that all aspects of the hiring/promotion process are centralized and standardized through CTA's Human Resources Department. See also CTA's Code of Ethics attached in response to No. 3 which contains prohibitions on nepotism. These policies and procedures were implemented and are enforced to ensure equal treatment of all applicants, with no prejudice or favoritism.

12. Identify the policies, procedures, and controls in place regarding the receipt of gifts by members of the Board, officers or employees, staff members, or managers of the Agency.

Both the CTA's Code of Ethics (attached in response to No. 3) and the State Ethics Act restrict CTA officers and employees from accepting gifts from prohibited sources.

CTA's Code of Ethics, section 2.4, provides as follows:

“(a) Except as permitted by the State Ethics Act, no officer or employee, and no spouse or domestic partner or immediate family member living with any officer or employee, shall intentionally solicit or accept any gift from any prohibited source.

(b) An officer or employee, or the spouse, domestic partner or minor child of any of them, or any immediate family member residing with the officer or employee, may accept a gift (as defined by the State Ethics Act) on the CTA's behalf; provided, however, the person accepting the gift shall promptly report receipt of the gift to the Ethics Committee and to the Chief Finance Officer, who shall add it to the inventory of CTA property.

(c) Any officer or employee who receives any gift (as defined by the State Ethics Act) or money for participating in the course of his public employment in speaking engagements, lectures, debates or organized discussion forums shall report it to the Ethics Committee within five business days.”

The State Ethics Act, 5 ILCS 430/10-10, also restricts CTA officers and employees from accepting gifts:

“Gift ban. Except as otherwise provided in this Article, no officer, member, or State employee shall intentionally solicit or accept any gift from any prohibited source or in violation of any federal or State statute, rule, or regulation. This ban applies to and includes the spouse of and immediate family living with the officer, member, or State employee. No prohibited source shall intentionally offer or make a gift that violates this Section.”

13. Identify the Office or individual responsible for the oversight and investigation of the Agency, including, but not limited to issues of ethics and hiring.

FTA, RTA, Office of Executive Inspector General for the Agencies of the Illinois Governor, the CTA Ethics Committee and Stephen Wood, CTA’s Ethics Officer.

Sincerely,

A handwritten signature in black ink, appearing to read "Forrest Claypool". The signature is fluid and cursive, with a long horizontal stroke at the end.

Forrest Claypool
President

2. Ethics Ordinance of the CTA

ETHICS ORDINANCE OF THE CHICAGO TRANSIT AUTHORITY

SECTION 1. DEFINITIONS

1.1 Whenever used in this Ordinance, the following terms shall have the following meanings:

(a) “Administrative action” means any decision on, or any proposal, consideration, enactment or making of any rule, regulation, or other official non-ministerial action or non-action by any department or division or any officer or employee, on any matter that is within the official jurisdiction of the Board.

(b) “Board” means the Chicago Transit Board.

(c) “Candidate” means a person who has filed nominating papers or petitions for nomination or election to an elected office, or who has been appointed to fill a vacancy in nomination, and who remains eligible for placement on the ballot at a regular election, as defined in Section 1-3 of the Illinois Election Code, 10 ILCS 5/1-3.

(d) “Chairman” means the Chairman of the Chicago Transit Board.

(e) “Chief Finance Officer” means the CTA executive officer who has overall responsibility for the CTA property inventory.

(f) “Collective bargaining” has the same meaning as that term is defined in Section 3 of the Illinois Public Labor Relations Act, 5 ILCS 315/3.

(g) “Compensation” means money, thing of value or other pecuniary benefit received or to be received in return for, or as reimbursement for, services rendered or to be rendered.

(h) “Contract management authority” means personal involvement in or direct supervisory responsibility for the formulation or execution of a CTA contract, including, without limitation, the preparation of specifications, evaluations of bids or proposals, negotiation of contract terms or supervision of performance.

(i) “Contribution” has the same meaning as that term is defined in Section 90-1.4 of the Election Code, 10 ILCS 5/9-1.4.

(j) “CTA” means the Chicago Transit Authority.

(k) “CTA Contractor” means any person (including his/her agent or employees acting within the scope of their employment) doing business with the CTA.

(l) “Doing business” means any one or any combination of sales, purchases, leases or contracts to, from, or with the CTA in an amount in excess of \$10,000.00 in any twelve consecutive months.

(m) “Domestic partner” means qualified domestic partner as defined in Ordinance No. 99-99.

(n) “Economic interest” means any interest valued or capable of valuation in monetary terms; provided, that “economic interest” is subject to the same exclusions as “financial interest.”

(o) “Employee” means a person employed by the CTA, with regard to the material details of how the work is to be performed, but does not include an independent contractor or Chicago Transit Board members.

(p) “Ethics Committee” means the committee formed pursuant to Section 4 of this Ordinance.

(q) “Ethics Ordinance” means this Ethics Ordinance adopted pursuant to Board Ordinance No. 011-73.

(r) “Financial interest” means (i) any interest as a result of which a person currently receives or is entitled to receive in the future more than \$2,500.00 per calendar year; (ii) any interest with a cost or present value of \$5,000.00 or more; or (iii) any interest representing, or resulting from ownership of, more than ten percent of a corporation, partnership, sole proprietorship, firm, enterprise, franchise, organization, holding company, joint stock company, receivership, trust, or any legal entity organized for profit. Financial interest, for purposes of clauses (i) and (ii) of this subsection, shall not include (a) any interest of the spouse or domestic partner of an officer or employee which interest is related to the spouse's or domestic partner's independent occupation, profession or employment; (b) any ownership through purchase at fair market value or inheritance of less than one percent of the shares of a corporation, or any corporate subsidiary, parent or affiliate thereof, regardless of the value of or dividends on such shares, if such shares are registered on a securities exchange pursuant to the Securities Exchange Act of 1934, as amended; (c) the authorized compensation paid to an officer or employee for his office or employment; (d) any economic benefit provided equally to all residents of the CTA service area; (e) a time or demand deposit in a financial institution; and (f) an endowment or insurance policy or annuity contract purchased from an insurance company.

(s) “Gift” means any gratuity, discount, entertainment, hospitality, loan, forbearance, or other tangible or intangible item having monetary value including, but not limited to, cash, food and drink, and honoraria for speaking engagements related to or attributable to government employment or the official position of an officer or employee.

(t) “Immediate family member” means spouse, mother, father, children, grandmother, grandfather, grandchildren, brother, and sister.

(u) “Inspector General” means an office of the CTA created by the Board pursuant to CTA Ordinance 99-173, as amended from time to time.

(v) “Officer” means a person who holds, by election or appointment, an office created by statute or ordinance, regardless of whether the officer is compensated for service in his or her official capacity, including any person appointed to the Board.

(w) “Organizational conflict of interest” means that because of other activities, relationships, or contracts, a contractor is unable, or potentially unable, to render impartial assistance or advice to the CTA, a contractor's objectivity in performing the contract work is or might be otherwise impaired, or that a contractor has an unfair competitive advantage.

(x) “Person” means any individual, entity, corporation, partnership, firm, association, affiliate, union, trust, or estate, as well as any parent or subsidiary of any of the foregoing, whether or not operated for profit.

(y) “Political fundraising committee” means any fund, organization, political action committee or other entity that, for purposes of influencing in any way the outcome of any election, receives or expends money or anything of value or transfers money or anything of value to any fund, political party, candidate, organization, political action committee, or other entity.

(z) “President” means the President of the CTA pursuant to Board ordinance no. 92-66, as amended from time to time.

(aa) “Professional services” means services in any occupation requiring advanced or specialized education and training, including without limitation law, accounting, insurance, real estate, engineering, medicine, architecture, dentistry, banking, finance, public relations, education and consulting.

(bb) “Relative” means a person who is related to an officer or employee as spouse or domestic partner or as any of the following, whether by blood or by adoption: parent, child, brother or sister, aunt or uncle, great aunt, great uncle, first cousin, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, sister-in-law, brother-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister, half-brother or half-sister and includes the grandfather or grandmother of the person's spouse and the person's fiancé or fiancée.

(cc) “Seeking to do business” means (1) taking any action within the past six months to obtain a contract with or business from the CTA when, if such action were successful, it would result in the person's doing business with the CTA; and (2) the contract or business sought has not been awarded to any person.

(dd) “Spouse” means a person who is related to an officer or employee by either marriage or civil union.

(ee) “State Ethics Act” means the State Officials and Employees Ethics Act, 5 ILCS 430 et seq., as amended.

Comment

An abridged copy of the State Ethics Act is attached to this Ordinance as an Appendix. The most recent version of the State Ethics Act may be found on the internet at ilga.gov, under “Illinois Compiled Statutes.”

ETHICS ORDINANCE OF THE CHICAGO TRANSIT AUTHORITY

SECTION 2. CODE OF CONDUCT

2.1 Appearance of Impropriety.

Officers and employees have a special relationship of trust with the public and therefore must conduct themselves so as to avoid the appearance that they are violating the provisions of the Ethics Ordinance. Whether particular circumstances create an appearance that these standards have been violated shall be determined from the perspective of a reasonable person with knowledge of the relevant facts.

2.2 Fiduciary Duty.

Officers and employees owe a fiduciary duty to the CTA at all times in the performance of their public duties.

2.3 Improper Influence.

(a) No officer or employee shall make, participate in making or in any way attempt to use his/her position to influence any CTA decision or action in which he/she knows or has reason to know that he/she has an economic interest distinguishable from that of the general public.

(b) Beginning when the Purchasing Department issues an invitation for bid, request for proposal or letter of interest and qualification, and ending when the Purchasing Department makes the contract award recommendation, no employee or officer shall communicate with any other employee or officer, or any person acting on behalf of such employee or officer, when that communication will potentially or is intended in any manner to influence the award of the contract or provide a potential vendor with an unfair advantage, including, but not limited to, the identity of the bidders or the amounts of the bids. Other communications with respect to the procurement, including, but not limited to, the correction of errors in a procurement document, are not prohibited, but must be in writing (by electronic or other means). The requirement that communications must be in writing is not intended to apply to communications between officers or employees that occur in the normal course of bid evaluation or negotiation, or to communications between officers or employees and a CTA attorney seeking or providing legal advice.

(c) Any person found to be in violation of this section shall be subject to a fine in the amount of \$300 and discipline or censure.

2.4 Gift Ban.

(a) Except as permitted by the State Ethics Act, no officer or employee, and no spouse or domestic partner or immediate family member living with any officer or employee, shall intentionally solicit or accept any gift from any prohibited source.

(b) An officer or employee, or the spouse, domestic partner or minor child of any of them, or any immediate family member residing with the officer or employee, may accept a gift

(as defined by the State Ethics Act) on the CTA's behalf; provided, however, the person accepting the gift shall promptly report receipt of the gift to the Ethics Committee and to the Chief Finance Officer, who shall add it to the inventory of CTA property.

(c) Any officer or employee who receives any gift (as defined by the State Ethics Act) or money for participating in the course of his public employment in speaking engagements, lectures, debates or organized discussion forums shall report it to the Ethics Committee within five business days.

Comment

Definitions and exceptions applicable to the gift ban are found in section 10 of the State Ethics Act, 5 ILCS 430/10-10 et seq. All officers and employees are subject to the gift ban provisions under the State Ethics Act, as amended.

2.5 Solicitation or Receipt of Money for Advice or Assistance.

No officer or employee, or the spouse, domestic partner or minor child of any of them, or any immediate family member residing with the officer or employee, shall solicit or accept any money or other thing of value including, but not limited to, gifts, favors, services or promises of future employment, in return for advice or assistance on matters concerning the operation or business of the CTA; provided, however, that nothing in this Section shall prevent an officer or employee or the spouse or domestic partner of an officer or employee from accepting compensation for services wholly unrelated to the officer's or employee's CTA duties and responsibilities and rendered as part of an approved non-CTA employment, occupation or profession.

2.6 CTA Owned Property.

No officer, employee, or CTA Contractor shall engage in or permit the unauthorized use of CTA-owned property.

2.7 Use or Disclosure of Confidential Information.

No current or former officer or employee shall use or disclose other than in the performance of his/her official duties and responsibilities, or as may be required by law, confidential information gained in the course of or by reason of his/her CTA position or employment. For purposes of this section, "confidential information" means any information that may not be obtained pursuant to the Illinois Freedom of Information Act, as amended.

2.8 Conflicts of Interest.

(a) No officer or employee shall make or participate in the making of any CTA decision with respect to any matter in which he/she has any economic interest distinguishable from that of the general public.

(b) No officer or employee who holds the title of Manager or above, or relative of such person, shall make, have or hold any interest in any entity in which such person is able

through their duties to affect or influence the past, present or future financial condition of the entity, either doing or seeking to do business with CTA.

(c) Any officer who has any economic interest distinguishable from that of the general public in any matter pending before the Board or any Board committee shall publicly disclose the nature and extent of such interest or business relationship on the records of proceedings of the Board, and shall also notify the Ethics Committee of such interest within 72 hours of delivery by the Secretary to the member, of the introduction of any ordinance, resolution, order or other matter in the Board, or as soon thereafter as the officer is or should be aware of such potential conflict of interest. The Ethics Committee shall make such disclosures available for public inspection and copying immediately upon receipt. The officer shall abstain from voting on the matter but shall be counted present for purposes of a quorum. The obligation to report a potential conflict of interest under this subsection arises as soon as the officer is or should be aware of such potential conflict.

(d) Any officer or employee who has a financial interest in any matter pending before the CTA shall disclose the nature of such interest to the Ethics Committee and, if the matter is pending in his/her own division/department, to the head of that division or department or, in the case of a division or department head, to the President or CTA Chairman as applicable.

In the case of officers, all disclosures shall be made in writing to the Ethics Committee. The obligation to report under this subsection arises as soon as the officer or employee is or reasonably should be aware of the pendency of the matter. This subsection does not apply to applications for health, disability or worker's compensation benefits.

(e) No officer or employee shall participate directly or indirectly in the selection, award or administration of a CTA contract if a real or apparent conflict of interest exists. Such a conflict would arise when any of the following persons has a financial or economic interest in the entity selected for award: (a) an officer, employee, or their agent, partner, associate or affiliate; (b) a relative of the officer or employee; or (c) an organization that employs, or intends to employ, any of the above.

(f) Any officer or employee who becomes aware of an actual or apparent conflict of interest or an organizational conflict of interest shall report such conflict to the Ethics Committee or, if the matter is pending in his/her own division/department, to the head of that division or department or, in the case of a division or department head, to the President or CTA Chairman, as applicable. The obligation to report under this subsection arises as soon as the officer or employee is or reasonably should be aware of the pendency of the matter.

2.9 Representation of Other Persons.

(a) No officer or employee may represent, or have an economic interest in the representation of, any person other than the CTA in any formal or informal proceeding or transaction with the CTA in which the CTA's action or non-action is of a non-ministerial nature, provided that nothing in this subsection shall preclude any officer or employee from performing the duties of his/her CTA employment.

(b) No officer or employee may have an economic interest in the representation of any person in any judicial or quasi-judicial proceeding before any administrative agency or court in which the CTA is a party and that person's interest is adverse to that of the CTA, or in any judicial or quasi-judicial proceeding before any administrative agency or court in which the CTA may be liable for the judgment or may be obligated to indemnify any of the parties.

2.10 Outside Employment

Employees are not permitted to engage directly or indirectly in any other business or employment without prior written permission of the Authority.

2.11 Post-Employment Restrictions.

(a) Under the State Ethics Act, officers and employees have restrictions on employment after leaving the CTA. In addition, the following rules in this section apply to post-employment activities of officers and employees.

(b) No former officer or employee shall assist or represent any person other than the CTA in any judicial or administrative proceeding involving CTA or any of its divisions for a period of one year after the termination of the officer's or employee's term of office or employment. If the officer or employee was counsel of record or participated personally and substantially in the proceeding during his/her term of office or employment, the ban contained within this section shall be permanent as to any such proceeding.

(c) No former officer or employee shall, for a period of one year after the termination of the officer's or employee's term of office or employment, assist or represent any person in any matter involving the CTA if the officer or employee participated personally and substantially in the same subject matter, work or function during his term of office or employment; provided, that if the officer or employee exercised contract management authority with respect to a contract this prohibition shall be permanent as to that contract.

(d) The provisions of subsection (c) do not apply to any former officer or employee who is acting within the scope of his/her employment while employed by any other governmental unit.

Comment

Under the State Ethics Act, officers and employees may be restricted for one year from accepting employment with, or accepting compensation or fees for services from, certain employers. Definitions and a notification requirement related to the "revolving door prohibition" under the State Ethics Act are found in section 5-45 of the State Ethics Act, 5 ILCS 430/5-45, as amended. Violations of section 5-45 are subject to an administrative fine of up to three times the total annual compensation that would have been obtained in violation of the revolving door prohibition.

2.12 Interest in CTA Business.

(a) No officer or employee shall have a financial interest in his/her own name or in the name of any other person in any contract, work or business of the CTA, or in the sale of any article, whenever the expense, price or consideration of the contract, work, business or sale is paid with funds belonging to or administered by the CTA, or is authorized by Board ordinance.

(b) Compensation for property taken pursuant to the CTA's eminent domain power shall not constitute a financial interest within the meaning of this Section.

(c) Unless sold pursuant to a process of competitive bidding following public notice, no officer or employee shall have a financial interest in the purchase of any property that (i) belongs to the CTA, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the CTA.

2.13 Prohibited Conduct.

(a) No officer or employee or the spouse or domestic partner of such officer or employee, or any entity in which such officer or employee or his or her spouse or domestic partner has a financial interest, shall apply for, solicit, accept or receive a loan of any amount from any person who is either doing business or seeking to do business with the CTA; provided, however, that nothing in this section prohibits application for, solicitation for, acceptance of or receipt of a loan from a financial lending institution, if the loan is negotiated at arm's length and is made at a market rate in the ordinary course of the lender's business. This subsection shall not apply to an entity in which the only financial interest of the officer or employee or his or her spouse or domestic partner is related to the spouse's or domestic partner's independent occupation, profession or employment.

(b) No officer, or the head of any CTA department, shall knowingly retain or hire as a CTA employee or CTA contractor any person with whom any officer has a business relationship.

2.14 Nepotism.

(a) No officer or employee shall employ, advocate for employment, or supervise, in any CTA department in which said officer or employee serves or over which he/she exercises authority, supervision, or control, any person

(i) who is a relative of said officer or employee, or

(ii) in exchange for or in consideration of the employment of any of said officer's or employee's relatives by any other office or employee.

(b) An officer or employee does not violate this section when a relative exercises his or her rights under a collective bargaining agreement and thereby becomes employed in a CTA department in which said officer or employee serves or over which he or she exercises authority, supervision or control, if:

- (i) the officer or employee promptly discloses the existence of the relationship to his or her supervisor; and
- (ii) the officer or employee refrains from having any personal involvement in the review or approval of any terms or conditions of the relative's employment; and
- (iii) management makes reasonable efforts to ensure that the officer or employee shall not exercise authority, supervision or control over said relative.

(c) No officer or employee shall exercise contract management authority where any relative of the officer or employee is employed by or has contracts with persons doing CTA work over which the CTA officer or employee has or exercises contract management authority if a relative of the officer or employee will perform any part of the contract, or will derive an economic benefit from the contract, or if any relative exercises contract management authority over the contract.

(d) No officer or employee shall use or permit the use of his position to assist any relative in securing employment or contracts with persons over whom the employee or officer exercises contract management authority. The employment of or contracting with a relative of such an officer or employee by such a person within six months prior to, during the term of, or six months subsequent to the period of a CTA contract shall create a rebuttable presumption that said employment or contract was obtained in violation of this Ordinance.

2.15 Prohibited Political Activities.

(a) Under the State Ethics Act, no officer or employee shall intentionally perform any prohibited political activity during any compensated time, and no officer or employee shall intentionally misappropriate any CTA property or resources by engaging in any prohibited political activity.

(b) No employee with contract management authority shall serve on any political fundraising committee.

Comment

Definitions and exceptions applicable to prohibited political activities are found in section 5-15 of the State Ethics Act, 5 ILCS 430/5-15, et seq. All officers and employees are subject to the "prohibited political activities" provisions under the State Ethics Act. 5 ILCS 430/5-15, as amended.

The Hatch Act, 5 U.S.C. §1501 et. seq., restricts the political activity of officers and employees in that they may not: (i) be candidates for public office in a partisan election; (ii) use official authority or influence for the purpose of interfering with or affecting the results of any election or a nomination for office; or (iii) directly or indirectly coerce contributions from subordinates in support of a political party or candidate.

2.16 Contract Inducement.

No payment, gratuity, political campaign contribution or offer of employment shall be made in connection with any CTA contract, by or on behalf of a subcontractor to the prime contractor or higher tier subcontractor or any person associated therewith, as an inducement for the award of a subcontract.

2.17 Ethics Education Seminars.

In addition to any ethics training required under State law, all officers, all employees holding the position of manager or above and all persons in positions identified by the Ethics Committee shall attend an additional ethics education seminar approved within 120 days of the effective date of this Ordinance and every four years thereafter. The seminar shall educate persons as to their duties and responsibilities under this Ordinance. Any such officer or employee who fails to comply with this Section shall be subject to a \$300.00 fine.

Comment

All officers and employees are required to participate in annual “ethics training” under the State Ethics Act. 5 ILCS 430/5-10, as amended.

2.18 Prohibition on Serving on Board.

Members of the Board are subject to the provisions of the State Ethics Act entitled “Prohibition on serving on boards and commissions.”

Comment

State law places restrictions on Board membership for persons who are entitled to receive certain percentages of the total distributable income under a State contract. Definitions and requirements applicable to this regulation are found in section 5-55 of the State Ethics Act, 5 ILCS 430/5-55, et seq., as amended.

ETHICS ORDINANCE OF THE CHICAGO TRANSIT AUTHORITY

SECTION 3. FINANCIAL DISCLOSURE

3.1 Statements of Financial Interests.

(a) For purposes of this Section, the following persons shall be referred to as “reporting individuals”:

(i) each officer, and

(ii) each employee who is required to file a disclosure of economic interest pursuant to the Illinois Governmental Ethics Act, 5 ILCS 420/4A-101, et seq.

(b) Each reporting individual shall file by May 1 of each year a verified written statement of financial interests in accordance with the provisions of this Section unless he has already filed a statement in that calendar year.

(c) Statements of financial interests shall also be filed by the following:

(i) An officer at the time of filing his oath of office;

(ii) A person whose appointment to office is subject to confirmation by the Board at the time when his name is submitted to the Board for consideration; and

(iii) Any employee at the time he becomes a reporting individual, including CTA employees who become reporting individuals because they are newly hired or are receiving a pay increase, or a job or title change.

(d) The Human Resources Department, the office of the Chief Finance Officer and the office of the President shall cooperate with the Ethics Committee in notifying persons listed in subdivisions (ii) and (iii) of subsection (c) of this Section of their obligation to file statements of financial interests and in effecting the filing of such statements.

(e) No officer or employee shall be allowed to enter or continue his/her duties, nor shall he/she receive compensation from the CTA, unless he/she has filed a Statement of Financial Interests with the Ethics Committee as required by this Ordinance.

3.2 Content of Statements.

Statements of Financial Interests shall contain the following information:

(a) The name, address, and type of any professional, business or other organization (other than CTA) in which the reporting individual was an officer, director, associate, partner, proprietor or employee, or served in any advisory or consulting capacity, and from which any income in excess of \$2,500.00 was derived during the preceding calendar year.

(b) The nature of any professional, business or other services rendered by the reporting individual or by his or her spouse or domestic partner, or by any entity in which the

reporting individual or his or her spouse or domestic partner has a financial interest, and the name and nature of the person or entity (other than the CTA) to whom or to which such services were rendered if, during the preceding calendar year, (1) compensation in excess of \$5,000 was received for professional or other services by the reporting individual, or by such reporting individual's spouse or domestic partner, or by an entity in which the reporting individual or his or her spouse or domestic partner has a financial interest and (2) the person or entity was doing business with the CTA, or with any of its sister agencies.

(c) The identity of any capital asset, including the address or legal description of real estate, from which the reporting individual realized capital gain of \$5,000.00 or more in the preceding calendar year, other than the sale of the reporting individual's principal place of residence.

(d) The name of any unit of government other than CTA which employed the reporting individual during the preceding calendar year.

(e) The name of any person from whom the reporting individual received during the preceding calendar year one or more gifts or honoraria having an aggregate value in excess of \$500.00, but not including gifts from relatives.

(f) The name and instrument of ownership in any person conducting business with the CTA, in which the reporting individual had a financial interest during the preceding calendar year. Ownership interests in publicly held corporations need not be disclosed.

(g) The identity of any financial interest in CTA owned real estate, other than the principal place of residence of the reporting individual, and the address or, if none, the legal description of the real estate, including all forms of direct or indirect ownership such as partnerships or trusts of which the corpus consists primarily of real estate.

(h) The name of, and the nature of the CTA action requested by, any person who has applied to the CTA for any license or franchise during the preceding calendar year if the reporting individual has a financial interest in such person.

(i) The name of any person or entity doing business with CTA with whom the reporting individual had an financial interest during the preceding calendar year, and the title or description of any position held by the reporting individual in such person.

(j) The name and instrument of debt of all debts in excess of \$5,000.00 owed by the reporting individual, as well as the name and instrument of debt of all debts in excess of \$5,000.00 owed to the reporting individual, but only if the creditor or debtor, respectively, or any guarantor of the debt, has done work for or business with CTA in the preceding calendar year. Debt instruments issued by financial institutions whose normal business includes the making of loans of the kind received by the reporting individual and which are made at the prevailing rate of interest and other terms and conditions standard for such loans at the time the debt was contracted, need not be disclosed. Debt instruments issued by publicly held corporations, and purchased by the reporting individual on the open market at the price available to the public, need not be disclosed.

3.3 Form for Statement of Financial Interests.

The statement of financial interests required to be filed with the Ethics Committee shall be completed by typewriting or hand printing, and shall be verified, dated, and signed by the reporting individual personally. It shall be submitted on a form prescribed by the Ethics Committee.

3.4 Statements of Financial Interest.

(a) Not later than February 1 of each year, the Secretary of the CTA shall certify to the Ethics Committee a list (current as of January 1 of the year of filing) of the names and mailing addresses of the persons described in section 3.1 who are required to file a statement of financial interests (“reporting individual”). In preparing this list, the Secretary shall set out the names in alphabetical order and shall file a copy of the list with the Ethics Committee. Not less than thirty (30) days before the due date for filing statements of financial interests, the Secretary shall certify to the Ethics Committee a supplemental list of those persons described in Section 3.1 who have, in the interim, become required to file a statement of financial interests. The supplemental list shall be in the same form and be filed in the same manner as the original list certified to the Ethics Committee.

(b) Not later than March 1 of each year, the Ethics Committee shall in writing notify all persons required to file statements of financial interests under this Section. Notice shall be by personal delivery or mail. The Ethics Committee may effect personal delivery of such notices by delivering the notices to the various department heads of the CTA for distribution to employees. Department heads shall notify the Ethics Committee of those employees who have not been served with such notice by April 1. The Ethics Committee shall then take appropriate steps to notify such persons by mail of the filing requirements. Employees shall be notified by mail at the last known address for them appearing in CTA records.

(c) The Ethics Committee shall deliver a receipt to each person who files a statement under this Section, indicating that the person has filed such statement and the date of such filing.

(d) All statements of financial interests shall be available for examination and duplication by the public in the office of the Ethics Committee during the regular business hours of CTA, except as otherwise provided by law. Each person examining or requesting duplication of a statement of financial interests must first complete a request form prepared by the Ethics Committee. The request form shall include the name, occupation, employer, address, and telephone number of the examiner as well as the date of and reasons for such examination or duplication. A separate request form must be completed for each statement of financial interests to be examined. Requests for the examination or duplication of a statement of financial interests shall be filled as soon as is practicable. Request forms shall be available in the office of the Ethics Committee.

The Ethics Committee shall promptly notify each person required to file a statement of financial interests of each examination or duplication of his/her statement by sending to such person a copy of the completed request form. Costs of duplicating the statement of financial interests shall be paid by the person requesting duplication.

(e) No person shall use for any commercial purpose information contained or copied from statements of financial interests required to be filed by this Ordinance or from lists compiled from such statements.

3.5 Failure to File Statement by Deadline.

(a) If any person who is required to file a statement of financial interest by May 1st of any year fails to file such a statement, the Ethics Committee shall by May 15th, notify such person by certified mail of his failure to file by the specified date. Such person shall file his statement on or before May 31st, along with a late filing fee of \$30.00. Any person who fails to file his statement on or before May 31 shall be subject to a fine of \$10.00 per day until the statement is filed, up to a maximum of \$100.00. Failure to file by May 31st shall constitute a violation of this chapter, except as provided in subsection (c).

(b) Any person who first becomes subject to the requirement to file a statement of financial interests within 30 days prior to May 1st of any year shall be notified at that time of the obligation to file and shall file his/her statement at any time on or before May 31st without penalty. If such person fails to file such statement by May 31st, the Ethics Committee shall, within seven days after May 31st, notify such person by certified mail of his failure to file by the specified date. Such person shall file his statement of financial interests on or before June 15th, along with a late filing fee of \$30.00, with the Ethics Committee. Failure to file by June 15th shall constitute a violation of this chapter, except as provided in subsection (c).

(c) Any person who is required to file a statement of financial interests may affect one 30-day extension of time for filing the statement by filing with the Ethics Committee not less than 10 days before the date on which the statement is due, a declaration of his/her intention to defer the filing of the statement. The filing of such declaration shall suspend application of the late filing fee for the duration of the extension. Failure to file by the extended deadline shall constitute a violation of this chapter. A declaration of intention to defer filing is considered filed upon receipt by the Ethics Committee.

3.6 Certification of Familiarity With Ethics Ordinance.

Every officer or employee, at the time he/she is hired, appointed or promoted to a position qualifying him/her as a reporting individual, or upon the publication of any amendment to the Ordinance, shall certify that he/she has read and understands the Ordinance.

ETHICS ORDINANCE OF THE CHICAGO TRANSIT AUTHORITY

SECTION 4. ETHICS COMMITTEE

4.1 Appointment of Members.

(a) There is hereby created and established the Ethics Committee. The Committee shall consist of three members appointed by the Chairman with the advice and consent of the Board. Members of the Committee shall:

(i) reside within the CTA service area as defined by Section 3 of the Metropolitan Transit Authority Act;

(ii) not hold other elected or appointed public or political party office, nor endorse or engage in any political or campaign activity on behalf of any candidate for public office;

(iii) not be an officer or employee of CTA or a relative of an officer or employee of the CTA; and

(iv) have no economic interest in any work or business of or official action by CTA or any other governmental agency within the jurisdiction of the State of Illinois, County of Cook, or City of Chicago.

One member of the Committee must be an attorney licensed to practice law in the State of Illinois.

(b) A member of the Ethics Committee shall be appointed for a term of office of four years and hold office until his/her successor has been appointed, except that members first appointed shall be appointed for the following terms of office: one for two years, one for three years, and one for four years. Vacancies on the Ethics Committee shall be filled in the same manner that original appointments are made and shall be filled for the unexpired term of the member whose place has become vacant.

4.2 Chair and Vice-Chair.

The Ethics Committee Chair and Vice-Chair shall be designated by the Chairman. The Chair and Vice Chair shall serve in that capacity for a term of one year.

4.3 Removal of Members.

The Chairman, with the advice and consent of the Board, may remove any member of the Ethics Committee for incompetency, substantial neglect of duty, gross misconduct or malfeasance in office, or violation of any law, after written notice stating with particularity the grounds for removal, and an opportunity for the member to respond.

4.4 **Meetings.**

Unless otherwise determined by its members, the Committee shall meet quarterly at a regularly scheduled date and time determined by the Committee. Any member may administer oaths and receive testimony from witnesses at a meeting of the Committee. Two members of the Committee shall constitute a quorum. A majority vote of the total membership shall be necessary to take any action. A meeting shall be closed to the public to the extent authorized by the Open Meetings Act.

4.5 **Records.**

The Ethics Committee shall keep minutes of its proceedings, showing the vote of each member upon every question, or if absent or failing to vote indicating such fact. The Ethics Committee shall also keep records of its investigations and other official actions. Every rule, regulation, amendment, order, requirement, decision, or determination of the Ethics Committee shall be filed in the office of the Ethics Committee.

4.6 **Compensation.**

Ethics Committee members shall receive no compensation for their services, but each Ethics Committee member may be reimbursed for expenses reasonably incurred in the performance of Ethics Committee duties.

4.7 **Powers and Duties.**

In addition to other powers and duties specifically mentioned in this Section, the Ethics Committee shall have the following powers and duties:

(a) to initiate and to receive complaints of violations of any of the provisions of this Ordinance and to investigate to act upon such complaints as provided by this Ordinance and to impose fines, assess penalties and refer violations of this Ordinance to the appropriate attorney for prosecution;

(b) to conduct investigations, inquiries, and hearings concerning any matter covered by this Ordinance, subject to the limitations expressed in the preceding subsection, and to certify its own acts and records. The Ethics Committee may exercise appropriate discretion in determining whether to investigate and whether to act upon any particular complaint or conduct. When the Ethics Committee determines that assistance is needed in conducting investigations, or when required by law, the Ethics Committee shall request the assistance of other appropriate agencies;

(c) to issue subpoenas, upon a showing of good cause, at the request of the person under investigation or on its own motion, when conducting an investigation authorized in accordance with this chapter, if (i) the Ethics Committee has a reasonable belief that a violation of the ethics ordinance has occurred and the party to whom the subpoena is to be issued has previously failed to respond to a written request for the production of documents and/or testimony within seven days of the receipt of said written request; and (ii) the testimony of the witness or the documents or items sought by the subpoena are relevant to the investigation;

(d) to require the cooperation of CTA divisions or departments, officers, employees and other persons whose conduct is regulated by this Ordinance in investigating alleged violations of this Ordinance. Information reasonably related to an investigation shall be made available to the Ethics Committee by such persons on written request;

(f) to recommend to the Chairman and the President such action as it may deem appropriate to effectuate the implementation of this Ordinance;

(g) to conduct research in the field of governmental ethics and establish and carry out such educational programs as it deems necessary to effectuate the policy and purpose of this Ordinance;

(h) to promulgate rules for the conduct of Ethics Committee activities, including procedural rules consistent with the requirements of due process of law. No such rules and regulations shall become effective until approved by the Board;

(i) to prescribe forms for the disclosure and registration of information as provided in this Ordinance;

(j) to prepare and publish at least annually, reports summarizing the Ethics Committee's activities and to present such report to the Chairman and President; and

(k) to render written advisory opinions with respect to the provisions of this Ordinance based upon a real or hypothetical set of circumstances when requested in writing by an officer or employee or by a person who is personally and directly involved. Advisory opinions shall be made available to the public but the identity of the person requesting the opinion and of any person whose conduct is involved in the set of circumstances described in the request for opinion shall be confidential; and

(l) to prescribe the form of the statement of financial interests.

4.8 Action on Complaints and Investigations.

(a) Prior to the conclusion of an investigation, the Ethics Committee shall give the person under investigation notice of the substance of the complaint and an opportunity to present such written information as the person may desire, including the names of any witnesses the person wishes to have interviewed by the Ethics Committee.

(b) At the conclusion of an investigation, the Ethics Committee shall prepare a written report, including a summary of its investigation, a complete transcript of any proceeding including but not limited to any testimony heard by the Ethics Committee, to be duly recorded by a qualified reporter, and including recommendations for such administrative or legal action as it deems appropriate. The Ethics Committee shall conclude its investigation no later than one year from the date of initiating the investigation; provided, however, that any period of time during which the Ethics Committee has suspended its investigation in accordance with Section 4.11 shall not be counted towards the one year period. If the Ethics Committee determines that the complaint is not sustained, it shall so state in its report and so notify the person investigated and any other person whom the Ethics Committee has informed of the investigation. If the person

investigated is an employee and the Ethics Committee finds that corrective action should be taken, the Ethics Committee shall send its report to the Chairman and the President. If the person investigated is the President or an officer, and the Ethics Committee finds that corrective action should be taken, the Ethics Committee shall send its report to the Chairman. In all instances the Ethics Committee shall also send its report to the General Counsel.

A person to whom the Ethics Committee has transmitted a recommendation for action shall, within 30 days of receipt of the recommendation, report to the Ethics Committee in writing the actions taken on the recommendation and, to the extent that the person declines to take any recommended action, provide a statement of reasons for his decision.

(c) Nothing this section shall preclude the Committee from notifying a person, prior to or during an investigation, that a complaint against him/her is pending and, where appropriate, recommending to him/her corrective action; provided, however, that any such notification and recommendation shall be made in writing and a copy thereof shall be transmitted contemporaneously by the Committee to the Chairman, President and General Counsel.

4.9 Confidentiality.

Complaints to the Ethics Committee and investigations and recommendations thereon shall be confidential, except as necessary to carry out powers and duties of the Ethics Committee or to enable another person or agency to consider and act upon the notices and recommendations of the Committee; provided that, without identifying the person complained against or the specific transaction, the Ethics Committee may (a) comment publicly on the disposition of its requests and recommendations and (b) publish summary opinions to inform CTA personnel and the public about the interpretations of provisions of this Ordinance.

4.10 Disclosure of Confidential Information.

(a) If, by a vote of the majority of its members, the Ethics Committee determines that one of its members has publicly disclosed any information relating to an investigation or findings under this chapter, unless such disclosure is otherwise permitted under this Ordinance, the Ethics Committee may recommend to the Chairman that such member be removed from the Committee. Removal shall occur upon recommendation by the Chairman and approval of an appropriate resolution by the Board.

(b) Any employee of the Ethics Committee, or other CTA employee, who is found to have publicly disclosed any information relating to an investigation or findings under this chapter, unless such disclosure is otherwise permitted under this chapter, shall be subject to employment sanctions, including dismissal from CTA or Committee employment.

4.11 Investigation by Other Agencies.

(a) If the Ethics Committee is reliably informed that a matter under investigation is also a matter under investigation by a law enforcement agency or the CTA's Office of the Inspector General, the Ethics Committee shall suspend its investigation. The Ethics Committee may reinstate its investigation upon the conclusion of the investigation by the law enforcement agency.

(b) If the Ethics Committee has a reasonable basis for concluding that an investigation has revealed criminal conduct, the Ethics Committee shall refer the matter to the appropriate law enforcement authority.

4.12 Statute of Limitations on Investigations.

The Ethics Committee shall have authority to investigate a complaint against an officer or employee of the CTA that alleges a violation of this Ordinance which occurred not more than two years prior to the date of the complaint.

4.13 Ethics Officer.

An Ethics Officer for the CTA shall be designated pursuant to the State Ethics Act. 5 ILCS 430/20-23, as amended.

ETHICS ORDINANCE OF THE CHICAGO TRANSIT AUTHORITY

SECTION 5. PENALTIES FOR VIOLATION

5.1 Sanctions.

(a) Any employee found to have violated any of the provisions of this Ordinance, or who intentionally files a false or misleading statement of financial interest, or who furnishes false or misleading information to the Ethics Committee with the intent to mislead or otherwise violates any provision of this Ordinance shall be subject to employment sanctions, including discharge, in accordance with procedures under which the employee may otherwise be disciplined.

(b) Any officer who intentionally files a false or misleading statement of financial interests, or knowingly fails to file a statement within the time prescribed in this Ordinance, or furnishes false or misleading information to the Committee with the intent to mislead or otherwise violates any provision of this Ordinance, shall be subject to removal from office as permitted by section 21 of the Metropolitan Transit Authority Act or other applicable law.

(c) Any CTA contractor found to have violated any provision of this Ordinance may be subject to suspension and/or debarment from CTA contracts.

5.2 Penalties.

(a) Any person found to have violated any provision of this Ordinance, where no other penalty is specifically provided, or of furnishing false, misleading or incomplete information to the Ethics Committee with the intent to mislead, shall be subject to a fine up to the amount permitted by law.

(b) In addition to any other penalty that may be applicable, whether criminal or civil, an officer or employee who intentionally violates any provision of this Ordinance is subject to discipline up to and including discharge.

5.3 Invalid Actions.

All CTA contracts shall include a provision requiring compliance with this Ordinance. Any contract negotiated, entered into, or performed in violation of any of the provisions of this Ordinance shall be voidable as to CTA. Any permit, license, ruling, determination, or other official action of the CTA applied for or in any other manner sought, obtained or undertaken in violation of any provisions of this Ordinance shall be invalid and without any force or effect whatsoever.

5.4 Other Remedies.

Nothing in this Ordinance shall preclude the CTA from maintaining an action for an accounting for any pecuniary benefit received by any person in violation of this Ordinance or other law, or to recover damages or obtain other relief for violation of this Ordinance.

5.5 Relationship to Other Laws.

The procedures and penalties provided in this Ordinance are supplemental and do not limit either the power of the Board to discipline its own members or the power of the President to discipline employees or take administrative action or to adopt more restrictive rules. Nothing in this Ordinance is intended to repeal or is to be construed as repealing in any way the provisions of any other law or ordinance.

5.6 Sanctions Applicable to Ethics Committee.

Any member of the Committee who knowingly violates Section 4.9 (Confidentiality) shall be subject to the penalties indicated in Section 5.2.

5.7 Severability.

If any provision of this Ordinance or application thereof to any person or circumstance is held unconstitutional or otherwise invalid, such invalidity does not affect other provisions or applications of this Ordinance, which can be given effect without the invalid application or provision, and to this end each such invalid provision or invalid application of this Ordinance is severable, unless otherwise provided by this Ordinance. It is hereby declared to be the intent of the CTA that this Ordinance would have been adopted had any such unconstitutional or otherwise invalid provision or application not been included.

ETHICS ORDINANCE OF THE CHICAGO TRANSIT AUTHORITY

SECTION 6. EFFECTIVE DATE

6.1 Effective Date.

This Ordinance shall be in full force and effect in accordance with the provisions of the Metropolitan Transit Authority Act, 70 ILCS 3605/31.

Approved by Ordinance No. 011-73, August 10, 2011.

APPENDIX TO THE CTA CODE OF ETHICS

Comment

The State Officials and Employees Ethics Act, 5 ILCS 430 et seq. (the "State Ethics Act") applies to all CTA officers and employees by virtue of legislation that became effective on July 1, 2011. This appendix contains an abridged version of the State Ethics Act in order to provide the reader with content that may be useful in understanding the State Ethics Act. CTA officers and employees are responsible for complying with State law, including content that may not be published in this Appendix. The complete, and most recent, version of the State Ethics Act may be found on the internet at ilga.gov, under "Illinois Compiled Statutes." In addition, if you have questions about the State Ethics Act, or about the CTA Code of Ethics, please contact the CTA's Ethics Officer.

(5 ILCS 430/) State Officials and Employees Ethics Act.

(5 ILCS 430/ Art. 1 heading)

ARTICLE 1

GENERAL PROVISIONS

(Source: P.A. 93-615, eff. 11-19-03.)

(5 ILCS 430/1-1)

Sec. 1-1. Short title. This Act may be cited as the State Officials and Employees Ethics Act.

(Source: P.A. 93-615, eff. 11-19-03.)

(5 ILCS 430/1-5)

(Text of Section from P.A. 96-1528)

Sec. 1-5. Definitions. As used in this Act:

"Appointee" means a person appointed to a position in or with a State agency, regardless of whether the position is compensated **[and includes a person appointed to serve on the Chicago Transit Board]**.

"Board members of Regional Transit Boards" means any person appointed to serve on the governing board of a Regional Transit Board.

"Campaign for elective office" means any activity in furtherance of an effort to influence the selection, nomination, election, or appointment of any individual to any federal, State, or local public office or office in a political organization, or the selection, nomination, or election of Presidential or Vice-Presidential electors, but does not include activities (i) relating to the support or opposition of any executive, legislative, or administrative action (as those terms are defined in Section 2 of the Lobbyist Registration Act), (ii) relating to collective bargaining, or (iii) that are otherwise in furtherance of the person's official State duties.

"Candidate" means a person who has filed nominating papers or petitions for nomination or election to an elected State office, or who has been appointed to fill a

vacancy in nomination, and who remains eligible for placement on the ballot at either a general primary election or general election.

"Collective bargaining" has the same meaning as that term is defined in Section 3 of the Illinois Public Labor Relations Act.

"Commission" means an ethics commission created by this Act.

"Compensated time" means any time worked by or credited to a State employee that counts toward any minimum work time requirement imposed as a condition of employment with a State agency, but does not include any designated State holidays or any period when the employee is on a leave of absence.

"Compensatory time off" means authorized time off earned by or awarded to a State employee to compensate in whole or in part for time worked in excess of the minimum work time required of that employee as a condition of employment with a State agency.

"Contribution" has the same meaning as that term is defined in Section 9-1.4 of the Election Code.

"Employee" means (i) any person employed full-time, part-time, or pursuant to a contract and whose employment duties are subject to the direction and control of an employer with regard to the material details of how the work is to be performed **[and includes a full-time, part-time, or contractual employee of the CTA]** or (ii) any appointed or elected commissioner, trustee, director, or board member of a board of a State agency, including any retirement system or investment board subject to the Illinois Pension Code or (iii) any other appointee.

"Employment benefits" include but are not limited to the following: modified compensation or benefit terms; compensated time off; or change of title, job duties, or location of office or employment. An employment benefit may also include favorable treatment in determining whether to bring any disciplinary or similar action or favorable treatment during the course of any disciplinary or similar action or other performance review.

"Executive branch constitutional officer" means the Governor, Lieutenant Governor, Attorney General, Secretary of State, Comptroller, and Treasurer.

"Gift" means any gratuity, discount, entertainment, hospitality, loan, forbearance, or other tangible or intangible item having monetary value including, but not limited to, cash, food and drink, and honoraria for speaking engagements related to or attributable to government employment or the official position of an employee, member, or officer. The value of a gift may be further defined by rules adopted by the appropriate ethics commission or by the Auditor General for the Auditor General and for employees of the office of the Auditor General.

"Governmental entity" means a unit of local government (including a community college district) or a school district but not a State agency or a Regional Transit Board.

"Leave of absence" means any period during which a State employee does not receive (i) compensation for State employment, (ii) service credit towards State pension benefits, and (iii) health insurance benefits paid for by the State.

"Legislative branch constitutional officer" means a member of the General Assembly and the Auditor General.

"Legislative leader" means the President and Minority Leader of the Senate and the Speaker and Minority Leader of the House of Representatives.

"Member" means a member of the General Assembly.

"Officer" means an executive branch constitutional officer or a legislative branch constitutional officer **[and includes a person appointed to serve on the Chicago Transit Board]**.

"Political" means any activity in support of or in connection with any campaign for elective office or any political organization, but does not include activities (i) relating to the support or opposition of any executive, legislative, or administrative action (as those terms are defined in Section 2 of the Lobbyist Registration Act), (ii) relating to collective bargaining, or (iii) that are otherwise in furtherance of the person's official State duties or governmental and public service functions.

"Political organization" means a party, committee, association, fund, or other organization (whether or not incorporated) that is required to file a statement of organization with the State Board of Elections or a county clerk under Section 9-3 of the Election Code, but only with regard to those activities that require filing with the State Board of Elections or a county clerk.

"Prohibited political activity" means:

(1) Preparing for, organizing, or participating in any political meeting, political rally, political demonstration, or other political event.

(2) Soliciting contributions, including but not limited to the purchase of, selling, distributing, or receiving payment for tickets for any political fundraiser, political meeting, or other political event.

(3) Soliciting, planning the solicitation of, or preparing any document or report regarding any thing of value intended as a campaign contribution.

(4) Planning, conducting, or participating in a public opinion poll in connection with a campaign for elective office or on behalf of a political organization for political purposes or for or against any referendum question.

(5) Surveying or gathering information from potential or actual voters in an election to determine probable vote outcome in connection with a campaign for elective office or on behalf of a political organization for political purposes or for or against any referendum question.

(6) Assisting at the polls on election day on behalf of any political organization or candidate for elective office or for or against any referendum question.

(7) Soliciting votes on behalf of a candidate for elective office or a political organization or for or against any referendum question or helping in an effort to get voters to the polls.

(8) Initiating for circulation, preparing, circulating, reviewing, or filing any petition on behalf of a candidate for elective office or for or against any referendum question.

(9) Making contributions on behalf of any candidate for elective office in that capacity or in connection with a campaign for elective office.

(10) Preparing or reviewing responses to candidate questionnaires in connection with a campaign for elective office or on behalf of a political organization for political purposes.

(11) Distributing, preparing for distribution, or mailing campaign literature, campaign signs, or other campaign material on behalf of any candidate for elective office or for or against any referendum question.

(12) Campaigning for any elective office or for or against any referendum question.

(13) Managing or working on a campaign for elective office or for or against any referendum question.

(14) Serving as a delegate, alternate, or proxy to a political party convention.

(15) Participating in any recount or challenge to the outcome of any election, except to the extent that under subsection (d) of Section 6 of Article IV of the Illinois Constitution each house of the General Assembly shall judge the elections, returns, and qualifications of its members.

"Prohibited source" means any person or entity who:

(1) is seeking official action (i) by the member or officer or (ii) in the case of an employee, by the employee or by the member, officer, State agency, or other employee directing the employee;

(2) does business or seeks to do business (i) with the member or officer or (ii) in the case of an employee, with the employee or with the member, officer, State agency, or other employee directing the employee;

(3) conducts activities regulated (i) by the member or officer or (ii) in the case of an employee, by the employee or by the member, officer, State agency, or other employee directing the employee;

(4) has interests that may be substantially affected by the performance or non-performance of the official duties of the member, officer, or employee;

(5) is registered or required to be registered with the Secretary of State under the Lobbyist Registration Act, except that an entity not otherwise a prohibited source does not become a prohibited source merely because a registered lobbyist is one of its members or serves on its board of directors; or

(6) is an agent of, a spouse of, or an immediate family member who is living with a "prohibited source".

"Regional Transit Boards" means (i) the Regional Transportation Authority created by the Regional Transportation Authority Act, (ii) the Suburban Bus Division created by the Regional Transportation Authority Act, (iii) the Commuter Rail Division created by the Regional Transportation Authority Act, and (iv) the Chicago Transit Authority created by the Metropolitan Transit Authority Act.

"State agency" includes all officers, boards, commissions and agencies created by the Constitution, whether in the executive or legislative branch; all officers, departments, boards, commissions, agencies, institutions, authorities, public institutions of higher learning as defined in Section 2 of the Higher Education Cooperation Act (except community colleges), and bodies politic and corporate of the State; and administrative units or corporate outgrowths of the State government which are created by or

pursuant to statute, other than units of local government (including community college districts) and their officers, school districts, and boards of election commissioners; and all administrative units and corporate outgrowths of the above and as may be created by executive order of the Governor. "State agency" includes the General Assembly, the Senate, the House of Representatives, the President and Minority Leader of the Senate, the Speaker and Minority Leader of the House of Representatives, the Senate Operations Commission, and the legislative support services agencies. "State agency" includes the Office of the Auditor General. "State agency" does not include the judicial branch.

"State employee" means any employee of a State agency **[and includes an employee of the CTA]**.

"Ultimate jurisdictional authority" means the following:

(1) For members, legislative partisan staff, and legislative secretaries, the appropriate legislative leader: President of the Senate, Minority Leader of the Senate, Speaker of the House of Representatives, or Minority Leader of the House of Representatives.

(2) For State employees who are professional staff or employees of the Senate and not covered under item (1), the Senate Operations Commission.

(3) For State employees who are professional staff or employees of the House of Representatives and not covered under item (1), the Speaker of the House of Representatives.

(4) For State employees who are employees of the legislative support services agencies, the Joint Committee on Legislative Support Services.

(5) For State employees of the Auditor General, the Auditor General.

(6) For State employees of public institutions of higher learning as defined in Section 2 of the Higher Education Cooperation Act (except community colleges), the board of trustees of the appropriate public institution of higher learning.

(7) For State employees of an executive branch constitutional officer other than those described in paragraph (6), the appropriate executive branch constitutional officer.

(8) For State employees not under the jurisdiction of paragraph (1), (2), (3), (4), (5), (6), or (7), the Governor.

(9) For employees of Regional Transit Boards, the appropriate Regional Transit Board **[for employees of the CTA, the Ultimate Jurisdictional Authority is the Chicago Transit Board]**.

(10) For board members of Regional Transit Boards, the Governor **[for members of the Chicago Transit Board, the ultimate jurisdictional authority is the Governor]**.

(Source: P.A. 95-880, eff. 8-19-08; 96-6, eff. 4-3-09; 96-555, eff. 8-18-09; 96-1528, eff. 7-1-11.)

(5 ILCS 430/Art. 5 heading)

ARTICLE 5
ETHICAL CONDUCT

(Source: P.A. 93-615, eff. 11-19-03.)

(5 ILCS 430/5-5)

Sec. 5-5. Personnel policies.

(a) Each of the following shall adopt and implement personnel policies for all State employees under his, her, or its jurisdiction and control: (i) each executive branch constitutional officer, (ii) each legislative leader, (iii) the Senate Operations Commission, with respect to legislative employees under Section 4 of the General Assembly Operations Act, (iv) the Speaker of the House of Representatives, with respect to legislative employees under Section 5 of the General Assembly Operations Act, (v) the Joint Committee on Legislative Support Services, with respect to State employees of the legislative support services agencies, (vi) members of the General Assembly, with respect to legislative assistants, as provided in Section 4 of the General Assembly Compensation Act, (vii) the Auditor General, (viii) the Board of Higher Education, with respect to State employees of public institutions of higher learning except community colleges, and (ix) the Illinois Community College Board, with respect to State employees of community colleges. The Governor shall adopt and implement those policies for all State employees of the executive branch not under the jurisdiction and control of any other executive branch constitutional officer.

(b) The policies required under subsection (a) shall be filed with the appropriate ethics commission established under this Act or, for the Auditor General, with the Office of the Auditor General.

(c) The policies required under subsection (a) shall include policies relating to work time requirements, documentation of time worked, documentation for reimbursement for travel on official State business, compensation, and the earning or accrual of State benefits for all State employees who may be eligible to receive those benefits. The policies shall comply with and be consistent with all other applicable laws. The policies shall require State employees to periodically submit time sheets documenting the time spent each day on official State business to the nearest quarter hour; contractual State employees may satisfy the time sheets requirement by complying with the terms of their contract, which shall provide for a means of compliance with this requirement. The policies for State employees shall require those time sheets to be submitted on paper, electronically, or both and to be maintained in either paper or electronic format by the applicable fiscal office for a period of at least 2 years.

(d) The policies required under subsection (a) shall be adopted by the applicable entity before February 1, 2004 and shall apply to State employees beginning 30 days after adoption.

(Source: P.A. 93-615, eff. 11-19-03; 93-617, eff. 12-9-03.)

(5 ILCS 430/5-10)

Sec. 5-10. Ethics training.

(a) Each officer, member, and employee must complete, at least annually beginning in 2004, an ethics training program conducted by the appropriate State agency. Each ultimate jurisdictional authority must implement an ethics training program for its officers, members, and employees. These ethics training programs shall be overseen by the appropriate Ethics Commission and Inspector General appointed pursuant to this Act in consultation with the Office of the Attorney General.

(b) Each ultimate jurisdictional authority subject to the Executive Ethics Commission shall submit to the Executive Ethics Commission, at least annually, or more frequently as required by that Commission, an annual report that summarizes ethics training that was completed during the previous year, and lays out the plan for the ethics training programs in the coming year.

(c) Each Inspector General shall set standards and determine the hours and frequency of training necessary for each position or category of positions. A person who fills a vacancy in an elective or appointed position that requires training and a person employed in a position that requires training must complete his or her initial ethics training within 30 days after commencement of his or her office or employment.

(d) Upon completion of the ethics training program, each officer, member, and employee must certify in writing that the person has completed the training program. Each officer, member, and employee must provide to his or her ethics officer a signed copy of the certification by the deadline for completion of the ethics training program.

(e) The ethics training provided under this Act by the Secretary of State may be expanded to satisfy the requirement of Section 4.5 of the Lobbyist Registration Act. (Source: P.A. 96-555, eff. 8-18-09.)

(5 ILCS 430/5-15)

Sec. 5-15. Prohibited political activities.

(a) State employees shall not intentionally perform any prohibited political activity during any compensated time (other than vacation, personal, or compensatory time off). State employees shall not intentionally misappropriate any State property or resources by engaging in any prohibited political activity for the benefit of any campaign for elective office or any political organization.

(b) At no time shall any executive or legislative branch constitutional officer or any official, director, supervisor, or State employee intentionally misappropriate the services of any State employee by requiring that State employee to perform any prohibited political activity (i) as part of that employee's State duties, (ii) as a condition of State employment, or (iii) during any time off that is compensated by the State (such as vacation, personal, or compensatory time off).

(c) A State employee shall not be required at any time to participate in any prohibited political activity in consideration for that State employee being awarded any additional compensation or employee benefit, in the form of a salary adjustment, bonus, compensatory time off, continued employment, or otherwise.

(d) A State employee shall not be awarded any additional compensation or employee benefit, in the form of a salary adjustment, bonus, compensatory time off, continued employment, or otherwise, in consideration for the State employee's participation in any prohibited political activity.

(e) Nothing in this Section prohibits activities that are otherwise appropriate for a State employee to engage in as a part of his or her official State employment duties or activities that are undertaken by a State employee on a voluntary basis as permitted by law.

(f) No person either (i) in a position that is subject to recognized merit principles of public employment or (ii) in a position the salary for which is paid in whole or in part by federal funds and that is subject to the Federal Standards for a Merit System of Personnel Administration applicable to grant-in-aid programs, shall be denied or deprived of State employment or tenure solely because he or she is a member or an officer of a political committee, of a political party, or of a political organization or club. (Source: P.A. 93-615, eff. 11-19-03.)

(5 ILCS 430/5-20)

Sec. 5-20. Public service announcements; other promotional material.

(a) Beginning January 1, 2004, no public service announcement or advertisement that is on behalf of any State administered program and contains the proper name, image, or voice of any executive branch constitutional officer or member of the General Assembly shall be broadcast or aired on radio or television or printed in a commercial newspaper or a commercial magazine at any time.

(b) The proper name or image of any executive branch constitutional officer or member of the General Assembly may not appear on any (i) bumper stickers, (ii) commercial billboards, (iii) lapel pins or buttons, (iv) magnets, (v) stickers, and (vi) other similar promotional items, that are not in furtherance of the person's official State duties or governmental and public service functions, if designed, paid for, prepared, or distributed using public dollars. This subsection does not apply to stocks of items existing on the effective date of this amendatory Act of the 93rd General Assembly.

(c) This Section does not apply to communications funded through expenditures required to be reported under Article 9 of the Election Code.

(Source: P.A. 93-615, eff. 11-19-03; 93-617, eff. 12-9-03; 93-685, eff. 7-8-04.)

(5 ILCS 430/5-30)

Sec. 5-30. Prohibited offer or promise.

(a) An officer or employee of the executive or legislative branch or a candidate for an executive or legislative branch office may not promise anything of value related to State government, including but not limited to positions in State government, promotions, salary increases, other employment benefits, board or commission appointments, favorable treatment in any official or regulatory matter, the awarding of any public contract, or action or inaction on any legislative or regulatory matter, in consideration for a contribution to a political committee, political party, or other entity that has as one

of its purposes the financial support of a candidate for elective office.

(b) Any State employee who is requested or directed by an officer, member, or employee of the executive or legislative branch or a candidate for an executive or legislative branch office to engage in activity prohibited by Section 5-30 shall report such request or directive to the appropriate ethics officer or Inspector General.

(c) Nothing in this Section prevents the making or accepting of voluntary contributions otherwise in accordance with law.

(Source: P.A. 96-555, eff. 8-18-09.)

(5 ILCS 430/5-35)

Sec. 5-35. Contributions on State property. Contributions shall not be intentionally solicited, accepted, offered, or made on State property by public officials, by State employees, by candidates for elective office, by persons required to be registered under the Lobbyist Registration Act, or by any officers, employees, or agents of any political organization, except as provided in this Section. For purposes of this Section, "State property" means any building or portion thereof owned or exclusively leased by the State or any State agency at the time the contribution is solicited, offered, accepted, or made. "State property" does not however, include any portion of a building that is rented or leased from the State or any State agency by a private person or entity.

An inadvertent solicitation, acceptance, offer, or making of a contribution is not a violation of this Section so long as reasonable and timely action is taken to return the contribution to its source.

The provisions of this Section do not apply to the residences of State officers and employees, except that no fundraising events shall be held at residences owned by the State or paid for, in whole or in part, with State funds.

(Source: P.A. 93-615, eff. 11-19-03.)

(5 ILCS 430/5-40)

Sec. 5-40. Fundraising in Sangamon County. Except as provided in this Section, any executive branch constitutional officer, any candidate for an executive branch constitutional office, any member of the General Assembly, any candidate for the General Assembly, any political caucus of the General Assembly, or any political committee on behalf of any of the foregoing may not hold a political fundraising function in Sangamon County on any day the legislature is in session (i) during the period beginning February 1 and ending on the later of the actual adjournment dates of either house of the spring session and (ii) during fall veto session. For purposes of this Section, the legislature is not considered to be in session on a day that is solely a perfunctory session day or on a day when only a committee is meeting.

During the period beginning June 1 and ending on the first day of fall veto session each year, this Section does not apply to (i) a member of the General Assembly whose legislative or representative district is entirely within Sangamon County or (ii) a candidate for the General Assembly from that legislative or representative district.

(Source: P.A. 96-555, eff. 8-18-09.)

(5 ILCS 430/5-45)

Sec. 5-45. Procurement; revolving door prohibition.

(a) No former officer, member, or State employee, or spouse or immediate family member living with such person, shall, within a period of one year immediately after termination of State employment, knowingly accept employment or receive compensation or fees for services from a person or entity if the officer, member, or State employee, during the year immediately preceding termination of State employment, participated personally and substantially in the award of State contracts, or the issuance of State contract change orders, with a cumulative value of \$25,000 or more to the person or entity, or its parent or subsidiary.

(b) No former officer of the executive branch or State employee of the executive branch with regulatory or licensing authority, or spouse or immediate family member living with such person, shall, within a period of one year immediately after termination of State employment, knowingly accept employment or receive compensation or fees for services from a person or entity if the officer or State employee, during the year immediately preceding termination of State employment, participated personally and substantially in making a regulatory or licensing decision that directly applied to the person or entity, or its parent or subsidiary.

(c) Within 6 months after the effective date of this amendatory Act of the 96th General Assembly, each executive branch constitutional officer and legislative leader, the Auditor General, and the Joint Committee on Legislative Support Services shall adopt a policy delineating which State positions under his or her jurisdiction and control, by the nature of their duties, may have the authority to participate personally and substantially in the award of State contracts or in regulatory or licensing decisions. The Governor shall adopt such a policy for all State employees of the executive branch not under the jurisdiction and control of any other executive branch constitutional officer.

The policies required under subsection (c) of this Section shall be filed with the appropriate ethics commission established under this Act or, for the Auditor General, with the Office of the Auditor General.

(d) Each Inspector General shall have the authority to determine that additional State positions under his or her jurisdiction, not otherwise subject to the policies required by subsection (c) of this Section, are nonetheless subject to the notification requirement of subsection (f) below due to their involvement in the award of State contracts or in regulatory or licensing decisions.

(e) The Joint Committee on Legislative Support Services, the Auditor General, and each of the executive branch constitutional officers and legislative leaders subject to subsection (c) of this Section shall provide written notification to all employees in positions subject to the policies required by subsection (c) or a determination made under subsection (d): (1) upon hiring, promotion, or transfer into the relevant position; and (2) at the time the employee's duties are changed in such a way as to qualify that employee. An employee receiving notification must certify in writing that the person

was advised of the prohibition and the requirement to notify the appropriate Inspector General in subsection (f).

(f) Any State employee in a position subject to the policies required by subsection (c) or to a determination under subsection (d), but who does not fall within the prohibition of subsection (h) below, who is offered non-State employment during State employment or within a period of one year immediately after termination of State employment shall, prior to accepting such non-State employment, notify the appropriate Inspector General. Within 10 calendar days after receiving notification from an employee in a position subject to the policies required by subsection (c), such Inspector General shall make a determination as to whether the State employee is restricted from accepting such employment by subsection (a) or (b). In making a determination, in addition to any other relevant information, an Inspector General shall assess the effect of the prospective employment or relationship upon decisions referred to in subsections (a) and (b), based on the totality of the participation by the former officer, member, or State employee in those decisions. A determination by an Inspector General must be in writing, signed and dated by the Inspector General, and delivered to the subject of the determination within 10 calendar days or the person is deemed eligible for the employment opportunity. For purposes of this subsection, "appropriate Inspector General" means (i) for members and employees of the legislative branch, the Legislative Inspector General; (ii) for the Auditor General and employees of the Office of the Auditor General, the Inspector General provided for in Section 30-5 of this Act; and (iii) for executive branch officers and employees, the Inspector General having jurisdiction over the officer or employee. Notice of any determination of an Inspector General and of any such appeal shall be given to the ultimate jurisdictional authority, the Attorney General, and the Executive Ethics Commission.

(g) An Inspector General's determination regarding restrictions under subsection (a) or (b) may be appealed to the appropriate Ethics Commission by the person subject to the decision or the Attorney General no later than the 10th calendar day after the date of the determination.

On appeal, the Ethics Commission or Auditor General shall seek, accept, and consider written public comments regarding a determination. In deciding whether to uphold an Inspector General's determination, the appropriate Ethics Commission or Auditor General shall assess, in addition to any other relevant information, the effect of the prospective employment or relationship upon the decisions referred to in subsections (a) and (b), based on the totality of the participation by the former officer, member, or State employee in those decisions. The Ethics Commission shall decide whether to uphold an Inspector General's determination within 10 calendar days or the person is deemed eligible for the employment opportunity.

(h) The following officers, members, or State employees shall not, within a period of one year immediately after termination of office or State employment, knowingly accept employment or receive compensation or fees for services from a person or entity if the person or entity or its parent or subsidiary, during the year immediately preceding termination of State employment, was a party to a State contract or contracts with a

cumulative value of \$25,000 or more involving the officer, member, or State employee's State agency, or was the subject of a regulatory or licensing decision involving the officer, member, or State employee's State agency, regardless of whether he or she participated personally and substantially in the award of the State contract or contracts or the making of the regulatory or licensing decision in question:

- (1) members or officers;
 - (2) members of a commission or board created by the Illinois Constitution;
 - (3) persons whose appointment to office is subject to the advice and consent of the Senate;
 - (4) the head of a department, commission, board, division, bureau, authority, or other administrative unit within the government of this State;
 - (5) chief procurement officers, State purchasing officers, and their designees whose duties are directly related to State procurement; and
 - (6) chiefs of staff, deputy chiefs of staff, associate chiefs of staff, assistant chiefs of staff, and deputy governors.
- (Source: P.A. 96-555, eff. 8-18-09.)

(5 ILCS 430/5-55)

Sec. 5-55. Prohibition on serving on boards and commissions. Notwithstanding any other law of this State, on and after February 1, 2004, a person, his or her spouse, and any immediate family member living with that person is ineligible to serve on a board, commission, authority, or task force authorized or created by State law or by executive order of the Governor if (i) that person is entitled to receive more than 7 1/2% of the total distributable income under a State contract other than an employment contract or (ii) that person together with his or her spouse and immediate family members living with that person are entitled to receive more than 15% in the aggregate of the total distributable income under a State contract other than an employment contract; except that this restriction does not apply to any of the following:

- (1) a person, his or her spouse, or his or her immediate family member living with that person, who is serving in an elective public office, whether elected or appointed to fill a vacancy; and
- (2) a person, his or her spouse, or his or her immediate family member living with that person, who is serving on a State advisory body that makes nonbinding recommendations to an agency of State government but does not make binding recommendations or determinations or take any other substantive action.

(Source: P.A. 93-617, eff. 12-9-03.)

(5 ILCS 430/5-60)

Sec. 5-60. Administrative leave during pending criminal matter.

(a) If any officer or government employee is placed on administrative leave, either voluntarily or involuntarily, pending the outcome of a criminal investigation or prosecution and that officer or government employee is removed from office or employment due to his or her resultant criminal conviction, then the officer or

government employee is indebted to the State for all compensation and the value of all benefits received during the administrative leave and must forthwith pay the full amount to the State.

(b) As a matter of law and without the necessity of the adoption of an ordinance or resolution under Section 70-5, if any officer or government employee of a governmental entity is placed on administrative leave, either voluntarily or involuntarily, pending the outcome of a criminal investigation or prosecution and that officer or government employee is removed from office or employment due to his or her resultant criminal conviction, then the officer or government employee is indebted to the governmental entity for all compensation and the value of all benefits received during the administrative leave and must forthwith pay the full amount to the governmental entity.

(Source: P.A. 95-947, eff. 8-29-08.)

(5 ILCS 430/ Art. 10 heading)

ARTICLE 10 GIFT BAN

(Source: P.A. 93-617, eff. 12-9-03.)

(5 ILCS 430/10-10)

Sec. 10-10. Gift ban. Except as otherwise provided in this Article, no officer, member, or State employee shall intentionally solicit or accept any gift from any prohibited source or in violation of any federal or State statute, rule, or regulation. This ban applies to and includes the spouse of and immediate family living with the officer, member, or State employee. No prohibited source shall intentionally offer or make a gift that violates this Section.

(Source: P.A. 93-617, eff. 12-9-03.)

(5 ILCS 430/10-15)

Sec. 10-15. Gift ban; exceptions. The restriction in Section 10-10 does not apply to the following:

(1) Opportunities, benefits, and services that are available on the same conditions as for the general public.

(2) Anything for which the officer, member, or State employee pays the market value.

(3) Any (i) contribution that is lawfully made under the Election Code or under this Act or (ii) activities associated with a fundraising event in support of a political organization or candidate.

(4) Educational materials and missions. This exception may be further defined by rules adopted by the appropriate ethics commission or by the Auditor General for the Auditor General and employees of the Office of the Auditor General.

(5) Travel expenses for a meeting to discuss State business. This exception may be further defined by rules adopted by the appropriate ethics commission or by the

Auditor General for the Auditor General and employees of the Office of the Auditor General.

(6) A gift from a relative, meaning those people related to the individual as father, mother, son, daughter, brother, sister, uncle, aunt, great aunt, great uncle, first cousin, nephew, niece, husband, wife, grandfather, grandmother, grandson, granddaughter, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, half sister, and including the father, mother, grandfather, or grandmother of the individual's spouse and the individual's fiance or fiancée.

(7) Anything provided by an individual on the basis of a personal friendship unless the member, officer, or employee has reason to believe that, under the circumstances, the gift was provided because of the official position or employment of the member, officer, or employee and not because of the personal friendship.

In determining whether a gift is provided on the basis of personal friendship, the member, officer, or employee shall consider the circumstances under which the gift was offered, such as:

(i) the history of the relationship between the individual giving the gift and the recipient of the gift, including any previous exchange of gifts between those individuals;

(ii) whether to the actual knowledge of the member, officer, or employee the individual who gave the gift personally paid for the gift or sought a tax deduction or business reimbursement for the gift; and

(iii) whether to the actual knowledge of the member, officer, or employee the individual who gave the gift also at the same time gave the same or similar gifts to other members, officers, or employees.

(8) Food or refreshments not exceeding \$75 per person in value on a single calendar day; provided that the food or refreshments are (i) consumed on the premises from which they were purchased or prepared or (ii) catered. For the purposes of this Section, "catered" means food or refreshments that are purchased ready to eat and delivered by any means.

(9) Food, refreshments, lodging, transportation, and other benefits resulting from the outside business or employment activities (or outside activities that are not connected to the duties of the officer, member, or employee as an office holder or employee) of the officer, member, or employee, or the spouse of the officer, member, or employee, if the benefits have not been offered or enhanced because of the official position or employment of the officer, member, or employee, and are customarily provided to others in similar circumstances.

(10) Intra-governmental and inter-governmental gifts.

For the purpose of this Act, "intra-governmental gift" means any gift given to a member, officer, or employee of a State agency from another member, officer, or employee of the same State agency; and "inter-governmental gift" means any gift given to a member, officer, or employee of a State agency, by a member, officer, or employee of another State agency, of a federal agency, or of any governmental entity.

(11) Bequests, inheritances, and other transfers at death.

(12) Any item or items from any one prohibited source during any calendar year having a cumulative total value of less than \$100.

Each of the exceptions listed in this Section is mutually exclusive and independent of one another.

(Source: P.A. 93-617, eff. 12-9-03.)

(5 ILCS 430/10-30)

Sec. 10-30. Gift ban; disposition of gifts. A member, officer, or employee does not violate this Act if the member, officer, or employee promptly takes reasonable action to return the prohibited gift to its source or gives the gift or an amount equal to its value to an appropriate charity that is exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as now or hereafter amended, renumbered, or succeeded.

(Source: P.A. 93-617, eff. 12-9-03.)

(5 ILCS 430/10-40)

Sec. 10-40. Gift ban; further restrictions. A State agency may adopt or maintain policies that are more restrictive than those set forth in this Article and may continue to follow any existing policies, statutes, or regulations that are more restrictive or are in addition to those set forth in this Article.

(Source: P.A. 93-617, eff. 12-9-03.)

(5 ILCS 430/ Art. 50 heading)

ARTICLE 50 PENALTIES

(Source: P.A. 93-615, eff. 11-19-03.)

(5 ILCS 430/50-5)

Sec. 50-5. Penalties.

(a) A person is guilty of a Class A misdemeanor if that person intentionally violates any provision of Section 5-15, 5-30, 5-40, or 5-45 or Article 15.

(a-1) An ethics commission may levy an administrative fine for a violation of Section 5-45 of this Act of up to 3 times the total annual compensation that would have been obtained in violation of Section 5-45.

(b) A person who intentionally violates any provision of Section 5-20, 5-35, 5-50, or 5-55 is guilty of a business offense subject to a fine of at least \$1,001 and up to \$5,000.

(c) A person who intentionally violates any provision of Article 10 is guilty of a business offense and subject to a fine of at least \$1,001 and up to \$5,000.

(d) Any person who intentionally makes a false report alleging a violation of any provision of this Act to an ethics commission, an inspector general, the State Police, a State's Attorney, the Attorney General, or any other law enforcement official is guilty of a Class A misdemeanor.

(e) An ethics commission may levy an administrative fine of up to \$5,000 against any person who violates this Act, who intentionally obstructs or interferes with an investigation conducted under this Act by an inspector general, or who intentionally makes a false, frivolous, or bad faith allegation.

(f) In addition to any other penalty that may apply, whether criminal or civil, a State employee who intentionally violates any provision of Section 5-5, 5-15, 5-20, 5-30, 5-35, 5-45, or 5-50, Article 10, Article 15, or Section 20-90 or 25-90 is subject to discipline or discharge by the appropriate ultimate jurisdictional authority.

(Source: P.A. 96-555, eff. 8-18-09.)

(5 ILCS 430/50-10)

Sec. 50-10. Injunctive relief.

(a) For a violation of any Section of this Act, an ethics commission may issue appropriate injunctive relief up to and including discharge of a State employee.

(b) Any injunctive relief issued pursuant to this Section must comport with the requirements of Section 20-40.

(Source: P.A. 96-555, eff. 8-18-09.)

(5 ILCS 430/ Art. 75 heading)

ARTICLE 75. REGIONAL TRANSIT BOARDS

(Source: P.A. 96-1528, eff. 7-1-11.)

(5 ILCS 430/75-5)

(This Section may contain text from a Public Act with a delayed effective date)

Sec. 75-5. Application of the State Officials and Employees Ethics Act to the Regional Transit Boards.

(a) Beginning July 1, 2011, the provisions of Articles 1, 5, 10, 20, and 50 of this Act, as well as this Article, shall apply to the Regional Transit Boards. As used in Articles 1, 5, 10, 20, 50, and 75, (i) "appointee" and "officer" include a person appointed to serve on the board of a Regional Transit Board, and (ii) "employee" and "State employee" include a full-time, part-time, or contractual employee of a Regional Transit Board.

(b) The Executive Ethics Commission shall have jurisdiction over all board members and employees of the Regional Transit Boards. The Executive Inspector General appointed by the Governor shall have jurisdiction over all board members, employees, vendors, and others doing business with the Regional Transit Boards to investigate allegations of fraud, waste, abuse, mismanagement, misconduct, nonfeasance, misfeasance, malfeasance, or violations of this Act.

(Source: P.A. 96-1528, eff. 7-1-11.)

(5 ILCS 430/75-10)

(This Section may contain text from a Public Act with a delayed effective date)

Sec. 75-10. Coordination between Executive Inspector General and Inspectors General appointed by Regional Transit Boards.

(a) Nothing in this amendatory Act of the 96th General Assembly precludes a Regional Transit Board from appointing or employing an Inspector General to serve under the jurisdiction of a Regional Transit Board to receive complaints and conduct investigations in accordance with an ordinance or resolution adopted by that respective Board, provided he or she is approved by the Executive Ethics Commission. A Regional Transit Board shall notify the Executive Ethics Commission within 10 days after employing or appointing a person to serve as Inspector General, and the Executive Ethics Commission shall approve or reject the appointment or employment of the Inspector General. Any notification not acted upon by the Executive Ethics Commission within 60 days after its receipt shall be deemed to have received the approval of the Executive Ethics Commission. Within 30 days after the effective date of this amendatory Act of the 96th General Assembly, a Regional Transit Board shall notify the Executive Ethics Commission of any person serving on the effective date of this amendatory Act as an Inspector General for the Regional Transit Board, and the Executive Ethics Commission shall approve or reject the appointment or employment within 30 days after receipt of the notification, provided that any notification not acted upon by the Executive Ethics Commission within 30 days shall be deemed to have received approval. No person rejected by the Executive Ethics Commission shall serve as an Inspector General for a Regional Transit Board for a term of 5 years after being rejected by the Commission. For purposes of this subsection (a), any person appointed or employed by a Transit Board to receive complaints and investigate allegations of fraud, waste, abuse, mismanagement, misconduct, nonfeasance, misfeasance, malfeasance, or violations of this Act shall be considered an Inspector General and shall be subject to approval of the Executive Ethics Commission.

(b) The Executive Inspector General appointed by the Governor shall have exclusive jurisdiction to investigate complaints or allegations of violations of this Act and, in his or her discretion, may investigate other complaints or allegations. Complaints or allegations of a violation of this Act received by an Inspector General appointed or employed by a Regional Transit Board shall be immediately referred to the Executive Inspector General. The Executive Inspector General shall have authority to assume responsibility and investigate any complaint or allegation received by an Inspector General appointed or employed by a Regional Transit Board. In the event the Executive Inspector General provides written notification of intent to assume investigatory responsibility for a complaint, allegation, or ongoing investigation, the Inspector General appointed or employed by a Regional Transit Board shall cease review of the complaint, allegation, or ongoing investigation and provide all information to the Executive Inspector General. The Executive Inspector General may delegate responsibility for an investigation to the Inspector General appointed or employed by a Regional Transit Board. In the event the Executive Inspector General provides an Inspector General appointed or employed by a Regional Transit Board with written notification of intent to delegate investigatory responsibility for a complaint, allegation, or ongoing investigation, the Executive Inspector General shall provide all information to the Inspector General appointed or employed by a Regional Transit Board.

(c) An Inspector General appointed or employed by a Regional Transit Board shall provide a monthly activity report to the Executive Inspector General indicating:

(1) the total number of complaints or allegations received since the date of the last report and a description of each complaint;

(2) the number of investigations pending as of the reporting date and the status of each investigation;

(3) the number of investigations concluded since the date of the last report and the result of each investigation; and

(4) the status of any investigation delegated by the Executive Inspector General.

An Inspector General appointed or employed by a Regional Transit Board and the Executive Inspector General shall cooperate and share resources or information as necessary to implement the provisions of this Article.

(d) Reports filed under this Section are exempt from the Freedom of Information Act and shall be deemed confidential. Investigatory files and reports prepared by the Office of the Executive Inspector General and the Office of an Inspector General appointed or employed by a Regional Transit Board may be disclosed between the Offices as necessary to implement the provisions of this Article.

(Source: P.A. 96-1528, eff. 7-1-11.)

3. Ordinance No. 007-102

ORDINANCE NO. 007-102

AN ORDINANCE REPEALING
ORDINANCE NO. 005-31 AND
AUTHORIZING THE PRESIDENT TO
DESIGNATE EXEMPT AT-WILL
POSITIONS

WHEREAS, The Chicago Transit Authority (“Authority”) is established pursuant to the Metropolitan Transit Authority Act, 70 ILCS 3605; and

WHEREAS, Section 28 of the Metropolitan Transit Authority Act (“Section 28”) states that the Board shall classify the offices, positions and grades of employment required by the Authority; and

WHEREAS, Section 28 further requires that the Board designate no more than 3% of the Authority’s employment as having the status of exempt at-will employment; and

WHEREAS, Under Section 28, exempt employment will not include any employees who are represented by a labor organization that has a labor agreement with the Authority; and

WHEREAS, The following officers are appointed by the Board and not considered under Section 28 to be positions in employment: the Chairman of the Board, the President, the Inspector General, Board Secretary, Treasurer, General Counsel and Chief Engineer ; and

WHEREAS, On March 9, 2005, the Transit Board enacted Ordinance No. 005-31, designating certain offices, positions and grades of employment as exempt and at-will, and repealed Ordinance Nos. 97-145, dated December 1997, and 98-20, dated February 20, 1998, which had made the initial designations; and

WHEREAS, Ordinance No. 005-31 requires that staff review the list of offices, positions and grades of employment deemed to be exempt and at-will, and to provide recommendations for changes to the Board; and

WHEREAS, The practical needs of the Authority require that the exempt, at-will list be adjusted more frequently in response to position changes; and

WHEREAS, Staff recommends that the President be delegated the authority, with approval of the General Counsel, and maintain and to change the exempt at-will list, and to certify to the Board on an annual basis that the list does not exceed 3% of employment; now, therefore:

ORDINANCE NO. 007-102
(Continued) -2

BE IT ORDAINED BY THE CHICAGO TRANSIT BOARD
OF THE CHICAGO TRANSIT AUTHORITY:

SECTION 1. Ordinance No. 005-31, designating certain offices, positions and grades of employment as exempt and at-will, is hereby repealed.

SECTION 2. The Chicago Transit Board hereby authorizes the President to establish, upon approval by the General Counsel, the list of exempt at-will positions within the limits specified under the Metropolitan Transit Authority Act, except that the President may not change the status of those positions that report directly to the Board or the Inspector General.

SECTION 3. The following Board-appointed officer positions shall not be considered for purposes of the at-will list: Chairman of the Board, President, Inspector General, Board Secretary, Treasurer, General Counsel and Chief Engineer.

SECTION 4. The President, or his designee, is authorized to make changes to the offices, positions, and grades of employment deemed to be exempt and at-will, after approval by the General Counsel. Further, the President shall certify to the Transit Board on an annual basis that the list of exempt, at-will positions does not exceed 3% of the Authority's employment, and that discrimination based upon race, gender, national origin, religion, sexual orientation, disability or marital status has not determined the selection of individuals for the at-will positions.

SECTION 5. The President, or his designee, shall disseminate the at-will list and make it available to the Board upon request.

SECTION 6. This ordinance shall be in full force and effect from and after its passage.

APPROVED:

PASSED:

Chairman

Assistant Secretary

September 12, 2007

September 12, 2007

4. Administrative Procedure 151

	ADMINISTRATIVE PROCEDURE	Initiating Department Human Resources		AP 151
	Title Hiring/Promotion and Vacancy Filling Policy/Procedures	Revision 3	Supersedes AP151 Personnel Requisition, Hire Notice and Change Notice	Date 3-20-91
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I. PURPOSE

The Chicago Transit Authority (“CTA” or “the Authority”) will enforce a sourcing and selection process that will make a good faith effort to select the most qualified individuals for open positions. The Human Resources Department will be responsible for this process, designed to comply with all applicable state and federal laws, CTA’s Code of Ethics (2.14), CTA’s residency requirement, and all other CTA policies, procedures, executive orders and ordinances that pertain to CTA hiring standards.

The Chicago Transit Authority’s (“the CTA”) policy is designed to grant equal opportunity for employment to all individuals regardless of age, race, color, religion, national origin, gender, sexual orientation, disability, veteran status, or any other classification protected under state and federal law and applicable municipal ordinance. As such, all CTA departments are prohibited from hiring individuals or filling open positions without adherence to this policy.

II. DEFINITIONS

A. Applicant - a person is considered an applicant when s/he meets the following criteria:

- a. S/he applies for a specific position with CTA’s Human Resources Department for which CTA is seeking qualified applicants (the “Position”);
- b. S/he is considered for employment by the CTA for the Position;
- c. S/he meets the basic qualifications of the Position;
- d. S/he is invited by a representative of CTA’s Human Resources Department for a personal interview at a designated CTA location regarding the Position (note that additional interviews with representative(s) from the CTA hiring Department may be warranted); and
- e. S/he does not withdraw from consideration for the Position.

B. Candidate - an applicant (as defined above) who has been determined by the hiring department to be qualified and is being recommended for selection via a completed hiring/promotion recommendation form from the hiring department to the Vice President of Human Resources.

C. Demotion - the placement of an employee into a lower level job classification position that may or may not result in a salary reduction.

D. Entry Level (Union) Position - an Entry Level (Union) position may be defined by one or a combination of the following:

- a. A position that has no lower level or lower grade designation;
- b. A position that has been identified as entry level by the applicable Collective Bargaining Agreement;

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- c. A position that CTA's Human Resources Department has traditionally had the responsibility of filling in accordance with entry level recruitment practices;
- d. A position that has been identified as such by the hiring department; and/or
- e. In some cases, whether or not a position is entry level will be determined by the Authority on a case by case basis.

E. External Applicants - non-CTA employees who meet the criteria for "Applicant" as described above. Not all CTA positions may be open to external applicants.

F. Internal Applicants - current CTA employees who meet the criteria for "Applicant" as described above. Not all open positions may be open to CTA employees.

G. Promotion - the selection of a current employee to a vacant position that is of a higher band level that may or may not result in a salary increase.

H. Recall - the rehire of a former CTA employee who was laid off to the same job schedule number and position that s/he formally held in accordance with the Metropolitan Transportation Authority Act ("MTAA"). Recall rights are set forth below in Section IV (G) below.

I. Rehire - the rehiring of an eligible and qualified former CTA employee (but not a retiree as defined by CTA's Retirement Plan) to a vacant position. A rehire shall be considered a new hire for purposes of continuous service, seniority and benefits.

J. Reinstatement - the hiring of a former CTA employee back into a vacant position, such as from an approved leave of absence, Arbitration Award, Settlement Agreement, Labor Agreement, Board Ordinance, Court Award or Court Order. In these instances, the terms and conditions of such Order, Award, Ordinance or written Agreement shall control. Reinstatement for employees on an approved Leave of Absence shall be governed by AP115, as amended.

Former CTA employees subject to layoff or job abolishment who are not recalled but are successful candidates for other CTA positions not in their same job schedule number and who return within twelve (12) months of their separation, shall be entitled to reinstatement. Such employees therefore are entitled to receive benefits going forward (over which CTA has authority, which does not include pension benefits) at the same level they were entitled to receive at the time of their separation, provided the reinstated position provides for the same benefits. Pension credit and retiree health care benefits shall be governed by the retirement and retiree health care trusts.

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If during the employee's separation, the type and level of CTA benefits are modified, the reinstated employee shall be entitled to no greater level of benefits than those provided for under the existing benefit plan.

If a former CTA employee was separated due to layoff or job abolishment and is rehired after 12 months, he/she is treated as a rehire for purposes of seniority and benefits.

K. Transfer - the placement of a current CTA employee in a different position that is not posted, either in the same or a different Department, that result in no change in salary or pay grade.

L. Transition - the hiring of a current CTA employee in a part-time or full-time temporary position to a vacant full time permanent position that is not posted or vice versa.

M. Seniority – the amount of CTA service time credited to an employee in a full time permanent position. Seniority will cease to accumulate for employees who resign, are discharged, retire or who are laid off more than 12 calendar months. Seniority may be adjusted in accordance with applicable CTA Ordinances and policies or by Settlement Agreement, Court Order or Arbitration Award.

III. POLICY

A. Filling Vacancies

- Administration of all personnel actions such as new hires, rehires, transfers, transitions, recalls, reinstatements, special assignment/seasonal hires, promotions and demotions (hereafter "Personnel Action") shall be governed by this Policy.
- All standards and procedures for such Personnel Actions shall be established by Human Resources. If any provision of this policy conflicts with a term or condition of a collective bargaining agreement, the collective bargaining agreement will govern.
- The Office of the General Counsel and the Office of the Inspector General may be exempt from certain policies contained herein to the extent hiring policies and procedures are set by the General Counsel or Inspector General.
- Except for the foregoing, no personnel action shall be implemented by a Department that conflicts with the provisions of AP 151, unless approved by Human Resources.
- No one shall be considered for employment with CTA who has not submitted a completed application in accordance with the policies and procedures established by Human Resources.
- No applicant shall be hired for a position unless they have successfully completed all phases of the pre-hire process required for the position as outlined by Human Resources.

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- Conditional offers of employment may be made by a Human Resources representative to a candidate who has not fully completed all phases of the pre-hire process for selected non-union positions if it is deemed by the Vice President of Human Resources to be in the best interest of the Authority.
- When requesting approval for any Personnel Action which requires filling a vacant position, trading a position or creating a new position, the department must process the action through Oracle Position Control to set up the position(s). If approved, then the department must initiate the move of the employee into the available position using Oracle Manager Self-Service. The department does not need to use Oracle Manager Self Service when Human Resources completes a Staffing Authorization, as set forth below.

B. Establishing Job Classifications and Position Descriptions

- Prior to the creation of new job classifications or filling of any vacancy, Human Resources shall determine the appropriate job classification and job title for that job classification.
- Human Resources shall be responsible for creating, revising and maintaining all formal position descriptions.
- Human Resources shall review and approve any change in the primary responsibilities or requirements set forth in the position description prior to implementation by a department.
- Departments are responsible for submitting any position description changes to Human Resources for approval during the Quarterly Audits or whenever the department recommends a change in the position description.

C. Compensation and Benefits

- Based on established position descriptions, Human Resources shall determine the appropriate salary band and compensation for all non-union positions in accordance with CTA’s Salary Band Structure approved by the Transit Board.
- Compensation for union positions is determined by the applicable collective bargaining agreement.
- Human Resources is responsible for establishing, approving and/or administering all benefits offered to CTA employees, except for retirement benefits, which are established by statute and administered by the CTA Retirement Plans.

D. Job Requirements and Job Standards

- Human Resources shall be responsible for and shall work in conjunction with the hiring department to establish job requirements for all positions, such as education, licensing, certifications, fitness requirements and experience.

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- Human Resources shall be responsible for establishing and modifying all recruiting, pre-hire and hiring standards and requirements for all non-union positions, all entry level union positions and all promotional union positions. These standards shall include but not be limited to all testing, interviewing, medical and drug/alcohol screening, all fitness for duty screening, etc.
- Job requirements and pre-hire standards may be reviewed and modified from time to time as required and if deemed by the Vice President of Human Resources to be in the best interest of the Authority.

E. Job Posting Requirements

Generally, all positions shall be posted internally and/or externally on CTA's website. Posting may not be required to fill a position under the following circumstances, if deemed by the Vice President of Human Resources to be in the best interest of the Authority:

- The position is being filled at the level of Salary Band I or above;
- The position is being filled with an internal applicant based on the recommendation of a department hiring manager that would result in a lateral transfer or promotion of an applicant who Human Resources has determined is qualified for the position and posting the position will not result in the recruitment of a better qualified candidate;
- The position is being filled pursuant to a written negotiated settlement agreement and the employee meets all requirements to be placed into the position;
- The position is being filled as a reinstatement pursuant to a Court Order, approved Leave of Absence, Return to Work Certification, Arbitration Award, Section 28 Hearing, or Transit Board Ordinance or is being filled as a recall of an employee back to their same position (same job schedule number) following a layoff pursuant to the Metropolitan Transportation Authority Act, and the individual meets the requirements to be placed into the position;
- The position is being filled by a full or part-time temporary employee who meets all pre-hire requirements to transition to a full-time or part-time permanent position with the Authority;
- A collective bargaining agreement between CTA and one of its unions describes another method for filling the position; or
- The Vice President of Human Resources deems posting the position is not necessary or in the best interest of the Authority based on surrounding facts and circumstances.

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F. Screening and Selection of Applicants at or Above the Salary Level of I

- Any CTA Executive, including a department head, may explore career opportunities with and interview applicants for positions at or above the level of Band I outside of the procedures as described in this policy at any time under the following conditions:
- If selection consideration is for an existing or newly created CTA position, the Executive is responsible for obtaining budget approval to fill the position;
- If the position is newly created, the Executive must work with Human Resources to develop an accurate position description;
- If Human Resources is requested to recruit for the position, whether by posting or not, the Executive shall keep Human Resources informed of all applicants under consideration to ensure all meet the position requirements and the Executive has an opportunity to consider all qualified applicants recruited by Human Resources;
- Before an Executive can recommend a candidate for the position through promotion or outside hire, a Hire/Promotion Recommendation form must be submitted to Human Resources, the candidate must successfully meet all pre-hire or promotion requirements, and Human Resources shall determine the appropriate salary band and compensation for the position in accordance with CTA’s Salary Band Structure.
- Although an Executive may make informal conditional offers of employment to recommended candidates, only Human Resources can make formal offers of employment.

G. Offers Of Employment And Promotion With CTA

- Human Resources shall make all formal offers of employment to candidates being considered for hire by the Authority. Offers of employment shall include offers of promotion.
- No Department may discuss an offer of employment with a candidate without the prior approval of Human Resources.
- Any offer of employment not made by an authorized employee of Human Resources is not binding on the Authority.
- All offers of employment, whether bona-fide or conditional, for non-union positions, must be reduced to writing.
- No offer of employment shall be considered accepted until the candidate signs and returns the offer letter.

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- An offer of employment shall remain conditional until the applicant has successfully completed all phases of the hiring process.
- A conditional offer of employment may be revoked or rescinded by the Authority at any time where the candidate fails to meet all of the hiring requirements or the candidate does not complete all phases of the hiring process, or for any other reason that is determined by the Vice President of Human Resources to be in the best interests of the Authority.
- Falsification of information provided by any applicant/candidate during the hiring/promotion process may result in revocation of any conditional or bona-fide offers of hire or promotion.

H. Referrals

- Human Resources shall establish the time period for which a position is open for recruitment.
- Any unsolicited resumes submitted to an employee of the Authority, including Human Resources' personnel, may or may not be processed by Human Resources for consideration in filling any open position depending on the level of recruiting efforts necessary to fill open positions.
- From time to time, Human Resources may solicit resumes from the public and/or from CTA employees in a recruitment effort. In those instances, Human Resources will make a specific request for such solicitation, such as, in a print or on-line advertisement, at a job fair or in a request directed to CTA employees. Even in these cases, an individual is not a bona-fide applicant unless the individual submits a completed application at the request of Human Resources.
- In circumstances in which Human Resources requests referrals of unsolicited resumes from CTA employees, all hiring guidelines as expressed in CTA's Code of Ethics shall apply. With respect to hiring, Section 2.14 states in relevant part:
 - (a) No officer or employee shall employ, advocate for employment, or supervise, in any CTA department in which said officer or employee serves or over which he/she exercises authority, supervision, or control, any person (i) who is a relative or said officer or employee, or (ii) in exchange for or in consideration of the employment of any of said officer's or employee's relatives by any other office or employee.
 - (c) No officer or employee shall use or permit the use of his position to assist any relative in securing employment

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or contracts with persons over whom the employee or officer exercises contract management authority.

- Rather than making a referral of a relative to Human Resources, CTA employees are encouraged to have relatives themselves apply directly on line for open positions for which they may be qualified to be hired, or, if CTA employees, respond to internal postings for open positions for which they may be qualified to be promoted or submit a hard copy application directly to Human Resources.
- Any referrals, advocacy or inquiries regarding employment or promotions made in any manner by a CTA employee to any employee of Human Resources in violation of the Code of Ethics shall be immediately reported to the Office of the Inspector General.

IV. PROCUDURES FOR FILLING VACANCIES

The sequence of the steps performed by Human Resources as outlined below may vary or occur simultaneously based on surrounding facts and circumstances unique to each individual recruitment and hiring. Further, the President of CTA may from time to time make personnel changes. In those instances in lieu of the following procedures, the Vice President of Human Resources will advise the President’s Office on matters such as compensation, background reviews, proper position classifications and grade level as part of the implementation.

A. Recruitment and Hiring Process for All Non-Union Posted Positions

Responsibility	Action
Initiating/Hiring Department	Step 1. Approval to fill ANY vacancy, no matter the position or job title, may only be obtained once a Department has submitted a request through Oracle Position Control and received approval from the Budget Department, Human Resources, and the President’s Office to fill the position.
Human Resources Compensation and Classification	Step 2. Human Resources Compensation and Classification Section, in consultation with the hiring department, determines if the position being requested to be filled is at the appropriate salary band and if the position description is accurate. Step 3. Once a position is approved, it is posted by the Compensation and

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Classification Section (“Compensation”) (internally and/or externally, as determined by Compensation in consultation with the hiring department and Recruitment and Staffing). Hires may be made from a posting for six months after the date the posting expires. Thereafter, a position must be posted again. This six month period may be extended by the Vice President of Human Resources, if such extension is requested in writing by the hiring department and the Vice President of Human Resources determines that such an extension is in the best interests of the Authority.

Human Resources Recruitment and Staffing

Step 4. Recruiter is assigned to work on the open, approved vacancy. The Recruiter, in consultation with the hiring department, determines the recruitment efforts required.

Recruitment and Staffing may source externally and internally to identify potential applicants, and ascertain whether an individual appears to meet the minimum requirements for the position. Recruiter reviews potential applicants’ information in date order of receipt of the information, until a sufficient number of minimally qualified potential applicants, as determined by the Recruiter in consultation with the hiring department, are identified to successfully recruit for the position.

Recruiter forwards information to the hiring department of those potential applicants who meet the minimum requirements.

Hiring Department

5. Hiring department reviews resumes and internal and/or on-line information forwarded by Recruiter, and determines those potential applicants who appear to best meet the qualifications and requirements for the position, and contacts Recruiter with this information.

Human Resources Recruitment and Staffing

Step 6. External applicants who are considered qualified for the position and therefore selected by the hiring department to continue in the process will complete all pre-hire paperwork, including an application (paper or internet-based) and background verification release form, if they have not already done

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so. Recruiter reviews application with external applicants to ensure application is complete. Internal applicants will complete a background verification release form in accordance with AP 228, Background Check Policy.

Step 7. Recruiter contacts internal applicants' current Manager to complete a work record review form (CTA Form 704.14). Only internal applicants who meet the required work record standard for the position, as set by the hiring department, will continue in the process.

Step 8. Recruiter works with Selection Testing/Development to schedule selected applicants for any required testing for the position. Only applicants who meet the testing standards established by Human Resources will continue in the process.

Hiring Department

Step 9. The hiring department conducts interviews of those applicants (internal or external) who have successfully passed the previous steps in the process. The Recruiter shall assist the department in developing structured interview questions, and should be present during applicant interviews to answer applicant questions and ensure consistency in the hiring process. From the interviews, the hiring department, with assistance from the Recruiter, will determine which applicants are the most qualified for additional consideration.

Hiring Department

Step 10. The hiring department recommends most qualified candidate(s) for position. Hiring Manager completes a Hiring/Promotion Recommendation Form (CTA Form 8807) including obtaining the signature of hiring department Vice President or above, signifying their approval, on the form and returns the form to the _____ assigned _____ Recruiter.

**Human Resources Recruitment
and Staffing**

Step 11. Recruiter checks references of recommended candidate(s).

Step 12. Recruiter ensures required background check is conducted on

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recommended candidate(s), and reviews background check(s) to confirm, in consultation with CTA’s Law Department as required, that recommended candidate(s) meet background requirements for the position.

Step 13. Recruiter prepares a Staffing Authorization form (CTA Form 8807, Personnel-Hire Promotion Recommendations), collects and presents all pertinent information regarding the proposed hire to the Recruitment and Staffing Manager for review.

Step 14. Once the Recruitment and Staffing Manager reviews the documentation and confirms that the documentation is in order, s/he signs the Staffing Authorization form and submits the information to Compensation for salary determination.

Human Resources Compensation and Classification

Step 15. Compensation section determines the salary for the recommended candidate, taking into account such factors as the salaries of current employees in comparable positions, and the recommended candidate’s education and experience as it relates to the position for which s/he is applying. Compensation inserts the salary information on the Staffing Authorization form, signs it, and forwards the form and the accompanying documentation to the Human Resources Vice President.

Human Resources Vice President

Step 16. Human Resources Vice President or designee reviews the documentation, including the salary and hiring/promotion recommendation. If approved, the Vice President or designee signs the Staffing Authorization form and returns the documentation to the Recruiter.

Human Resources Recruitment and Staffing

Step 17. Recruiter ensures that all pre-hire requirements as listed above are successfully completed by the selected candidate (or receives approval from the Vice President of Human Resources to make the offer conditional on the successful completion of any pre-hire requirements, as permitted by law and as

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the Vice President determines are in the best interests of the Authority).

Recruiter contacts the hiring department to inform them of the proposed salary and that s/he is ready to make a verbal offer to the selected candidate, conditional on the selected candidate meeting any medical or other outstanding pre-hire requirements of the position. With the approval of the hiring department, the Recruiter makes the verbal offer to the selected candidate and submits the offer in writing to the candidate.

Step 18. If the candidate accepts the position, the Recruiter ensures that the candidate successfully completes and/or meets any and all prehire requirements, including any medical requirements, prior to hire.

If the candidate does not successfully meet or complete any requirements of the pre-hire process after receiving a conditional offer, the Recruiter immediately informs the General Manager of Recruitment and Staffing and the hiring department so that the candidate's offer can be revoked or rescinded in writing.

**Human Resources and Hiring
Department**

Step 19. If the selected candidate does not accept the offer or if the selected candidate fails to meet any requirements for the position or a conditional offer is revoked or rescinded for any other reason, the hiring department may request that the Recruiter make an offer to any other qualified candidate listed on the Hiring/Promotion Recommendation Form (CTA Form 8807). If there are no other qualified candidates, the recruitment cycle will restart.

Step 20. The Recruiter and Human Resources ensures that all remaining portions of the hiring process (new employee paperwork, new employee orientation, creating or updating a current employee's personnel file, creating or updating employee Oracle database information, issuing new or revised employee ID) are completed.

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Step 21. Once a selected candidate accepts the offer, all pre-hire requirements are successfully completed and a hire date is confirmed, the Recruiter ensures that all unsuccessful applicants are notified.

B. Promotion Process for Internal Applicants for Non-Posted Non-Union Positions

Responsibility	Action
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Hiring Department

Step 1. For promotions of internal applicants to non-union positions in which the hiring department does not want to post the position, the hiring department must submit a memorandum to the Vice President of Human Resources that sets forth the justification for the creation and/or filling of a high level position, if applicable, describes why the department is recommending this individual for the promotion or transition, explains how the individual is qualified for the promotion or transition, and why the hiring department has determined that posting the position is not in the best interest of the Authority.

The hiring department shall attach to the memorandum a completed work/record review form and current resume for the employee. The memorandum must be prepared for and include the signature of the Vice President (or equivalent level) of the hiring department.

**Human Resources
Vice President**

Step 2. The Vice President of Human Resources or designee shall determine if the individual meets the requirements for the position and whether such promotion or transition without posting the position is in the best interest of the Authority, and will either approve or disapprove the promotion or transition without posting the position.

Hiring Department

Step 3. If approved by the Vice President of Human Resources, the hiring department manager will be notified so the hiring department can submit a request to fill the position via promotion or transition through Oracle Position Control for approval by Budget, Human Resources, and the President's Office as

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set forth in Section III.A. (Step 1) above.

If the request is approved through Oracle Position Control, the hiring department shall prepare a Hire/Promotion Recommendation Form (CTA Form 8807) and submit it to Recruitment and Staffing.

Step 4. Follow Section III.A. Steps 13 through 21.

C. Demotion Process for Employees for Non-Union Positions

Responsibility

Action

Hiring Department

Step 1. Approval to demote an employee, regardless of the position or job title, may only be obtained once a department has submitted a request through Oracle Position Control and received approval to fill the positions from the Budget Department, Human Resources, and the President's Office.

Hiring Department

Step 2. For intra-departmental demotions, the department effectuates the demotion through Oracle Manager Self-Service. For inter-departmental demotions, the department the employee is leaving must initiate the move through Oracle Manager Self-Service (the department to which the employee is going to can provide details of the new assignment).

Step 3. Once the department initiates the change in Oracle Manager Self-Service, it will go through an electronic approval process. The transaction will be approved by the department head of the department that initiates the transaction, Human Resources – Compensation, Budget, and the Vice President of Human Resources. When the transaction reaches Human Resources – Compensation, the salary may be reduced as required for the salary to be in accordance with the new position.

Step 4. The Manager of Compensation and Classification notifies the Manager of Recruitment and Staffing so that a letter can be prepared to formally notify the

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employee and department manager of the effective date of the demotion, any salary adjustment, new position classification, work location, etc.

D. Rehire Process

Responsibility

Action

Human Resources Recruitment and Staffing

Step 1. Rehire Applicants: Former CTA employees (not including CTA retirees) who are seeking rehire with the Authority must submit a request for consideration for rehire to Human Resources (CTA Form 710.03).

Step 2. Human Resources determines if the former employee is eligible for consideration for rehire and notifies the former employee.

Step 3. If eligible, the former CTA employee will be considered for rehire along with all other external applicants via the Recruitment and Hiring Process as outlined herein.

E. Filling Any Vacancy via Transition From Full-Time Temporary or Part-Time Temporary Position to Full-Time Permanent Position or Vice-Versa

Responsibility

Action

Hiring Department

Step 1. Makes the request for an employee to be transitioned from either a part-time or full-time temporary position to a full-time permanent position or vice-versa, in the same job classification or a different job classification, through Oracle Position Control, for approval by the Budget Department, Human Resources, and the President's Office. (Oracle Position Control request is not required for mass transitions requested by Transit Operations. Mass transition requests may be submitted directly to the Manager of Recruitment & Staffing). Once approval is received, hiring department completes Employment Application - Transition (CTA Form 713.53) for each individual for which a transition is sought.

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Human Resources will maintain a list of the affected employees. Employees' names shall be maintained on the list for a period of twelve (12) months from the date of the employee's separation due to layoff.

An employee's rights to recall shall extinguish twelve (12) months after the date of his/her layoff or an employee's reinstatement to another position within CTA, whichever comes first.

Recall rights only extend to the employee's same job classification (job schedule number) from which they were laid off. Names shall be placed on the recall list by job schedule number in seniority order.

Step 2. Prior to filling any vacancies, Human Resources shall review the Recall List. The former employee will be notified that he/she is eligible for recall. A former employee's failure to respond to the Recall Notice after a reasonable time established by Human Resources, or if a former employee declines consideration, shall extinguish that employee's recall rights.

Step 3. If the employee is interested in exercising recall rights, Human Resources will determine if the former employee is eligible for recall and will notify the former employee.

Step 4. If eligible, the former CTA employee will be considered for recall only if the former employee meets all hiring standards, including a background check, required for the position.

H. Reinstatement From Leave of Absence

Responsibility

Action

Human Resources

Step 1. Except for approved leaves of absence of less than 90 calendar days (see

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below), all other reinstatements must be processed and approved by the Human Resources Department.

For approved leaves of absence of more than 90 days, if an employee presents him/herself to a Department for reinstatement, the Department is required to notify the Vice President of Human Resources and inform the employee to go to Human Resources for reinstatement.

Department Manager

Step 2. For employees returning from approved leaves of absence of less than 90 days, the department must submit a notification of the employee's return to service by entering the required information through Oracle Manager Self-Service, so that actual reinstatement can be implemented and the employee returned to the payroll.

Human Resources

Step 3. Only the Human Resources Department can reinstate an employee who has been on a leave of absence for 90 days or more, or who is seeking reinstatement for any reason other than a leave of absence for less than 90 days.

A department must direct all returning employees to Human Resources to undergo the reinstatement process. Upon successful completion of the reinstatement process, the employee will be given a reinstatement date and returned to their department.

Department Manager

Step 4. A department is responsible for notifying Human Resources any time an employee fails to return from an approved leave of absence within the time approved for the leave. The department should consider any absence beyond the time approved as an absence without leave or job abandonment.

Any requests to extend the leave of absence beyond the original date approved requires a new LOA request to be approved by the Vice President of Human Resources prior to the expiration of the original leave. In the case of extended Military Leave, the department need only forward the employee's military orders to Human Resources and the Payroll Department.

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I. All Other Reinstatements

A. By Settlement Agreement, Court Order, Transit Board Ordinance, Labor Agreement, Arbitration Award, etc.

Responsibility

Action

Law Department/Employee Relations

Step 1. Ensure that all steps in Section IV (F) above are followed, as applicable. Provide copy of Agreement, Award or Order to Budget Office, Payroll and Human Resources.

**Recruitment and Staffing
HR Technology
HR Benefits**

Step 2. Determine what, if any, reinstatement and hiring qualification process the employee is required to undergo prior to reinstatement. Contact the employee(s) to effectuate all necessary steps for reinstatement.

B. From Layoff within 12 months

Recruitment and Staffing

Step 1. Ensure that for employees laid off for more than 90 days, they undergo the reinstatement process in addition to the hiring process required for the position they are seeking to fill.

J. Special Programs/Seasonal Hiring (i.e. Internship, Fellowship, Apprenticeship, and KidStart)

Responsibility

Action

Human Resources

See individual program descriptions or contact Human Resources for more details regarding information on the selection process for these programs.

K. Request to fill a Vacancy: Union Positions (“Entry Level” as Defined in Definitions Section above)

The sequence of the steps performed by Human Resources as outlined below may vary or occur simultaneously based on surrounding facts and circumstances unique to each individual recruitment and hiring.

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Responsibility

Action

Initiating/Hiring Department

Step 1. Approval to fill ANY vacancy, no matter the position or job title, may only be obtained once a department has submitted a request through Oracle Position Control and received approval to fill the positions from the Budget Department, Human Resources, and the President’s Office to fill the position. (Oracle Position Control request is not required for mass transitions requested by Transit Operations. Mass transition requests may be submitted directly to the Manager of Recruitment & Staffing).

Human Resources Compensation and Classification

Step 2. The Human Resources Compensation and Classification section, in consultation as needed with the hiring department, Training and Instruction and Employee Relations, shall determine if the position being requested to fill is at the appropriate grade for the job classification and the position description is accurate.

Step 3. Once a position is approved, the position is posted externally by the Compensation and Classification section. Hires may be made from a posting for six (6) months from the date the posting expires. Thereafter, a position must be posted again. This six month period may be extended by the Vice President of Human Resources, if such extension is requested in writing by the hiring department and the Vice President of Human Resources determines that such an extension is in the best interests of the Authority.

Human Resources Recruitment and Staffing

Step 4. Recruiter is assigned to work on the open, approved vacancy. Recruiter follows all recruiting and hiring process guidelines and restrictions, if any, under the applicable Collective Bargaining Agreement between CTA and the Union under which the vacancy falls (“the CBA”).

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Step 5. Recruitment and Staffing shall source externally to identify potential applicants and ascertain whether an individual appears to meet the minimum requirements for the position.

Recruiter reviews potential applicants' information in date order of receipt of information until a sufficient number of minimally qualified potential applicants are identified to successfully recruit for the position.

Human Resources Recruitment and Staffing

Step 6. Recruiter ensures all pre-hire requirements such as testing, interview and background check are successfully completed by the applicant. Recruiter collects and provides all pertinent information regarding applicant to Recruitment and Staffing Manager or designee for review.

Step 7. Once Recruitment and Staffing Manager or designee reviews documentation and confirms it is in order, s/he returns documentation to Recruiter, who makes verbal offer to applicant, contingent on applicant successfully passing medical and any other remaining pre-hire requirements for the position.

Step 8. If the selected candidate does not accept the offer, fails to meet any of the requirements for the position, or a conditional offer is revoked or rescinded for any other reason and the position remains available, Recruiter may make an offer to the next applicant qualified for the position. If there are no other qualified applicants for open position(s), the recruitment cycle will restart.

L. Request to fill a Vacancy: Union Positions (Non-Entry Level, not "Family of Jobs" Positions)

The hiring department and Employee Relations, assisted by Recruitment & Staffing, handles the internal recruiting and hiring process for "Family of Jobs" union positions, which are filled by CTA union members in specified other positions, who have achieved the appropriate training, test scores and/or experience to be considered for the available positions. The process for handling non-entry level union positions other than "family of jobs" positions is described below.

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Responsibility

Action

**Initiating/Hiring
Department**

Step 1. Approval to fill ANY vacancy, no matter the position or job title, may only be obtained once a department has submitted a request through Oracle Position Control and received approval to fill the position from the Budget Department, Human Resources, and the President's Office.

**Human Resources
Classification and
Compensation**

Step 2. The Human Resources Compensation and Classification section, in consultation as needed with the hiring department, Training and Instruction and Employee Relations, shall determine if the position being requested to fill is at the appropriate job classification level and the position description is accurate.

Step 3. Once position is approved, the position is posted internally, and sometimes externally, by Compensation and Classification. Hires may be made from a posting for six (6) months from the date the posting expires. Thereafter, a position must be posted again. This six month period may be extended by the Vice President of Human Resources, if such extension is requested in writing by the hiring Department and the Vice President of Human Resources determines that such an extension is in the best interests of the Authority.

**Human Resources
Recruitment and Staffing**

Step 4. Internal applicants responding in writing to the posting are placed on a list in the following order for consideration: (1) All union members in the union under which the vacancy falls, in seniority order; (2) Employees in any other unions and nonunion employees, in seniority order.

Step 5. Recruiter is assigned to work on the open, approved vacancy. Recruiter considers internal applicants in the order on the list as described in Step 4 above.

If an internal applicant is selected, the applicant minimally qualified for the

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position, with the most seniority, considering members of the union under which the position falls before other internal applicants, is given an offer, conditioned on passing any pre-hire requirements for the position.

Step 6. If no minimally qualified applicants are identified from an internal posting, in accordance with the applicable CBA, the Recruiter, in consultation with the hiring Department and Classification and Compensation, determines the external recruitment efforts required, which at a minimum will include posting the position on-line.

Recruitment and Staffing shall source externally to identify potential applicants and ascertain whether an individual to meets the minimum requirements for the position.

Recruiter reviews potential external applicants' information in date order of application individual having expressed interest in the position in writing.

Step 7. Recruiter reviews potential applicants' information as indicated in Steps 5 and 6 above, until a sufficient number of minimally qualified potential applicants, as determined by the Recruiter in consultation with the hiring department, is identified to successfully recruit for the position.

Recruiting and hiring steps 6, 7, 8, 9, and 12 in III.A. above are followed, with the following caveat:

Step 8. Recruiter ensures all pre-hire requirements as listed above are successfully completed by the selected candidate(s).

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Recruiter collects and provides all pertinent information regarding proposed hire to Recruitment and Staffing Manager or designee for review.

Step 9. Once Recruitment and Staffing Manager or designee reviews documentation and confirms it is in order, s/he returns documentation to Recruiter, who makes verbal offer to applicant, contingent on applicant successfully passing medical requirements for the position.

Step 10. If selected candidate does not accept the offer, fails to meet all the job requirements, or a conditional offer is revoked or rescinded for any other reason and the position remains available, Recruiter may make an offer to the next applicant qualified for the position. If there are no other applicants for open position(s), the recruitment cycle will restart.

Approved by:



Executive Vice President
Operations Support

Date

5. Administrative Procedure 1021

ADMINISTRATIVE PROCEDURE # 1021

Background Checks

Initiating Department:	Human Resources
Effective Date:	08/15/2011
Supersedes:	AP 228 (3/15/2008)
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I. PURPOSE AND SUMMARY

To communicate the procedures for obtaining and using background checks for current Chicago Transit Authority (CTA) employees, applicants and candidates for employment consideration with the CTA.

If any provision of this AP conflicts with the terms of any collective bargaining agreement, the collective bargaining agreement shall prevail.

2. SUPPORTS THE FOLLOWING POLICY

It is the policy of the Authority to promote a safe and efficient work environment and to hire, transfer, promote (or exercise any other gainful employment action) qualified individuals to fill positions that contribute to the overall strategic success of the Chicago Transit Authority.

3. DEFINITIONS

- 3.1 Applicant** - A person is considered an applicant when he or she meets the following criteria:
- A. He or she applies for a specific position with CTA's Human Resources Department for which CTA is seeking qualified applicants;
 - B. He or she is considered for employment by the CTA;
 - C. He or she meets the basic qualifications of the position;
 - D. He or she is invited by a representative of CTA's Human Resources Department for a personal interview at a designated CTA location regarding the position (note that additional interviews with representative(s) from the CTA hiring department may be warranted); and,
 - E. He or she does not withdraw from consideration for the position.
- 3.2 Background Check** - The process of verifying information on a candidate or current employee. Background checks are performed by CTA and/or a CTA vendor and may consist of one or more of the following to the extent permitted by law and as required for the position:
- A. Criminal Background Check, which may include a Multi-State Criminal search, Multi-State Sex Offender search, Civil Court files records check, fingerprint check, National Social Security search, and Government Watch List/Patriot Act search, among others, to the extent permitted by law.
 - B. Department of Motor Vehicles driving record and driver's license checks.
 - C. Employment History Verifications, which shall cover at least the last ten (10) years of a candidate's employment history and shall validate dates of employment, terminations(s) or resignation(s), job title(s) and/or position(s) held and rehire eligibility.
 - D. Educational Verifications, which shall provide confirmation of institution attended, courses taken or degree(s) earned, dates of graduation, and major/minor courses of study.
 - E. Credit History Checks, which shall confirm a candidate's name and Social Security number, current and former addresses, number of accounts opened, number of accounts in both good and negative credit status, payment history, opening balance or credit limit, current balance owed and/or past due, charge off, repossession and extended debt.
 - F. Personal and Professional Reference and Credential Check.

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- 3.3 Candidate** – A person who has been determined by the hiring department to be qualified and is being recommended for a position.
- 3.4 Safety and/or Security Sensitive Position** – A position so designated by the Chicago Transit Authority that requires any specifically designated safety clearance or security level clearance by any agency of the federal, state, or local government.

4. PROVISIONS

4.1 Eligibility

CTA may choose to perform Background Checks on the following:

- A. Applicants and/or candidates who are under consideration for employment with the CTA (which may include unpaid positions).
- B. Current employees under consideration for a transfer, promotion, demotion, or reclassification from a non-safety and/or security sensitive position to a position designated as safety and/or security sensitive.
- C. Current employees in safety and/or security sensitive positions, conducted on an as needed basis.
- D. Current employees under consideration for a transfer, promotion, demotion, reclassification from one position to another, or any other employment transaction that may require such a check to take place on whom the Authority did not previously obtain a complete background check.
- E. Employees entitled to recall to active duty if inactive for more than ninety (90) days.
- F. As otherwise determined necessary by the Vice-President, Human Resources
- G. In accordance with any reinstatement agreements.

4.2 Background Checks Performed

The following types of background checks will be performed as indicated.

- A. Criminal Background Checks shall be conducted on all new and rehire applicants who are under final consideration for employment with CTA; on current employees under consideration for a transfer, promotion, or reclassification, and on employees currently in safety and/or security sensitive positions on an as-needed basis. Also for employees rehired, or eligible for seeking reinstatement to active duty after any break in active duty for more than 90 days due to, but not limited to, layoff, illness, leave of absence, or termination.
- B. Department of Motor Vehicles driving record and driver's license checks shall be conducted as needed for certain applicants, candidates and/or employees. Affected applicants, candidates and employees include bus operators, bus servicers, bus mechanics, combined rail operators, management, and other employees who are authorized to drive CTA vehicles.
- C. Employment History Verifications may be conducted on all new applicants and/or candidates and any applicant and/or candidate with a break in service from CTA (such as a rehire) to the extent a verification of employment was not previously performed.
- D. Educational Verifications may be conducted on all new applicants and/or candidates, on any applicant and/or candidate with a break in service, or on a current employee under consideration for a promotion or transfer to the extent such verification was not previously performed.
- E. Credit History Checks may be conducted for positions in which a stable credit history is a requirement of the position and to the extent allowed by law.
- F. Professional license or certificate verification may be conducted as appropriate.

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4.3 Written Consent

Written consent will be received from an applicant, candidate or current employee before performing a background check.

- A. Obtaining Consent: CTA shall follow requirements set by applicable law in obtaining consent from an applicant, candidate or current employee to conduct a background check and in providing notice and information to an applicant, candidate or current employee concerning the background check process or information learned from a background check.
- B. Refusal to Give Consent: A new hire or rehire applicant who refuses or fails to provide written consent for a background check that may include fingerprinting as required by CTA will not be considered for employment. A current employee who refuses or fails to provide written consent for a background check that may include fingerprinting as required by CTA may be disciplined, up to and including discharge.

4.4 Use in Hiring Decisions

CTA will conduct a background check investigation before extending an employment offer to an applicant, and in all other cases in which a background check is conducted will use the information as part of the employment transaction decision-making. If circumstances require that an employment offer be extended before the completion of an investigation, the offer must be in writing from the Vice President, Human Resources (or designee), and must state that the offer is contingent on the completion of a satisfactory background investigation. CTA shall terminate its consideration to hire any applicant or candidate who falsifies information requested for the background check or fails to reveal prior criminal convictions, whether a misdemeanor or felony. CTA shall revoke any conditional offer of employment to any applicant or candidate who falsifies information requested in the background check or fails to reveal prior criminal convictions, whether a misdemeanor or felony.

The Authority will utilize information obtained via the background check process within the guidelines established by applicable law.

Eligibility for hire decisions may be challenged only if the information provided by the background check vendor, Illinois State Police, and/or FBI are deemed to be erroneous by the party under consideration. In such cases, the Fair Credit Reporting Act (FCRA) or successive legislation will govern the process for rectifying such errors as deemed by the party under consideration. The Authority will make a hiring determination based on the results on a case-by-case basis.

If the applicant or candidate challenges results, CTA will follow FCRA or applicable law in seeking resolution.

4.5 Disclosed Criminal Convictions

In the event the applicant has disclosed criminal convictions or other relevant information, confirmed by the background check, the Vice President, Human Resources (or designee) will determine, on a case-by-case basis, whether the individual is eligible for hire by taking into account factors such as:

- Specific duties of the position;
- Number of convictions on record;
- Type of convictions on record;
- Length of time between the conviction and the CTA application submittal;
- Employment history (pre or post conviction employment record may be used to determine eligibility);
- Record of imprisonment, and if so, length of imprisonment;

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- Accuracy of conviction, employment, imprisonment, and rehabilitation information that is provided by the applicant and ultimately verified by the background check;
- The extent to which the position holds a measure of fiscal responsibility to the institution;
- The extent to which the essential/core job functions requires the trust and confidence of the authority, employees, CTA contractors and/or the riding public.

A. Felony Convictions

The age of the court satisfaction date must be at least seven (7) years or older for felony convictions to have employment consideration to take place. Individuals having a felony conviction of more than seven (7) years are not automatically eligible for employment consideration and CTA reserves the right to deny employment to anyone with a felony conviction for a violent offense regardless of court satisfaction date. Any felony conviction(s) with a court satisfaction date within the last seven (7) years (from date of application) will require approval from the Vice President, Human Resources (or designee).

B. Misdemeanor Convictions

The age of the court satisfaction date for misdemeanor convictions must be at least three (3) years or older for employment consideration to take place. Individuals having a misdemeanor conviction of more than 3 years are not automatically eligible for employment consideration and CTA reserves the right to deny employment to anyone with a misdemeanor conviction for a violent offense regardless of the court satisfaction date. Any misdemeanor convictions within the last 3 years (from date of application) will require approval from the Vice President, Human Resources (or designee).

4.5 Approval Process of Background Checks

Once complete information is received by Human Resources, the background check shall be considered: approved, pending or disapproved.

A. Approved

Background checks will be designated approved under the following conditions:

1. Information provided to the CTA by the applicant and/or candidate is consistent and verified; and
2. There is no record of criminal convictions outside of the specified court satisfaction date parameters and offense classifications.

Records of rehabilitation may be used in determining eligibility for applicants under consideration for employment as determined by the Vice President, Human Resources (or designee).

B. Pending

Background checks not approved will be reviewed by the Vice President, Human Resources (or designee) for approval. Such review may include consulting with CTA's Law department, contacting the applicant and/or candidate for further information, and/or requesting additional checks to be conducted by vendor. Background checks not approved after review by the Vice President, Human Resources (or designee) will follow the pre-adverse action process, as outlined by the Fair Credit Reporting Act. Under the Fair Credit Reporting Act, an applicant and/or candidate has the right to dispute information reported in his or her background check in a timely manner.

C. Disapproved

Background checks are only disapproved by the Vice President, Human Resources (or designee) if a candidate does not comply or provide the CTA or background check vendor with the appropriate requested information as outlined in the Fair Credit Reporting Act or if the information provided verifies that the candidate does not meet the specified parameters of the established background check for the specific position in question.

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<p>4.7</p>	<p>Felony Conviction(s) During the Course of Employment Any CTA employee convicted of a felony may be disciplined, up to and including discharge. Should a background check performed on a current employee reveal a felony conviction that occurred during the course of employment that was not disclosed by the employee, the Vice President, Human Resources will provide such information to the employee's Department Head for discipline, up to and including discharge.</p>
<p>4.8</p>	<p>Falsification In the event it is determined that a current employee falsified information in any manner (such as but not limited to, on an employment application and/or on documentation that is subsequently used by HR in processing employment transactions such as; new hire, promotion, demotion, transfer, reinstatement, or execution of settlement agreement), the Vice President, Human Resources will provide such information to the employee's Department Head for discipline, up to and including discharge.</p>

5.A PROCEDURES – PERFORMING BACKGROUND CHECKS

	Responsibility	Action
1.	Human Resources	Provides applicant, candidate and/or employee with the <i>Consumer Report Disclosure/Authorization for Release of Information</i> form.
2.	Applicant / Candidate / Employee	Completes and returns form to Human Resources.
3.	Human Resources	<p>Reviews form and initiates the appropriate background check(s) with vendor.</p> <p>Receives completed background check from vendor and reviews and verifies accuracy of background check information versus information provided by candidate.</p> <ul style="list-style-type: none"> a) If the background check satisfies the necessary parameters of the position in question, approves the background and notifies departmental hiring manager. b) If the background check does not satisfy necessary parameters of the position in question, marks as pending and goes into a secondary review that may include consulting with CTA's Law department, contacting applicant, candidate and/or employee for further information, and/or requesting additional checks to be conducted by vendor. If not approved after secondary review, follows the pre-adverse action process, as outlined by the Fair Credit Reporting Act.
4.	Applicant / Candidate / Employee	If applicable, follows the pre-adverse action process as outlined by the Fair Credit Reporting Act.

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5.	Human Resources
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If applicable, reviews the information candidate provides through the pre-adverse action process and if it satisfies the necessary pre-employment concerns, the background will be approved.

Informs department hiring manager of hiring eligibility.

Approved by:

A handwritten signature in blue ink that reads "Doug Kucia".

Doug Kucia
Chief of Staff

Title:

Date Approved:

8/11/11