CONFLICT OF INTEREST PROVISIONS - STATUTORY

Illinois Governmental Ethics Act (5 ILCS 420)

Sec. 3A-35. Conflicts of interests.
(a) In addition to the provisions of subsection (a) of Section 50-13 of the Illinois Procurement Code, it is unlawful for an appointed member of a board, commission, authority, or task force authorized or created by State law or by executive order of the Governor, the spouse of the appointee, or an immediate family member of the appointee living in the appointee's residence to have or acquire a contract or have or acquire a direct pecuniary interest in a contract with the State that relates to the board, commission, authority, or task force of which he or she is an appointee during and for one year after the conclusion of the person's term of office.
(b) If (i) a person subject to subsection (a) is entitled to receive more than 7 1/2% of the total distributable income of a partnership, association, corporation, or other business entity or (ii) a person subject to subsection (a) together with his or her spouse and immediate family members living in that person's residence are entitled to receive more than 15%, in the aggregate, of the total distributable income of a partnership, association, corporation, or other business entity then it is unlawful for that partnership, association, corporation, or other business entity to have or acquire a contract or a direct pecuniary interest in a contract prohibited by subsection (a) during and for one year after the conclusion of the person's term of office.
(Source: P.A. 93-615, eff. 11-19-03.)

State Officials and Employees Ethics Act (5 ILCS 430)

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.
(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.

(i) For the purposes of this Section, with respect to officers or employees of a regional transit board, as defined in this Act, the phrase "person or entity" does not include:
(i) the United States government, (ii) the State, (iii) municipalities, as defined under Article VII, Section 1 of the Illinois Constitution, (iv) units of local government, as defined under Article VII, Section 1 of the Illinois Constitution, or (v) school districts.
(Source: P.A. 96-555, eff. 8-18-09; 97-653, eff. 1-13-12.)

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.)
ARTICLE 10 GIFT BAN
(Source: P.A. 93-617, eff. 12-9-03.)

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.)

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 fiancee.
(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.)

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.)

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.)
§ 50-13. Conflicts of interest.
(a) Prohibition. It is unlawful for any person holding an elective office in this State, holding a seat in the General Assembly, or appointed to or employed in any of the offices or agencies of State government and who receives compensation for such employment in excess of 60% of the salary of the Governor of the State of Illinois, or who is an officer or employee of the Capital Development Board or the Illinois Toll Highway Authority, or who is the spouse or minor child of any such person to have or acquire any contract, or any direct pecuniary interest in any contract therein, whether for stationery, printing, paper, or any services, materials, or supplies, that will be wholly or partially satisfied by the payment of funds appropriated by the General Assembly of the State of Illinois or in any contract of the Capital Development Board or the Illinois Toll Highway Authority.
(b) Interests. It is unlawful for any firm, partnership, association, or corporation, in which any person listed in subsection (a) is entitled to receive (i) more than 7 ½ % of the total distributable income or (ii) an amount in excess of the salary of the Governor, to have or acquire any such contract or direct pecuniary interest therein.
(c) Combined interests. It is unlawful for any firm, partnership, association, or corporation, in which any person listed in subsection (a) together with his or her spouse or minor children is entitled to receive (i) more than 15%, in the aggregate, of the total distributable income or (ii) an amount in excess of 2 times the salary of the Governor, to have or acquire any such contract or direct pecuniary interest therein.
(c-5) Appointees and firms. In addition to any provisions of this Code, the interests of certain appointees and their firms are subject to Section 3A-35 of the Illinois Governmental Ethics Act.
(d) Securities. Nothing in this Section invalidates the provisions of any bond or other security previously offered or to be offered for sale or sold by or for the State of Illinois.
(e) Prior interests. This Section does not affect the validity of any contract made between the State and an officer or employee of the State or member of the General Assembly, his or her spouse, minor child, or other immediate family member living in his or her residence or any combination of those persons if that contract was in existence before his or her election or employment as an officer, member, or employee. The contract is voidable, however, if it cannot be completed within 365 calendar days after the officer, member, or employee takes office or is employed.
(f) Exceptions.
(1) Public aid payments. This Section does not apply to payments made for a public aid recipient.
(2) Teaching. This Section does not apply to a contract for personal services as a teacher or school administrator between a member of the General Assembly or his or her spouse, or a State officer or employee or his or her spouse, and any school district, public community college district, the University of Illinois, Southern Illinois University, Illinois State University, Eastern Illinois University, Northern Illinois University, Western Illinois University, Chicago State University, Governor State University, or Northeastern Illinois University.
(3) Ministerial duties. This Section does not apply to a contract for personal services of a wholly ministerial character, including but not limited to services as a laborer, clerk, typist, stenographer, page, bookkeeper, receptionist, or telephone switchboard operator, made by a spouse or minor child of an elective or appointive State officer or employee or of a member of the General Assembly.
(4) Child and family services. This Section does not apply to payments made to a member of the General Assembly, a State officer or employee, his or her spouse or minor child acting as a foster parent, homemaker, advocate, or volunteer for or in behalf of a child or family served by the Department of Children and Family Services.
(5) Licensed professionals. Contracts with licensed professionals, provided they are competitively bid or part of a reimbursement program for specific, customary goods and services through the Department of Children and Family Services, the Department of Human Services, the Department of Healthcare and Family Services, the Department of Public Health, or the Department on Aging.
(g) Penalty. A person convicted of a violation of this Section is guilty of a business offense and shall be fined not less than $1,000 nor more than $5,000.

(a) It is unlawful for any person employed in or on a continual contractual relationship with any of the offices or agencies of State government to participate in contract negotiations on behalf of that office or agency with any firm, partnership, association, or corporation with whom that person has a contract for future employment or is negotiating concerning possible future employment.
(b) Any person convicted of a violation of this Section is guilty of a business offense and shall be fined not less than $1,000 nor more than $5,000.

§ 50-20. Exemptions. The appropriate chief procurement officer may file a request with the Executive Ethics Commission to exempt named individuals from the prohibitions of Section 50-13 when, in his or her judgment, the public
(a) Chief procurement officers, State purchasing officers, procurement compliance monitors, their designees whose principal duties are directly related to State procurement, and executive officers confirmed by the Senate are expressly prohibited for a period of 2 years after terminating an affected position from engaging in any procurement activity relating to the State agency most recently employing them in an affected position for a period of at least 6 months. The prohibition includes but is not limited to: lobbying the procurement process; specifying; bidding; proposing bid, proposal, or contract documents; on their own behalf or on behalf of any firm, partnership, association, or corporation. This subsection applies only to persons who terminate an affected position on or after January 15, 1999.
(b) In addition to any other provisions of this Code, employment of former State employees is subject to the State Officials and Employees Ethics Act.

§ 50-35. Disclosure and potential conflicts of interest.
(a) All bids and offers from responsive bidders, offerors, vendors, or contractors with an annual value of more than $50,000, and all submissions to a vendor portal, shall be accompanied by disclosure of the financial interests of the bidder, offeror, potential contractor, or contractor and each subcontractor to be used. In addition, all subcontracts identified as provided by Section 20-120 of this Code with an annual value of more than $50,000 shall be accompanied by disclosure of the financial interests of each subcontractor. The financial disclosure of each successful bidder, offeror, potential contractor, or contractor and its subcontractors shall be incorporated as a material term of the contract and shall become part of the publicly available contract or procurement file maintained by the appropriate chief procurement officer. Each disclosure under this Section shall be signed and made under penalty of perjury by an authorized officer or employee on behalf of the bidder, offeror, potential contractor, contractor, or subcontractor, and must be filed with the Procurement Policy Board.
(b) Disclosure shall include any ownership or distributive income share that is in excess of 5%, or an amount greater than 60% of the annual salary of the Governor, of the disclosing entity or its parent entity, whichever is less, unless the bidder, offeror, potential contractor, contractor, or subcontractor (i) is a publicly traded entity subject to Federal 10K reporting, in which case it may submit its 10K disclosure in place of the prescribed disclosure, or (ii) is a privately held entity that is exempt from Federal 10K reporting but has more than 100 shareholders, in which case it may submit the information that Federal 10k reporting companies are required to report under 17 CFR 229.401 and list the names of any person or entity holding any ownership share that is in excess of 5% in place of the prescribed disclosure. The form of disclosure shall be prescribed by the applicable chief procurement officer and must include at least the names, addresses, and dollar or proportionate share of ownership of each person identified in this Section, their instrument of ownership or beneficial relationship, and notice of any potential conflict of interest resulting from the current ownership or beneficial relationship of each individual identified in this Section having in addition any of the following relationships:
(1) State employment, currently or in the previous 3 years, including contractual employment of services.
(2) State employment of spouse, father, mother, son, or daughter, including contractual employment for services in the previous 2 years.
(3) Elective status; the holding of elective office of the State of Illinois, the government of the United States, any unit of local government authorized by the Constitution of the State of Illinois or the statutes of the State of Illinois currently or in the previous 3 years.
(4) Relationship to anyone holding elective office currently or in the previous 2 years; spouse, father, mother, son, or daughter.
(5) Appointive office; the holding of any appointive government office of the State of Illinois, the United States of America, or any unit of local government authorized by the Constitution of the State of Illinois or the statutes of the State of Illinois, which office entitles
the holder to compensation in excess of expenses incurred in the discharge of that office currently or in the previous 3 years.

(6) Relationship to anyone holding appointive office currently or in the previous 2 years; spouse, father, mother, son, or daughter.

(7) Employment, currently or in the previous 3 years, as or by any registered lobbyist of the State government.

(8) Relationship to anyone who is or was a registered lobbyist in the previous 2 years; spouse, father, mother, son, or daughter.

(9) Compensated employment, currently or in the previous 3 years, by any registered election or re-election committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections.

(10) Relationship to anyone; spouse, father, mother, son, or daughter; who is or was a compensated employee in the last 2 years of any registered election or re-election committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections.

(b-1) The disclosure required under this Section must also include the name and address of each lobbyist required to register under the Lobbyist Registration Act and other agent of the bidder, offeror, potential contractor, contractor, or subcontractor who is not identified under subsections (a) and (b) and who has communicated, is communicating, or may communicate with any State officer or employee concerning the bid or offer. The disclosure under this subsection is a continuing obligation and must be promptly supplemented for accuracy throughout the process and throughout the term of the contract if the bid or offer is successful.

(b-2) The disclosure required under this Section must also include, for each of the persons identified in subsection (b) or (b-1), each of the following that occurred within the previous 10 years: suspension or debarment from contracting with any governmental entity; professional licensure discipline; bankruptcies; adverse civil judgments and administrative findings; and criminal felony convictions. The disclosure under this subsection is a continuing obligation and must be promptly supplemented for accuracy throughout the process and throughout the term of the contract if the bid or offer is successful.

(c) The disclosure in subsection (b) is not intended to prohibit or prevent any contract. The disclosure is meant to fully and publicly disclose any potential conflict to the chief procurement officers, State purchasing officers, their designees, and executive officers so they may adequately discharge their duty to protect the State.

(d) When a potential for a conflict of interest is identified, discovered, or reasonably suspected, the chief procurement officer or State procurement officer shall send the contract to the Procurement Policy Board. In accordance with the objectives of subsection (c), if the Procurement Policy Board finds evidence of a potential conflict of interest not originally disclosed by the bidder, offeror, potential contractor, contractor, or subcontractor, the Board shall provide written notice to the bidder, offeror, potential contractor, contractor, or subcontractor that is identified, discovered, or reasonably suspected of having a potential conflict of interest. The bidder, offeror, potential contractor, contractor, or subcontractor shall have 15 calendar days to respond in writing to the Board, and a hearing before the Board will be granted upon request by the bidder, offeror, potential contractor, contractor, or subcontractor, at a date and time to be determined by the Board, but which in no event shall occur later than 15 calendar days after the date of the request. Upon consideration, the Board shall recommend, in writing, whether to allow or void the contract, bid, offer, or subcontract weighing the best interest of the State of Illinois. All recommendations shall be submitted to the Executive Ethics Commission. The Executive Ethics Commission must hold a public hearing within 30 calendar days after receiving the Board’s recommendation if the Procurement Policy Board makes a recommendation to (i) void a contract or (ii) void a bid or offer and the chief procurement officer selected or intends to award the contract to the bidder, offeror, or potential contractor. A chief procurement officer is prohibited from awarding a contract before a hearing if the Board recommendation does not support a bid or offer. The recommendation and proceedings of any hearing, if applicable, shall be available to the public.

(e) These thresholds and disclosure do not relieve the chief procurement officer, the State purchasing officer, or their designees from reasonable care and diligence for any contract, bid, offer, or submission to a vendor portal. The chief procurement officer, the State purchasing officer, or their designees shall be responsible for using any reasonably known and publicly available information to discover any undisclosed potential conflict of interest and act to protect the best interest of the State of Illinois.

(f) Inadvertent or accidental failure to fully disclose shall render the contract, bid, offer, proposal, subcontract, or relationship voidable by the chief procurement officer if he or she deems it in the best interest of the State of Illinois and, at his or her discretion, may be cause for barring from future contracts, bids, offers, proposals, subcontracts, or relationships with the State for a period of up to 2 years.

(g) Intentional, willful, or material failure to disclose shall render the contract, bid, offer, proposal, subcontract, or relationship voidable by the chief procurement officer if he or she deems it in the best interest of the State of Illinois and shall result in debarment from future contracts, bids, offers, proposals, subcontracts, or relationships for a period of not less than 2 years and not more than 10 years. Reinstatement after 2 years and before 10 years must be reviewed and commented on in writing by the Governor of
the State of Illinois, or by an executive ethics board or commission he or she might designate. The comment shall be returned to the responsible chief procurement officer who must rule in writing whether and when to reinstate.

(h) In addition, all disclosures shall note any other current or pending contracts, bids, offers, proposals, subcontracts, leases, or other ongoing procurement relationships the bidder, offeror, potential contractor, contractor, or subcontractor has with any other unit of State government and shall clearly identify the unit and the contract, offer, proposal, lease, or other relationship.

(i) The bidder, offeror, potential contractor, or contractor has a continuing obligation to supplement the disclosure required by this Section throughout the bidding process during the term of any contract, and during the vendor portal registration process.


§ 50-45. Confidentiality. Any chief procurement officer, State purchasing officer, designee, or executive officer who willfully uses or allows the use of specifications, competitive solicitation documents, proprietary competitive information, contracts, or selection information to compromise the fairness or integrity of the procurement or contract process shall be subject to immediate dismissal, regardless of the Personnel Code, [FN1] any contract, or any collective bargaining agreement, and may in addition be subject to criminal prosecution.

Amended by P.A. 98-1076, eff. 1-1-15.

[FN1] 20 ILCS 415/1 et seq.

§ 50-50. Insider information. It is unlawful for any current or former elected or appointed State official or State employee to knowingly use confidential information available only by virtue of that office or employment for actual or anticipated gain for themselves or another person.

Public Officer Prohibited Activities Act (50 ILCS 105)

Sec. 3. Prohibited interest in contracts.

(a) No person holding any office, either by election or appointment under the laws or Constitution of this State, may be in any manner financially interested directly in his own name or indirectly in the name of any other person, association, trust, or corporation, in any contract or the performance of any work in the making or letting of which such officer may be called upon to act or vote. No such officer may represent, either as agent or otherwise, any person, association, trust, or corporation, with respect to any application or bid for any contract or work in regard to which such officer may be called upon to vote. Nor may any such officer take or receive, or offer to take or receive, either directly or indirectly, any money or other thing of value as a gift or bribe or means of influencing his vote or action in his official character. Any contract made and procured in violation hereof is void. This Section shall not apply to any person serving on an advisory panel or commission, to any director serving on a hospital district board as provided under subsection (a-5) of Section 13 of the Hospital District Law, or to any person serving as both a contractual employee and as a member of a public hospital board as provided under Article 11 of the Illinois Municipal Code in a municipality with a population between 13,000 and 16,000 that is located in a county with a population between 50,000 and 70,000.

(b) However, any elected or appointed member of the governing body may provide materials, merchandise, property, services, or labor, subject to the following provisions under either paragraph (1) or (2):
B. the amount of the contract does not exceed $2,000; and
C. the award of the contract would not cause the aggregate amount of all such contracts so awarded to the same person, firm, association, partnership, corporation, or cooperative association in the same fiscal year to exceed $4,000; and
D. such interested member publicly discloses the nature and extent of his interest prior to or during deliberations concerning the proposed award of the contract; and
E. such interested member abstains from voting on the award of the contract, though he shall be considered present for the purposes of establishing a quorum.

(b-5) In addition to the above exemptions, any elected or appointed member of the governing body may provide materials, merchandise, property, services, or labor if:
A. the contract is with a person, firm, partnership, association, corporation, or cooperative association in which the interested member of the governing body of the municipality, advisory panel, or commission has less than a 1% share in the ownership; and
B. the award of the contract is approved by a majority vote of the governing body of the municipality provided that any such interested member shall abstain from voting; and
C. such interested member publicly discloses the nature and extent of his interest before or during deliberations concerning the proposed award of the contract; and
D. such interested member abstains from voting on the award of the contract, though he shall be considered present for the purposes of establishing a quorum.

(c) For the purposes of this Section only, a municipal officer shall not be deemed interested if the officer is an employee of a company or owns or holds an interest of 1% or less in the municipal officer's individual name in a company, or both, that company is involved in the transaction of business with the municipality, and that company's stock is traded on a nationally recognized securities market, provided the interested member: (i) publicly discloses the fact that he or she is an employee or holds an interest of 1% or less in a company before deliberation of the proposed award of the contract; (ii) refrains from evaluating, recommending, approving, deliberating, or otherwise participating in negotiation, approval, or both, of the contract, work, or business; (iii) abstains from voting on the award of the contract though he or she shall be considered present for purposes of establishing a quorum; and (iv) the contract is approved by a majority vote of those members currently holding office.

A municipal officer shall not be deemed interested if the officer owns or holds an interest of 1% or less, not in the officer's individual name but through a mutual fund or exchange-traded fund, in a company, that company is involved in the transaction of business with the municipality, and that company's stock is traded on a nationally recognized securities market.

(f) Under either of the following circumstances, a municipal or county officer may hold a position on the board of a not-for-profit corporation that is interested in a contract, work, or business of the municipality or county:
(1) If the municipal or county officer is appointed by the governing body of the municipality or county to represent the interests of the municipality or county on a not-for-profit corporation's board, then the municipal or county officer may actively vote on matters involving either that board or the municipality or county, at any time, so long as the membership on the not-for-profit board is not a paid position, except that the municipal or county officer may be reimbursed by the non-for-profit board for expenses incurred as the result of membership on the non-for-profit board.
(2) If the municipal or county officer is not appointed to the governing body of a not-for-profit corporation by the governing body of the municipality or county, then the municipal or county officer may continue to serve; however, the municipal or county officer shall abstain from voting on any proposition before the municipal or county governing body directly involving the not-for-profit corporation and, for those matters, shall not be counted as present for the purposes of a quorum of the municipal or county governing body.

(Source: P.A. 97-520, eff. 8-23-11; 98-1083, eff. 1-1-15.)

Sec. 3.1. Before any contract relating to the ownership or use of real property is entered into by and between the State or any local governmental unit or any agency of either the identity of every owner and beneficiary having any
interest, real or personal, in such property, and every member, shareholder, limited partner, or general partner entitled to receive more than 7 1/2% of the total distributable income of any limited liability company, corporation, or limited partnership having any interest, real or personal, in such property must be disclosed. The disclosure shall be in writing and shall be subscribed by a member, owner, authorized trustee, corporate official, general partner, or managing agent, or his or her authorized attorney, under oath. However, if the interest, stock, or shares in a limited liability company, corporation, or general partnership is publicly traded and there is no readily known individual having greater than a 7 1/2% interest, then a statement to that effect, subscribed to under oath by a member, officer of the corporation, general partner, or managing agent, or his or her authorized attorney, shall fulfill the disclosure statement requirement of this Section.

As a condition of contracts entered into on or after the effective date of this amendatory Act of 1995, the beneficiaries of a lease shall furnish the trustee of a trust subject to disclosure under this Section with a binding non-revocable letter of direction authorizing the trustee to provide the State with an up-to-date disclosure whenever requested by the State. The letter of direction shall be binding on beneficiaries’ heirs, successors, and assigns during the term of the contract. This Section shall be liberally construed to accomplish the purpose of requiring the identification of the actual parties benefiting from any transaction with a governmental unit or agency involving the procurement of the ownership or use of real property thereby.

For any entity that is wholly or partially owned by another entity, the names of the owners of the wholly or partially owning entity shall be disclosed under this Section, as well as the names of the owners of the wholly or partially owned entity.

(Source: P.A. 91-361, eff. 7-29-99.)

Sec. 4.

Any alderman, member of a board of trustees, supervisor or county commissioner, or other person holding any office, either by election or appointment under the laws or constitution of this state, who violates any provision of the preceding sections, is guilty of a Class 4 felony and in addition thereto, any office or official position held by any person so convicted shall become vacant, and shall be so declared as part of the judgment of court.

(Source: P.A. 77-2721.)
CONFLICT OF INTEREST PROVISIONS – SAMPLE RULES

2 Ill. Admin. Code Part 1177 – Department of Human Services

Section 1177.10 Impartial Hearing Officer Standards

An impartial hearing officer conducting a Department of Human Services-Office of Rehabilitation Services (DHS-ORS) hearing may not be an employee of DHS, a member of DHS' State Rehabilitation Council, or an employee of any public agency, with the exceptions of administrative law judges, hearing examiners or employees of institutions of higher education, and shall have the following qualifications:

*   *   *
  d) no personal, professional, or financial interest that would conflict with objectivity;

*   *   *
(Source: Amended at 28 Ill. Reg. 1079, effective December 31, 2003)

68 Ill. Admin. Code Part 1110 – Department of Professional Regulation

Section 1110.175 Disqualification of Hearing Officer

a) A Hearing Officer may, on his/her own motion, recuse himself/herself from presiding over a matter due to conflict of interest or bias.

b) At any time prior to the issuance of the hearing officer’s final decision or recommendation, a party may file a motion to disqualify the hearing officer for bias or conflict of interest. An adverse ruling made by a hearing officer, in and of itself, shall not constitute bias or conflict of interest. The motion shall set forth the alleged grounds of bias or conflict of interest and shall include supporting affidavits. A different hearing officer shall have 7 days after the motion was filed to enter a written ruling, which shall be served on all parties. An adverse ruling or rulings rendered against the party or its representative in any previous matter shall not, in and of themselves, constitute sufficient grounds for disqualification under this Section.

c) If the motion to disqualify is denied, the moving party may request the decision be reviewed by the Director.

(Source: Added at 28 Ill. Reg. 7642, effective May 21, 2004)
Sample Internal Policy

Conflicts of Interest
All employees and appointees of the Commission should avoid conflicts of interest or the appearance of conflicts of interest. Potential areas for conflicts of interest include, but are not limited to, outside employment, discounts, gifts or honoraria, and purchase of surplus State property.

Outside Employment
Any employee wishing to hold outside employment must submit a written request to his or her immediate supervisor, who will forward it to the Executive Director for final approval. Normally, approval will be limited to one request for outside employment. If an employee's attendance and/or work performance deteriorates, approval for outside employment may be rescinded.

An employee is not precluded from holding outside employment, so long as it does not interfere with the normal job activities and responsibilities and is not judged to be a conflict of interest. Outside employment is defined as the performance of any service which results in payment of money, goods, or services and/or the exercise of control of an enterprise, either public or private, which results in profits.

Limitations to holding outside employment include:
- An employee shall not compete with State services through outside employment.
- An employee may not hold outside employment if such employment involves the use of information secured as a result of working for the Executive Ethics Commission.
- An employee may not use equipment issued or available to him/her from the Executive Ethics Commission in any outside employment, nor conduct outside employment on Executive Ethics Commission premises or during Executive Ethics Commission work hours.

An employee should not hold outside employment that could cause embarrassment to himself/herself or to the Executive Ethics Commission.

An employee may not hold outside jobs if such employment causes physical or mental exhaustion, which would demonstrably impair the employee's efficiency or capability to carry out Executive Ethics Commission duties.