

IN THE EXECUTIVE ETHICS COMMISSION
OF THE STATE OF ILLINOIS

SUSAN HALING, in her capacity as)
EXECUTIVE INSPECTOR GENERAL for)
AGENCIES OF THE GOVERNOR, State)
Of Illinois,)

Petitioner,)

v.)

No. 19-EEC-005

ANNE MELISSA DOWLING,)
Respondent.)

DECISION

This cause is before the Commission upon Petitioner's Motion for Approval of the Parties' Proposed Settlement Agreement. Petitioner is represented by Assistant Attorney General Neil MacDonald and Respondent is represented by Russell Perdeu.

Petitioner filed a complaint on December 19, 2018 in which Petitioner alleges that Respondent violated the revolving door section of the State Officials and Employees Ethics Act. 5 ILCS 430/5-45. Specifically, within one year of termination of State employment, Respondent accepted compensation from an entity that was the subject of a regulatory or licensing decision made by her agency in the year prior to her termination.

Respondent responded to the complaint on March 1, 2019 and on March 19, 2019, the Commission found the complaint to be sufficient to proceed pursuant to 5 ILCS 430/20-50(f). On July 10, 2019, Petitioner filed the present Motion for Approval of the Parties' Proposed Settlement Agreement and the Settlement Agreement, which is attached to this decision.

DISCUSSION

Once a complaint has been filed with the Commission, any proposed settlement reached by the parties must be submitted to the Commission for review and approval. 2 Ill. Admin. Code 1620.530(f). The Commission is not bound by the parties' settlement, but does not desire to prolong litigation unnecessarily.

The terms of the settlement agreement appear to be fair and just under the circumstances. There is no evidence that the settlement agreement was entered into involuntarily or under coercion or duress.

WHEREFORE, IT IS HEREBY ORDERED that Petitioner's Motion for Approval of the Parties' Proposed Settlement Agreement is granted. The Commission shall maintain jurisdiction over this matter until the terms of the Settlement Agreement have been satisfied.

SO ORDERED.

Date: July 16, 2019

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**IN THE EXECUTIVE ETHICS COMMISSION
OF THE STATE OF ILLINOIS**

SUSAN M. HALING, in her capacity as)	
the ACTING EXECUTIVE INSPECTOR)	
GENERAL for the AGENCIES of the)	
ILLINOIS GOVERNOR,)	
)	
Petitioner,)	
v.)	No. 19-EEC-005
)	
Anne Melissa DOWLING,)	
)	
Respondent.)	

SETTLEMENT AGREEMENT

This Settlement Agreement is entered into by Petitioner Susan M. Haling, the Acting Executive Inspector General for the Agencies of the Illinois Governor (“OEIG”), and Respondent Anne Melissa Dowling (the “Parties”). This Settlement Agreement, entered pursuant to 2 Ill. Admin. Code § 1620.530(f), is neither an admission of any alleged fact, liability or wrongdoing by Respondent, nor is it a concession by Petitioner that her allegations are not well-founded. The Parties have entered into this Settlement Agreement solely to avoid the uncertainty, delay, and expense of litigating this matter.

A. Background And Recitals

1. Respondent served as the Acting Director of the Illinois Department of Insurance (“IDOI”) from July 2015 through January 16, 2017. In this capacity, Respondent was subject to the jurisdiction of the Executive Ethics Commission (“Commission”) and the provisions of the Illinois State Officials and Employees Ethics Act, 5 ILCS 430/1-1 *et seq.* *Id.* §§ 5-45(h), 20-5(d).
2. As a high ranking official, Respondent was a so-called “h-list” employee under the Ethics Act, which precluded her from receiving compensation from a person or entity for one year

immediately following her departure from State employment if, during the preceding year, the person or entity (or its parent or subsidiary) was “the subject of a regulatory or licensing decision involving the officer . . . or State employee’s State agency.” *Id.* This restriction applies to “h-list” employees regardless of whether she or he participated personally and substantially in making the regulatory or licensing decision in question. *Id.* § 5-45(h)(3)-(4).

3. Prosperity Life Insurance Group, LLC is a holding company with several subsidiaries, including SBLI USA Life Insurance Company, Inc. (“SBLI”), and Shenandoah Life Insurance Company (“Shenandoah”). Shenandoah is regulated by IDOI.

4. On May 5, 2016, Shenandoah submitted to IDOI a 2015 Medicare Supplement Refund Calculation Form and a Reporting Form for the calculation of Benchmark Ratio for compliance with Illinois’ Supplement Plan regulations. This submission was reviewed by an IDOI insurance analyst and subsequently approved by an IDOI Deputy Director on September 25, 2016. The Deputy Director’s approval was required to permit Shenandoah to proceed with the transaction contemplated in the Forms.

5. On September 9, 2016, Shenandoah submitted two proposed annuity riders to a certain Shenandoah group term life insurance policy to the Department for review and approval. Shenandoah’s proposed riders sought to make a change to an existing policy. The proposed riders were reviewed by an IDOI insurance analyst and approved by the IDOI Assistant Deputy Director of Life and Annuities Compliance on November 4, 2016. Once the relevant filings have been approved by IDOI, an insurer may sell an insurance product.

6. Following her departure from IDOI in January 2017, Respondent became a member of Prosperity’s Board of Directors. As a Board member, Petitioner received compensation for attending Board meetings, among other duties.

7. On June 27, 2017, SBLI paid Respondent \$18,750.00 as compensation for her Board services during the period between April 1 and June 30, 2017. Of that amount, \$6,875.00 was attributed to services Respondent rendered to Shenandoah.

8. On December 15, 2017, SBLI processed a check requisition for Respondent in the amount of \$37,500.00 as compensation for her Board services during the period between July 1 and December 31, 2017. Of that amount, \$13,750.00 was attributable to services Respondent rendered to Shenandoah.

9. On December 19, 2018, Petitioner filed an Ethics Act complaint with the Commission alleging that Respondent violated Section 5-45(h) of the Act's revolving door provisions by accepting compensation from Prosperity, the parent of a subsidiary subject to IDOI regulatory or licensing authority, in the year following Respondent's departure from state employment. 5 ILCS 430/50-5(a-1).

10. On March 1, 2019, Respondent answered the complaint, denying that she had violated the Ethics Act. Specifically, Respondent contends that the filings listed above did not involve the exercise of IDOI's regulatory or licensing judgment, but are instead routine, high-volume documents that involve perfunctory, non-substantive, and non-discretionary review. Respondent further denies that she had any involvement with or knowledge of the filings when they were made or at any time while employed at IDOI, and further disputes many of the assertions and conclusions contained in the Office of the Executive Inspector General's summary report, dated May 30, 2018 ("OEIG Summary Report").

11. In an Order dated March 19, 2019, the Commission concluded that Petitioner had sufficiently pleaded facts that, if proven, may constitute a violation of Section 5-45(h) of the Ethics Act. 2 Ill. Admin. Code § 1620.480(a)-(b). Respondent disputes that conclusion.

12. In consideration of the mutual promises and obligations of this Settlement Agreement, the Parties therefore agree and covenant as follows:

B. Settlement Terms And Conditions

13. This Settlement Agreement is subject to entry of an order by the Commission that:

- a) approves this Settlement Agreement;
- b) makes no finding regarding the accuracy of any assertions or conclusions in the Complaint filed in this case or in the OEIG Summary Report; and
- c) makes no finding that Respondent violated the Ethics Act.

If the Commission declines to enter such an order ratifying the terms of this Settlement Agreement, this Settlement Agreement shall be null and void.

14. Contingent upon the approval described above, Respondent Anne Melissa Dowling will pay the State of Illinois the sum of \$20,625.00 (the "Settlement Sum"). Respondent will pay this Settlement Sum pursuant to instructions provided by the State within fourteen days of the Commission's approval of this proposed Settlement Agreement.

15. Contingent upon the Commission's approval of this Settlement Agreement, the Parties further agree that this Settlement Agreement; the accompanying motion for approval of the Settlement Agreement and attachments thereto, including two SBLI check requisitions, Respondent's answer to the Complaint, and the Commission's sufficiency determination, dated March 19, 2019; and any final order of dismissal by the Commission in this matter shall be made available to the public by the Commission. The Parties further agree that the OEIG Summary Report, shall be made available to the public at the discretion of the Commission, and the Parties agree to waive their rights under 5 ILCS 430/20-52 to provide the Commission further input regarding such publication. All other investigative materials, reports, and related documents in

this matter are subject to the Ethics Act's confidentiality and non-disclosure provisions. 5 ILCS 430/20-90(b), 20-95(a)-(b), (d).

16. This Settlement Agreement constitutes the entire agreement between the Parties and may not be amended except by written agreement of the Parties.

17. This Settlement Agreement shall be binding upon and inure to the benefit of the successors, assigns, agents, and guarantors of each of the Parties.

18. This Settlement Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

19. This Agreement may be executed in counterparts, which together shall constitute the entire Settlement Agreement.

20. The effective date of this Agreement shall be the date of entry by the Commission of an Order approving this Agreement.

Kwame Raoul, Attorney General for the State of Illinois, on behalf of Susan M. Haling, in her capacity as Executive Inspector General, Petitioner,

Locke Lord LLP, on behalf of Anne Melissa Dowling, Respondent,

By: /s/ Francis Neil MacDonald

By: /s/

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Dated: June 28, 2019

Dated: _____

Susan M. Haling, in her capacity as Executive Inspector General, Petitioner,

By: /s/Neil P. Olson

Neil Olson
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Office of Executive Inspector General
for the Agencies of the Illinois Governor
607 E. Adams / 14th Floor
Springfield, IL 62701
(217) 557-0905 (o)
Neil.Olson@Illinois.gov

Dated: June 28, 2019

20. The effective date of this Agreement shall be the date of entry by the Commission of an Order approving this Agreement.

Kwame Raoul, Attorney General for the State of Illinois, on behalf of Susan M. Haling, in her capacity as Executive Inspector General, Petitioner,

By: /s/ _____

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Dated: _____

Susan M. Haling, in her capacity as Executive Inspector General, Petitioner,

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Dated: _____

Locke Lord LLP, on behalf of Anne Melissa Dowling, Respondent,

By: /s/ _____

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Dated: 6-28-19