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Ethics Panel

Ethics Reform in Kansas City, Missouri

Andrea G. Bough

Of Counsel, Stinson Morrison Hecker LLP

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Background

- **About Kansas City**
  - Population of 460,000 in Kansas City, Missouri; 2.1 million in the metropolitan area.
  - The City of Kansas City, Missouri employs approximately 4,500.
  - Kansas City is a constitutional charter city with a council-manager form of government.
  - There are 2 council members from each of the 6 districts with one elected in-district and the other elected at-large.

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Background

- **Why a Code Revisions Now?**
  - Kansas City's Code of Ethics was first enacted in 1964.
  - Mayor, now Congressman, Emanuel Cleaver appointed a Red Flag Commission in the late 1990s to review the ethical practices. This resulted in some additions to the Code of Ethics, including an annual training program and the creation of the position of the Internal Auditor.

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Background

- **Why a Code Revisions Now?** *(continued)*
  - Until now, the Code of Ethics had not been comprehensively reviewed since the Red Flag Commission's work in the 1990s.
  - In July 2010, the City Council directed the interim city manager to review and recommend revisions to the city's Code of Ethics and report back by November 1, 2010.

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Background

- **Why a Code Revisions Now?** *(continued)*
  - In the City Auditor's Fiscal Year 2010 Fourth Quarter Citizen Satisfaction Survey, only 16% of citizens were satisfied with how ethically the City conducts business and 51% were dissatisfied.
  - The then-Mayor had been plagued by numerous controversies during his first term in office. Some of those controversies led to:
    - A new provision in the Code of Ethics prohibiting certain "volunteers." This was aimed at the former Mayor's wife, who was described as the "gate keeper" to the Mayor's Office.
    - Another ordinance prohibited the use of one's picture or likeness on city newsletters or other forms of communication prior to an election.

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Background

- **Why a Code Revisions Now?** *(continued)*
  - In March 2011, Sylvester "Sly" James was elected Mayor of Kansas City. (The incumbent Mayor placed 3rd in the non-partisan primary election and did not advance to the general election.)
  - Mayor-Elect James convened his transition team to create a "Blueprint" for his first term, including a review of the Code of Ethics and ethics related policy.
  - Our committee prepared a "Blueprint for Ethics", which made certain recommendations, including a complete review and likely rewrite of the Code of Ethics by a Special Commission.

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The "Blue Ribbon Commission on Ethics Reform"

- In his inaugural address, Mayor James announced that he would be appointing a Commission to review and make recommendations on the City's Code of Ethics. The Commission was appointed on June 2, 2011, and given 90 days to report back to the Mayor's Office.

- The 7-member Commission was comprised of (1) a lawyer, (2) a law school professor (who also sat on the City's Municipal Officials and Officers Ethics Commission), (3) a minister, (4) a journalist and business/media executive, (5) a community health education outreach manager who also held a law degree, (6) the president of Local 500 of the American Federation of State, County and Municipal Employees, and (7) an author, historian and small business owner. Only the first five attended regularly.

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The "Blue Ribbon Commission on Ethics Reform“ *(continued)*

- **The nature of the meetings:**
  - From late June until mid-October, we met almost weekly, sometimes for several hours.
  - We identified key areas for consideration, and focused on those, while at the same time looking at all sections of the existing Code of Ethics and other provisions that should be, but were not, included in the Code of Ethics.
  - Although there were several calls from the Kansas City Star when the Commission at the beginning, we had very little public interest during the process.

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Commission Recommendations

- **Gifts**
  - **Current Provisions**
    - Gift is anything of value over $200. (This was consistent with the requirements of the Missouri Ethics Commission.)
    - Only required disclosure.
    - Anything under $200 was permitted and did not require disclosure.
  - **Commission Recommendations**
    - Gift is anything of value over $50.
    - Requires disclosure of gifts within 30 days of receipt.
    - Nothing of value over $3,000.
    - No *employee* may accept a gift valued at $50 or more.

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Commission Recommendations

- **Conflict of Interest**
  - **Current Provisions**
    - Conflicts relate to the financial or personal interest of the officer, employee or member of a board of commission.
  - **Commission Recommendations**
    - Expands conflicts to include indirect benefit from a relative or business partner.
    - Includes a provision that a conflict exists if a council member has a family member that is a City employee and a union agreement is presented to Council for approval.
    - Prohibits a person with supervisory authority over another to engage in any financial transaction, including charitable transactions, with a subordinate.

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Commission Recommendations

- **Enforcement**
  - **Current Provisions**
    - Charter and Code of Ethics provides for a Municipal Officials and Officers Ethics Commission. However, it rarely met and had little power.
    - Much of the work of the Municipal Officials and Officers Ethics Commission focused on campaign finance issues, at least recently.
    - A Committee on Administrative Services Ethics focused on non-elected and appointed officials. (Not active until recently.)

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Commission Recommendations

- **Enforcement** *(continued)*
  - **Commission Recommendations**
    - Expands the jurisdiction of the Municipal Officials and Officers Ethics Commission to include all employees, not just elected and appointed officials and directors.
    - Expands the MOOEC's role and powers with respect to advisory opinions.
    - Authorizes the Commission to issue reprimands and censures.
    - Establishes procedures for investigations.

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Commission Recommendations

- **Enforcement** *(continued)*
  - **Commission Recommendations**
    - Allows the MOOEC to grant waivers in situations that do not create a potential for undue influence, unfair advantage or serious appearance of impropriety.
    - Provides for an Ethics Compliance Officer, and if no such officer is appointed, the City Attorney acts as Ethics Compliance Officer.

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Commission Recommendations

- **Miscellaneous Provisions**
  - Expands definition of "official or employee" to include domestic partners.
  - Includes nepotism policy and political activities policy in the Code of Ethics.
  - Increased penalty for violation of Code of Ethics from $500 - $1000.

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Observations

- In initial meetings with Council Members, few expressed concerns about ethics despite the recent public survey showing dissatisfaction with ethics; the two areas stressed by Council Members were *contracting* and *procurement*.
- This Commission determined that the Code of Ethics should be the general framework for ethical behavior and that policies should reflect the application of the Code of Ethics to certain situations.
- When things are going well from an ethical standpoint, there is less interest in ethic reform.
- Those outside of city government have varying opinions on the standards of ethical behavior for elected and appointed officials and employees.

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