

OFFICE OF THE CITY AUDITOR

AUDIT OF THE CITY SECRETARY'S SELECTED PROCESSES FOR CONFLICT OF INTEREST AND FINANCIAL DISCLOSURE REPORTING, ETHICS COMPLAINT FILING, AND CITY OFFICIAL CANDIDATE/NOMINEE QUALIFICATION VERIFICATION



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June 23, 2006

Memorandum



CITY OF DALLAS

June 23, 2006

Honorable Mayor and Members of the City Council
City of Dallas

We have performed an audit of the City Secretary's selected processes for conflict of interest and financial disclosure reporting, ethics complaint filing, and city official candidate/nominee qualification verification.

As a result of our review, we have concluded that the City Secretary's Office (SEC) needs to enhance their processes and procedures in identifying all the liabilities owed to the City of Dallas by City Council candidates and board/commission nominees. Additionally, the SEC needs a process to ensure that all City official candidates/nominees have met all eligibility requirements. Furthermore, the SEC needs enhanced policies and procedures to ensure that the issues related to conflicts of interest, ethics complaints, and financial disclosures are effectively monitored.

These areas of improvement are discussed in the Opportunities for Improvement section of this report.

We appreciate the cooperation of City staff during our examination.

Paul T. Garner

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Assistant City Auditor

c: Mary K. Suhm, City Manager

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EXECUTIVE SUMMARY

We have conducted an audit of the City Secretary's selected processes for conflict of interest and financial disclosure reporting, ethics complaint filing, and city official candidate/nominee qualification verification. Our audit period was October 1, 2004 through September 30, 2005.

As a result of our inquiries, reviews, and examinations, we have concluded that the City Secretary's Office (SEC) has formalized procedures to inform/assist elected and appointed City officials to report and disclose financial and/or conflicts of interest and for filing ethics complaints. The SEC follows its policies and procedures regarding reporting conflict of interest and financial disclosures, and filing ethics complaints. Additionally, the SEC has a process to determine the liabilities owed to the City of Dallas (City) by City Council candidates and board/commission nominees.

However, we found that specific actions can be taken by the SEC to improve its effectiveness. We have summarized our Opportunities for Improvement below:

- The current methodology for determining the eligibility of candidates being considered for elected and appointed positions does not ensure that the candidates comply with specific qualifying requirements.
 - A. The SEC relied upon the City Manager's Office (CMO) to determine whether City Council candidates had outstanding liabilities to the City before they are certified as qualified candidates. Since the CMO staff did not identify all the liabilities, the SEC certified City Councilmembers that had outstanding financial liens in the May 2005 election. However, when the issue was brought to the SEC's attention, the SEC did not initiate timely action to investigate and resolve the issue.

Additionally, the SEC does not have adequate processes, policies and procedures to ensure that all the liabilities identified by the CMO are resolved before the Council candidates are certified.

- B. The SEC does not have mechanisms to ensure the information that the CMO provides to determine board/commission nominees/re-nominees taxes or other liabilities is accurate, complete, and reliable. Also, the SEC does not have adequate written policies and procedures for processing nominations and re-nominations for a board/commission member.

- Administrative procedures are not in place to ensure that the SEC is effectively monitoring the issues related to conflicts of interest, ethics complaints, and financial disclosures.
 - A. The City Secretary does not attend City Council committee meetings, or track conflict of interest disclosure records relevant to the Council committee or board/commission meetings. We found that the SEC did not have conflict of interest statements for City Councilmembers that recused themselves during a City Council Committee meeting.
 - B. Forms for filling complaints to the ethics commission were not complete or kept up to date. The SEC did not have an official amended complaint form to provide to the complainant.
 - C. Conflict of interest disclosure forms are not included in agenda/briefing packets for the Councilmembers.
 - D. The SEC has not formalized the processes and relevant staff responsibilities regarding:
 - Making conflict of interest/Affidavit on Abstention from Voting forms available at each City Council meeting/briefing,
 - Processing ethics complaints that have been accepted by SEC staff,
 - Processing and filing conflict of interest disclosure forms, and
 - Notifying financial disclosure filers by certified mail that failure to file or correct the filing within 15 days after the original deadline is a violation of the Code of Ethics.
 - E. Information revealed in financial disclosure statements is not being used by the SEC as an aid in identifying conflicts of interest for City Council and/or board/commission members, and to aid in informing the member of possible conflicts of interest during City Council, Council committee, and board/commission meetings.
 - F. The SEC does not adequately report the status of conflicts of interest, ethics complaints, and financial disclosure issues.

We commend the department for its cooperation during the audit and the actions initiated to address issues brought to their attention.

INTRODUCTION

Authorization

We conducted a performance audit of the City Secretary's selected processes for conflict of interest and financial disclosure reporting, ethics complaint filing, and City official candidate/nominee qualification verification. We conducted this audit under the authority of Chapter IX, Section 3 of the Dallas City Charter and in accordance with the Annual Audit Plan approved by City Council.

Scope and Methodology

We performed our audit in accordance with generally accepted government auditing standards and included tests of records and other audit procedures that we considered necessary in the circumstances.

Our objectives were to determine whether the:

- The City Secretary's Office (SEC) has formalized procedures for:
 - a. Elected and appointed City of Dallas (City) officials to report and disclose financial and/or conflicts of interest, and the processes/procedures comply with applicable State of Texas (State) and/or local rules and regulations; and
 - b. Filing of an ethics complaint by any resident of the City or any person doing business or attempting to do business with the City.
- SEC has formalized process/procedures to inform/assist:
 - a. Elected and appointed City officials to comply with the reporting and disclosure requirements for conflict of interest statement forms and financial disclosure statement forms; and
 - b. Any resident of the City or any person doing business or attempting to do business with the City that files an ethics complaint with the SEC.
- SEC process/procedures regarding reporting conflict of interest and financial disclosure, and ethics complaint filing are followed.
- SEC is proactive in determining the payment liabilities due to the City by a City Council candidate and a board/commission nominee.

Our audit reviewed selected SEC processes for reporting conflict of interest and financial disclosure, ethics complaint filing, and verifying City official candidate/nominee qualification, and related procedures and/or practices. Our audit period was October 1, 2004 through September 30, 2005. We also reviewed certain related procedures, events, and matters occurring before and after this period.

INTRODUCTION

We developed an understanding of relevant control structures through:

- Inquiring/Interviewing SEC management and staff
- Reviewing applicable regulations and procedures
- Examining pertinent documentation

Overall Conclusion

We concluded that:

- The SEC has formalized procedures to inform/assist elected and appointed City officials to report and disclose financial and/or conflicts of interest and for filing ethics complaints.
- The SEC follows its policies and procedures regarding reporting conflict of interest and financial disclosures, and ethics complaints filing.
- The SEC has a process to determine the liabilities owed to the City by the City Council candidates and board/commission nominees.

However, we found that specific actions should be taken by the SEC to improve its effectiveness.

- The current methodology for determining eligibility of candidates being considered for elected and appointed positions has not been reliable.
- Administrative procedures that address collecting, processing, and reporting information related to conflicts of interest, ethics complaints, and financial disclosures.

Specific issues are discussed in the Opportunities for Improvement section of this report.

Background

The City Secretary is a City Council appointed City officer and serves as the City's election official and the City Council's legislative officer. SEC's program functions include the elections function and City Secretary function. The mission of the elections function is to:

- Administer all aspects of municipal elections and ensure compliance with all City, State, and federal election laws, policies and guidelines,
- Provide staff support to the City's Ethics Advisory Commission (EAC), and
- Process all ethics complaints filed with the City.

INTRODUCTION

The mission of the City Secretary function is to:

- Record, certify, preserve, manage, and make accessible information related to all actions taken by the City Council, and
- Provide information to the public and help the public locate government information maintained by and for the City in accordance with requirements established by law and the City Charter.

On June 28, 2000, the City Council passed an ordinance that established the Dallas Code of Ethics (Code) for all City officials and employees. The purpose of the Code is to provide principles of conduct for elected and appointed City officials and to revise the ethics laws governing current and former officials and employees of the City.

The creation of the Code provides for the creation, membership, qualifications, jurisdiction and powers of the EAC. The EAC is comprised of seven members appointed by the City Council.

Under the Code, the SEC has defined responsibilities including, but not limited to, the following areas:

- Ethics complaints
- Financial disclosure
- Conflict of interest disclosure

The Code states that any resident of the City or any person doing business or attempting to do business with the City (other than an ethics advisory commission member) who believes there has been a violation of the Code of Ethics may file a sworn complaint, under penalty of perjury, with the City Secretary. Since the SEC provides staff support to the EAC, this office is responsible for accepting all ethics complaints filed against City officers and employees, initiating correspondence for the EAC, setting hearing dates, documenting and recording all actions taken by the EAC, and keeping relevant records.

The Code requires the Mayor, each City Councilmember, the City Attorney, the City Manager, and each candidate for City Council to file with the SEC verified financial statements that comply with Chapter 145 of the Texas Local Government Code. Other City officials and designated City employees are required to file with the SEC the City's financial disclosure report that lists personal financial and business information, before initially accepting appointment or assuming the duties of office, and annually thereafter.

INTRODUCTION

Under the Code, the SEC is responsible for:

- Notifying the City officials and designated employees of their obligation to file the disclosure reports;
- Providing them with the appropriate forms and guidance/assistance on the reporting requirements;
- Reviewing the filings for completeness and timeliness; and
- Maintaining filing records.

The Code also requires City officials and designated City employees to file a conflict of interest disclosure with the SEC when there is a conflict in violation of Section 12A-3, Improper Economic Benefit, of the Code. The Code requires a City official or employee whose conduct or action on a matter that would violate Section 12A-3 of the Code to immediately refrain from further participation in the matter and promptly file with the SEC a written statement disclosing the conflict on a form provided by the SEC (Disclosure of Conflict Statement).

Chapter 171 of the Local Government Code sets forth State law conflict of interest requirements applicable to local public officials. Under the Local Government Code, a local public official who has a substantial interest in a business/real property is required to file an affidavit (Affidavit on Abstention from Voting Form) with the SEC to disclose the nature and extent of their interest in the business/ real property before the vote or decision on a matter involving the business/real property.

The Code does not specify the SEC's responsibilities regarding filing conflict of interest disclosures. However, according to SEC internal policy and procedures, SEC personnel are mainly responsible for:

- Accepting the filing for the Disclosure of Conflict Statement and Affidavit on Abstention from Voting forms
- Reviewing the filings for completeness
- Maintaining the filing records
- Notifying any Councilmember upon determining that the Councilmember who is required to file has recused herself/himself during a City Council meeting has failed to file a timely report or has filed incomplete or unresponsive information

OPPORTUNITIES FOR IMPROVEMENT

During our audit, we identified certain policies, procedures, and practices that can be improved. Our audit was not designed or intended to be a detailed study of every relevant system, procedure, and transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvements may be needed.

1. **The current methodology for determining the eligibility of candidates being considered for elected and appointed positions does not ensure that the candidates comply with specific qualifying requirements.**

A. The process relied upon by the SEC to ensure that no financial liabilities exist for **City Council candidates** did not identify all financial liabilities. We found the following:

- Processes and procedures are not in place to ensure that the SEC certifies Council candidates meet all eligibility requirements. The SEC relies upon the staff of the City Manager's Office (CMO) for information as to whether a candidate owes financial liabilities to the City. However, the SEC has no assurance that the information provided by the CMO is accurate, complete, and reliable, since the SEC does not have the database to do the verification internally.

The City Charter states, "Each member of the city council shall, in addition to the other qualifications prescribed by law, be at the date of his election a qualified voter of the city, and shall not be in arrears in the payment of any taxes or other liabilities due the city."

Prior to an election, the SEC requests the CMO to research whether any City Council candidates have unpaid taxes or other liabilities due to the City. Based upon their research, the CMO generates a City Council Candidates Qualifications Background Review (CCCQBR) report, which is forwarded to the SEC. The CCCQBR report notes whether a candidate owes the City library fines, civil penalties, water bills, taxes, or court services fines. Based upon the CMO's information, SEC personnel notify the candidate of the owed liabilities identified in the CMO research. Therefore, any owed obligations that are not revealed by the CMO report would not be identified or resolved.

As the City's election official, the City Secretary certifies City Council candidate qualifications. If a City Council candidate is not qualified, the City Secretary must not certify the candidate.

OPPORTUNITIES FOR IMPROVEMENT

- When liabilities are identified, adequate procedures were not in place to substantiate that the Council candidates address those liabilities. The SEC does not have written policies and procedures regarding verifying payment on liabilities owed by City Council candidates and/or their family members prior to certification.

SEC personnel stated the SEC practice was to notify the candidates verbally if they owed the City liabilities and to document the conversation.

We obtained the CMO's CCCQBR report dated March 30, 2005. The CMO report indicated that some Council candidates and/or their family members had liabilities due to the City. The SEC had certified all City Council candidates in the May 2005 election. The SEC certified City Council candidates that are in arrears to the City.

We requested the SEC to provide supporting documentation regarding whether these candidates had paid the liabilities indicated before they were certified. We were provided records to show that only one candidate had paid the tax owed in full before being certified. However, we were not provided documentation on other candidates.

The mission of the SEC election function is to administer all aspects of municipal elections and ensure compliance with all City, State and federal election laws, policies, and guidelines.

If an election is contested and a new election is ordered because the candidate does not meet all qualifications, the City taxpayers would have to absorb the cost of the re-election, which could be potentially hundreds of thousands of dollars.

- The SEC did not take timely actions to investigate the outstanding liens involving two City Council candidates. In November 2005, it came to the SEC's attention that there were outstanding liens against the properties owned by two City Council candidates that had won re-election in May 2005. The Office of Financial Services researched and confirmed the liens in November 2005.

During our audit, we asked whether the SEC had verified the liens and taken action to resolve the issue. We received a memo from the SEC on April 5, 2006, which indicated that the SEC had verified that two City Council candidates had liens placed on the properties that they owned. However, this verification was done four months after the Office of Financial Services confirmed the issue and after we raised our audit concerns.

OPPORTUNITIES FOR IMPROVEMENT

The SEC indicated that both Councilmembers were informed of the outstanding obligations and given copies of the lien information when the SEC became aware of the issue. SEC personnel stated that the SEC had met with the CMO staff and will meet with the City Attorney's Office to discuss the relevant issues.

As the City's election official, the City Secretary should promptly address any relevant concerns/issues regarding the certification and qualification of candidates in compliance with applicable laws, regulations, and guidelines.

B. The SEC does not have adequate mechanisms for processing nominations and re-nominations for a **board or commission member**. We found that:

- The SEC does not have mechanisms to ensure the information that the CMO provides to determine board/commission nominees'/re-nominees' taxes or other liabilities owed to the City, is accurate, complete, and reliable. The SEC requests the CMO to research the nominees'/re-nominees' liabilities due to the City on library fines, civil penalties, water bills, taxes, and court services fees, and relies on the CMO information. Any owed obligations that are not revealed by the CMO would not be identified or resolved.
- The SEC does not have adequate written policies and procedures regarding following up on the outstanding obligation information revealed during the nominees'/re-nominees' background check. SEC staff notifies board/commission nominees/re-nominees of outstanding obligations owed to the City via letters. According to SEC personnel, SEC staff also requests the nominees/re-nominees to resolve the identified obligations and provide proof to the Councilmembers' assistants that the obligations had been resolved. However, the SEC has not formalized the process regarding the follow-up activities to reflect its practice.

Chapter 8 of the Dallas City Code, Boards and Commissions, states that an appointee to the board must not be in arrears on any City taxes, water service charges, or other obligations owed to the City.

The SEC does not have a database to verify applicable liabilities owed by a board/commission nominee/re-nominee or mechanisms to ensure the information provided by the CMO regarding the nominee/re-nominee's liabilities to the City is accurate, complete, and reliable.

Without adequate procedures for processing nominations and re-nominations for a board or commission member, the SEC does not have assurance that all board/commission nominees/re-nominees meet all eligibility requirements.

OPPORTUNITIES FOR IMPROVEMENT

We Recommend the City Secretary:

- Develop policies and procedures to ensure all outstanding obligations owed to the City of Dallas by City Council candidates and board/commission nominees/re-nominees are identified and resolved before:
 - The City Council candidates are deemed eligible prior to an election and before candidate certification; and
 - The board/commission nominees/re-nominees are deemed eligible prior to their appointment/re-appointment.

- Consult with the City Attorney's Office to determine whether Council candidates/board or commission appointees are responsible for their family members liabilities owed to the City of Dallas.

- Ensure that the verification of the liabilities owed to the City of Dallas by Council candidates and board/commission appointees is accurate and complete by:
 - Developing and implementing a service agreement with the CMO if the SEC continues to rely on the CMO for the verification; or
 - Developing detailed policies and procedures and staff responsibilities regarding the verification process if the SEC performs the verification internally. If an internal process is developed, additional resources may be necessary to implement that process.

Management's Response:

Timeframe to complete	Status
City Secretary (SEC) Office procedures for processing city council candidates for a place on the general election ballot – completed	Met with Chief Financial Officer (CFO) and Assistant to the City Manager (Asst. to CM) on May 1, 2006 to identify policies and procedures that will refine the process to ensure all outstanding obligations owed to the City of Dallas by City Council candidates and board/commissions nominees/re-nominees are identified and resolved.
Amend procedures for processing board/commission nominees/renominees - to be completed in 60 days	The CFO and Asst. to CM stated they would have Draft procedures ready by June 30, 2006. Sent follow-up memo to confirm details of meeting sent May 12, 2006 (See Exhibit 1, page 23).

OPPORTUNITIES FOR IMPROVEMENT

Timeframe to complete	Status
<p>SEC will follow up with the City Attorney (CA) – June 30, 2006</p>	<p>The procedure for processing city council candidates to determine if they have outstanding obligations owed the City of Dallas has been completed and approved by City Secretary (SEC). The coordinator of boards/commissions is amending the procedures for processing board/commission nominees/re-nominees.</p> <p>Memo sent to CA requesting opinion (See Exhibit 2, page 24). Met with CFO and Asst. to CM on May 1, 2006; CFO agreed to establish internal policies and procedures.</p>
<p>CM procedures – to be completed by June 30, 2006</p>	<p>The procedures will serve as a service agreement that will confirm that verification of liabilities owed to the City by council candidates and board/commission appointees will be accurate and complete. Attached memo to CFO requesting a copy of the procedures for verification of city council candidates and Board/Commission appointees by June 30, 2006 (See Exhibit 1, page 23). Procedure will confirm agreement with CFO to have manager level staff resolve concerns or issues to ensure that all obligations owed the City of Dallas are resolved.</p>
<p>Memo to CM to confirm continued relationship to verify obligations owed the city – completed May 12, 2006</p>	<p>SEC is developing and revising the background check form to ensure that each obligation owed the City of Dallas and any potential obligation is identified on the background check form. SEC will continue to use the CMO for the purpose of verifying obligations owed by the City Council candidates and board/commission appointees. Memo sent to CMO on May 12, 2006 confirming the continued relationship (See Exhibit 3, page 25). SEC unable to perform the verification internally due to current staffing level and necessary tools to complete the background check (i.e., access to taxes, water, library, courts, police, parking).</p>

OPPORTUNITIES FOR IMPROVEMENT

2. Administrative procedures are not in place to ensure that the City Secretary is effectively monitoring the issues related to conflicts of interest, ethics complaints, and financial disclosures.

We identified issues regarding the SEC collecting, processing, and reporting information relevant to conflicts of interest, ethics complaints, and financial disclosures. We found the following:

A. The City Secretary does not attend all City Council committee meetings, or track conflict of interest disclosure records relevant to the Council committee or board/commission meetings. SEC personnel stated that:

- The CMO oversees the Council committees and provides the SEC with the relevant conflict of interest disclosure and other meeting records.
- The SEC does not review the forwarded conflict of interest information, but files the documentation in applicable SEC files.

We judgmentally selected and reviewed the Economic Development and Housing Council Committee meeting minutes dated October 3, 2005. The meeting minutes indicated that two Councilmembers left the meeting room during a discussion to avoid a conflict of interest. We requested the SEC to provide the conflict of interest statements filed with the SEC relevant to the recusals. We were told the information was not in the SEC file. SEC personnel indicated that collecting and processing conflict of interest disclosures and other meeting records during City Council committee meetings are the responsibilities of the CMO staff.

SEC personnel also stated that the SEC does not review the conflict of interest disclosure documents relevant to board/commission meetings. According to SEC personnel, departmental liaisons compile board and commission meeting records including conflict of interest disclosure information and forward the documentation to the SEC.

The Code requires a City official or employee whose conduct or action on a matter would violate the Code provisions (improper economic benefit) to immediately refrain from further participation in the matter and promptly file with the City Secretary a written statement disclosing the conflict.

Since the SEC has not developed mechanisms to ensure all conflicts of interest relevant to City officials that should have been disclosed are documented, monitored, and properly filed, the SEC has no assurance that the Code is followed and the City is in compliance with applicable laws, rules, and guidelines.

OPPORTUNITIES FOR IMPROVEMENT

In Chapter IIIA, Section 3, the Dallas City Charter requires the City Secretary to attend all meetings of the City Council and keep accurate records of all actions taken by the City Council. The Dallas City Charter refers to "meetings" in several sections:

- In Chapter III, Section 4, regular meetings include both those held by the full City Council and those held by the standing City Council Committees.
- In Chapter III, Section 6, a regular meeting of the City Council must be held each week unless posted or canceled for a valid reason as determined by the City Council.

B. Forms for filing complaints to the ethics commission were not complete or kept up to date

On August 31, 2005, a City of Dallas citizen filed an ethics complaint. On September 14, 2005, the citizen amended the complaint. At that time, the SEC did not have an "official" amended complaint form to provide to the citizen. Instead, at the citizen's request, SEC personnel showed the citizen an "amended" complaint filed on April 30, 2003 by another citizen, and typed the amendment in a format similar to the one used by the other citizen two years earlier. SEC personnel indicated that the verbiage used for the 2003 amendment was prepared by City Attorney's Office personnel.

A SEC memorandum to the Dallas City Council on October 7, 2005 showed that:

- The EAC panel found that the original complaint filed by the citizen failed to state a claim under Chapter 12A of the Dallas City Code.
- The amended complaint was dismissed because it failed to state "under penalty of perjury that the information provided was true and correct." (The amended complaint typed by the SEC personnel did not include such a statement.)

According to SEC personnel, there have only been two amended complaints filed in the past two years.

The Code states, "Any resident of the city or any person doing business or attempting to do business with the city (other than an ethics advisory commission member) who believes there has been a violation of this chapter may file a sworn complaint, under the penalty of perjury, with the city secretary." However, the Code does not specifically address amended complaints.

During our audit, the SEC has developed the Amended Complaint Form, which was approved by the EAC on December 16, 2005.

OPPORTUNITIES FOR IMPROVEMENT

- C. The SEC does not send conflict of interest disclosure forms to the CMO to include in Councilmember's agenda/briefing packets.

Currently, the CMO sends the City Councilmember a Council agenda packet for Council meetings/briefings. The SEC indicated that they have conflict of interest forms readily available at the City Council meetings/briefings and on the SEC website.

If the conflict of interest forms are not included in the agenda packets, Councilmembers may not have the applicable conflict of interest forms readily available to file prior to or at the Council meetings/briefings. Councilmembers should receive assistance in order to comply with laws, regulations, and guidelines regarding reporting conflict of interest disclosures.

- D. The SEC has not formalized the process and relevant staff responsibilities regarding making conflict of interest/Affidavit on Abstention from Voting forms available at each City Council meeting/briefing.

The SEC initiated the policy of having these forms at each City Council meeting and briefing since September 2, 2005. SEC personnel stated that the SEC has not updated its written procedures to reflect this recent practice.

- E. The SEC does not have adequate written procedures regarding processing ethics complaints.

The current written policies and procedures do not include SEC staff responsibilities and relevant processes after an ethics complaint has been accepted by SEC staff. For example, the SEC acts as the liaison for the EAC in notifying the parties involved in the complaint. However, the notification process was not included in the written policy and procedures. SEC personnel indicated that the SEC has not updated/amended policies and procedures to reflect its business practice.

- F. City officials and designated employees do not have clear instructions regarding which conflict disclosure form to file.

City officials and designated employees are responsible for filing with the SEC an Affidavit on Abstention from Voting (State form), under Chapter 171 of Local Government Code, and/or a Disclosure of Conflict Statement (City form), under the Code of Ethics, on matters that would violate any provisions of the Code of Ethics. City officials and designated employees are responsible for disclosing their conflict on the forms.

OPPORTUNITIES FOR IMPROVEMENT

SEC personnel indicated that the use of State and City forms by the City official and designated employee is inconsistent. Sometimes, the State form is used; sometimes the City form is used; and other times both forms are used. SEC personnel stated that, currently, the City Secretary and Assistant City Secretary handle all inquires regarding which form to use.

- G. Information revealed in financial disclosure statements is not being used by the SEC to aid in identifying conflicts of interest for City Council and/or board/commission members, and to aid in informing the member of possible conflicts of interest during City Council, Council committee, and board/commission meetings.

The SEC maintains a listing of all individuals who should file a financial disclosure report. However, the SEC does not summarize the financial disclosure information or have a formalized listing of all individuals with their respective disclosed financial interests. SEC personnel stated that current SEC staffing level does not allow them to perform the relevant tasks.

- H. The SEC does not have written procedures to notify financial disclosure filers by certified mail that failure to file or to correct the filing within 15 days after the original deadline is a violation of the Code of Ethics, Section 12A-19.

Currently, the SEC first notifies financial disclosure filers by regular mail and then the violators by certified mail. However, the SEC does not have a written policy for the notification process. SEC personnel stated that the SEC has not updated its written procedures to reflect the notification practice.

- I. The SEC has not instituted an adequate reporting system to periodically communicate, either internally or externally, the activities and/or status relating to conflict and financial disclosures, or ethics complaints

The SEC generates some reports; however they are used internally or issued on an annual basis or on an "asked for" basis. For example, the SEC sends a listing of financial disclosure violators and a listing of all ethics complaints to the City Council on an annual basis.

The SEC does not consider periodic status reporting as a responsibility of the office. Without an adequate reporting system, the SEC may not have current and readily available information to provide to the citizens of Dallas or to City officials; and City officials may not be aware of information that is vital to its policy decision making process regarding these issues.

OPPORTUNITIES FOR IMPROVEMENT

Policies/procedures/mechanisms should be developed and implemented to ensure that the SEC not only complies with the relevant rules and guidelines regarding conflicts of interest, ethics complaints, and financial disclosures, but also improves its business practice by proactively informing/assisting City's officials in complying with the relevant rules and guidelines.

A. We Recommend the City Secretary ensure that:

- Conflict of interest statements and other relevant information regarding the Councilmembers recusals during the Economic Development and Housing Council committee meeting on October 3, 2005, are obtained, and reviewed, and properly filed in the City Secretary's files.
- Mechanisms are developed to ensure all conflict of interest disclosures relevant to City Council committee and board/commission meetings are accurately documented, reviewed, monitored, and properly filed.
- The City Attorney's Office is consulted to obtain a legal opinion on the definition of "all meetings". Should the opinion include committee and special meetings, consideration should be given to seek the authority to allow attendance at all meetings by the City Secretary, or their designee.

Management's Response:

Timeframe to complete	Status
Received conflict of interest from both councilmembers	Conflict of interest statements for councilmembers have been filed with the City Secretary's Office. Copies have been provided to Auditor (See Exhibits 13.1 through 13.3b, pages 66 - 73).
Memo to ACM regarding possible city councilmembers conflict of interest at city council committee meeting	SEC emailed the Assistant City Managers and board coordinators, who provide staff support for the various Council Committees, to inform them of the need to file conflict of interest statements of city councilmembers along with minutes (See Exhibits 13.4 and 13.5, pages 74 - 75).
Send memo to City Attorney no later than June 30, 2006	

B. We Recommend the City Secretary consult with the City Attorney's Office and Ethics Advisory Commission to coordinate any necessary changes to the Dallas City Code of Ethics to ensure amended ethics complaints are addressed.

OPPORTUNITIES FOR IMPROVEMENT

Due to the actions taken by the SEC regarding developing Amended Ethics Complaint Form, we have no additional recommendation(s).

Management's Response:

Timeframe to complete	Status
Amended complaint forms – completed December 16, 2005.	<p>Ethics Advisory Commission (EAC) created and approved an Amended Complaint Form, effective December 16, 2005, and will be incorporating in Rules of Procedure (See Exhibits 6 through 8, pages 27 - 34).</p> <p>EAC is also developing Rules of Procedures to address other Ethics Complaint issues.</p>

- C. **We Recommend** the City Secretary develop a methodology to send conflict of interest disclosure forms for the CMO to include in agenda/briefing packets for the City Councilmembers.

Management's Response:

Timeframe to complete	Status
No further action required	<p>Current methodology of providing conflict of interest forms to City Council members at council meetings/briefings and online at its website for Council Assistants to utilize appears to work well.</p> <p>SEC staff provides adequate availability of conflict of interest forms to city Councilmembers via a ready supply of forms at all council meetings and briefings. Unused Conflict of Interest forms are retrieved after each meeting and recycled for the next City Council meeting and redistributed.</p> <p>The recommendation to send forms to CM to include in Council agenda/briefings packets may increase the congestion of paper in the City Council packets. Further, placing forms in packets will reduce the opportunity to recycle and monitor the need for additional forms.</p> <p>Placing the conflict of interest forms at the City Council horseshoe stimulates the immediate asking of questions, and affords an on-the-spot response by the City Secretary and/or City Attorney.</p>

OPPORTUNITIES FOR IMPROVEMENT

D. **We Recommend** the City Secretary develop written policy and procedures to include relevant process and staff responsibilities regarding making Affidavit of Abstention from Voting and Disclosure of Conflict Interest Statement forms available at each Council meeting/briefing.

Management's Response:

Timeframe to complete	Status
Procedure – to be completed in 60 days	SEC staff updating its policies and procedures to include relevant process and staff responsibilities regarding making Affidavit of Abstention from Voting and Disclosure of Conflict of Interest available at each council meeting/briefing.

E. **We Recommend** the City Secretary develop written policy and procedures to include the relevant process and staff responsibilities regarding after an ethics complaint has been accepted by SEC staff.

Management's Response:

Timeframe to complete	Status
Procedures – to be completed in 60 days	SEC staff updating Policies and Procedures regarding processing ethics complaints.

F. **We Recommend** the City Secretary develop written policy and procedures, in consultation with the City Attorney's Office, to clearly address:

- Which conflict of interest form should be filed under the State law and the Dallas City Code of Ethics, and
- Whether one conflict disclosure form could be developed to satisfy both the State and City requirements.

Management's Response:

Timeframe to complete	Status
Procedure – to be completed in 90 days.	Attached memo to City Attorney (CA) to request opinion concerning conflict of interest statements (See Exhibit 2, page 24). SEC policies and procedures will be updated and/or written to reflect opinion. SEC will work closely with CA office staff to develop a policy or procedure addressing Conflict of Interest Forms.

OPPORTUNITIES FOR IMPROVEMENT

G. **We Recommend** the City Secretary develop mechanisms to ensure that financial disclosure statement information is fully used in identifying conflicts of interest for City Council, board/commission members, and the members are informed for possible conflicts of interest during City Council meetings, Council committee meetings, and board/commission meetings.

Management's Response:

Timeframe to complete	Status
	<p>CA opinions, local and state laws clarify the duties of the SEC as it relates to Conflict of Interest Statements (See Exhibits 9 and 10, pages 35 - 55).</p> <p>SEC has developed a tracking system that identifies each city council meeting, Councilmembers who have stated conflict of interest and documentation of receipt of conflict of interest statements.</p> <p>SEC staff will immediately contact Councilmembers' Assistants via email if there are any outstanding conflict of interest statements.</p> <p>Biannual report will be sent to City Councilmembers identifying conflict of interest statements and any issues or concerns.</p> <p>SEC current staffing level, the volume of financial disclosure statements filed by Councilmembers and board/commission members, and the numerous disclosures contained on each form will require training and additional staff.</p> <p>SEC will discuss with City Councilmembers whether it is cost effective and feasible, based upon current information filed on financial disclosure reports, to identify conflict of interest for City Councilmembers and Board/Commission members and to aide in informing the member of possible conflict of interest during City Council, council committee, and board/commission meeting.</p>

H. **We Recommend** the City Secretary develop written policy and procedures to include the Dallas Code of Ethics requirement regarding notifying the financial disclosure report filer by certified mail that failure to file or correct the filing within 15 days after the original deadline is a violation of the City Code.

OPPORTUNITIES FOR IMPROVEMENT

Management's Response:

Timeframe to complete	Status
Procedure – to be completed in 90 days	SEC staff updating Policies and Procedures to reflect its current practice of notification to financial disclosure filers and violators via regular and certified mail as prescribed by Chapter 12A-19, Code of Ethics.

- I. **We Recommend** the City Secretary develop reporting mechanisms to ensure the filing activities and/or status regarding conflict and financial disclosures, and ethics complaints are reported and communicated internally and externally on a periodic basis.

Management's Response:

Timeframe to complete	Status
Report to Council – June, 2006	<p>First quarterly report concerning Conflicts of Interest will be provided on June 30, 2006.</p> <p>SEC will continue its practice of reporting the status of the filing of Financial Disclosure Statements on an annual basis as required by Section 12A-19(d), Code of Ethics. Memo sent to Council on May 12, 2006 (See Exhibit 11, page 56 - 57). Report publicly announced to Council on May 24, 2006 as required by Chapter 12A-19(f) (1) (ii), Code of Ethics. SEC will continue its practice of reporting statistics concerning ethics complaints via the Ethics Advisory Commission's Annual Report to the City Council, due February 1 of each calendar year as required by Dallas City Code, 8-1.1, REPORTS TO THE CITY COUNCIL (See Exhibit 12, page 58 - 65). Statistics and/or information will be reported to City Council more often if SEC determines there is an increase in activity.</p>

OPPORTUNITIES FOR IMPROVEMENT

Other Management Responses:

The current practice of the City Secretary's Office requires follow-up on all obligations owed the City of Dallas. Source documentation to support all obligations is required and sent to the nominee/re-nominee. If the information is confidential, the Assistant to the City Manager confirms there is an outstanding obligation and what the nominee/re-nominee must do to clear the matter.

There is a direct relationship between the City Secretary's staff and the City Manager's Department representatives with whom we communicate by email, fax and telephone to receive documentation and confirm obligations owed. All outstanding obligations owed the City are reviewed by the Assistant City Secretary and City Secretary prior to communicating with the nominee/re-nominee, Council Assistant and/or City Councilmember.

I do agree, the City Secretary's Office has not amended the current policies and procedures that reflect the daily practice to complete the review and notification of obligations owed to the City.

Audit of the City Secretary's Selected Processes for Conflict of Interest and Financial Disclosure Reporting,
Ethics Complaint Filing, and City Official Candidate/Nominee Qualification Verification

OPPORTUNITIES FOR IMPROVEMENT

Management's Exhibits

Audit of the City Secretary's Selected Processes for Conflict of Interest and Financial Disclosure Reporting,
Ethics Complaint Filing, and City Official Candidate/Nominee Qualification Verification

OPPORTUNITIES FOR IMPROVEMENT

EXHIBIT
I

Memorandum



DATE May 12, 2006

TO Dave Cook
CHIEF FINANCIAL OFFICER

SUBJECT CITY AUDITOR REPORT OF SPECIFIC RESPONSIBILITIES OF
THE CITY SECRETARY

Based upon our meeting of May 1, 2006 concerning an audit of the City Secretary's Office by the City Auditor regarding Selected processes for Conflict of Interest and Financial Disclosure Reporting, and City Officer/Nominee Qualification - Verification, this memo is to confirm our agreement that policies and procedures for verification of Boards & Commissions will be completed by June 30, 2006.

In addition, the policies and procedures should include the provision for a contact person at manager level or above to resolve concerns or issues to insure that all obligations owed to the City of Dallas are met. Our office is revising its background check form to address each obligation and potential obligation of which we are aware.

If you have any questions or need additional information, please feel free to contact me or Michelle M. Calloway at 214-670-3044.

Deborah Watkins
CITY SECRETARY

C: Mary K. Suhm, City Manager
Lynetta Moore, Executive Assistant to the City Manager

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MAY 22 2006

CITY AUDITOR'S OFFICE

OFFICE OF THE CITY SECRETARY

RECEIVED
CITY MANAGER'S OFFICE
MAY 15 2006

TO: _____
 HANDLE FOR RESPONSE CM SIGNATURE
 REVIEW W/M E FYI

FROM: _____

DALLAS, TX 75201

Audit of the City Secretary's Selected Processes for Conflict of Interest and Financial Disclosure Reporting,
Ethics Complaint Filing, and City Official Candidate/Nominee Qualification Verification

OPPORTUNITIES FOR IMPROVEMENT

EXHIBIT
2

Memorandum

City Attorney's Office

MAY 15 2006



DATE: May 12, 2006

TO: Thomas P. Perkins, Jr.
CITY ATTORNEY

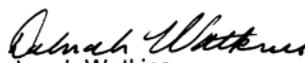
SUBJECT: REQUEST FOR AN OPINION - ISSUES RELATED TO AUDIT OF
SPECIFIC RESPONSIBILITIES OF THE CITY SECRETARY

On April 20, 2006 the City Secretary's Office received a draft report from the City Auditor identifying administrative findings relating to matters pertaining to (1) Selected Processes for Conflict of Interest and Financial Disclosure Reporting, (2) Ethics Complaints Filing, and (3) City Officer Candidate/Nominee Qualification - Verification with responses requested by May 22, 2006 in order to send the final report to the City Council.

The auditor's report suggested that we request the City Attorney to provide an opinion on the following areas:

- Is a City Council candidate or Boards & Commissions nominee responsible for their family member's liability owed to the City?
- Is there an opportunity for one form to be developed that will satisfy both the State and City requirements for disclosure of conflicts of interest reflected in the current Conflict of Interest Statement required by the Local Government Code under Chapter 171, the Local Government Code under Chapter 176 and the Conflict of Interest Statement addressed in Chapter 12A, Code of Ethics?

If you need additional information, please advise.


Deborah Watkins
CITY SECRETARY

C: Jesus Toscano, Executive Assistant City Attorney
Gwendolyn Satterthwaite, Executive Assistant City Attorney

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MAY 22 2006

CITY AUDITOR'S OFFICE

OFFICE OF THE CITY SECRETARY

DALLAS, TX 75201

Audit of the City Secretary's Selected Processes for Conflict of Interest and Financial Disclosure Reporting,
Ethics Complaint Filing, and City Official Candidate/Nominee Qualification Verification

OPPORTUNITIES FOR IMPROVEMENT

EXHIBIT
3

Memorandum



DATE May 12, 2006

TO Mary Suhm
CITY MANAGER

SUBJECT CITY AUDITOR REPORT OF SPECIFIC RESPONSIBILITIES OF
THE CITY SECRETARY

On April 20, 2006 the City Secretary's Office received a draft report from the City Auditor identifying administrative findings relating to matters pertaining to (1) Selected Processes for Conflict of Interest and Financial Disclosure Reporting, (2) Ethics Complaints Filing, and (3) City Officer Candidate/Nominee Qualification – Verification and requesting responses by May 22, 2006.

May 1, 2006, I met with Dave Cook and Lynetta Moore to review issues/concerns stated in the audit that focused on background checks of City Officer Candidate/Nominee Qualification – Verification.

We agreed that procedures and/or policies would be completed no later than June 30, 2006 to address the issues/concerns discussed in the audit.

I look forward to our lunch meeting on May 30, 2006 and at that time I will be able to provide you any additional information.


Deborah Watkins
CITY SECRETARY

C: Dave Cook, Chief Financial Officer
Lynetta Moore, Executive Assistant to the City Manager

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MAY 22 2006

CITY AUDITOR'S OFFICE

OFFICE OF THE CITY SECRETARY

RECEIVED
CITY MANAGER'S OFFICE

MAY 15 2006

TO: _____
 HANDLE FOR RESPONSE CM SIGNATURE
 REVIEW WME FYI

FROM: _____ DALLAS, TX 75201

NOTE

**Exhibits 4 and 5 were removed from Management Responses
by the City Secretary**

Audit of the City Secretary's Selected Processes for Conflict of Interest and Financial Disclosure Reporting,
Ethics Complaint Filing, and City Official Candidate/Nominee Qualification Verification

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CITY AUDITOR'S OFFICE



CITY OF DALLAS

EXHIBIT

6

ETHICS ADVISORY COMMISSION
MINUTES
December 16, 2005, Room 6ES

Members Present: Calvin Bluiett, Vice-Chair
Rebecca B. Bergstresser
Linda G. Sorrells
Margaret Donnelly

Members Absent:
Daniel Perez, Chair
Gloria Tarpley
Vacant (1)

Staff Present: Shirley Acy, City Secretary
Deborah Watkins, Assistant City Secretary
Gwen Satterthwaite, City Attorney's Office
Lisa Christopherson, City Attorney's Office
Michelle M. Calloway, City Secretary's Office
Lois A. Dillard, City Secretary's Office
Monesia Davis, City Secretary's Office

With a quorum being present, Vice-Chairman Bluiett called the meeting to order at 9:17AM.

Vice-Chair Bluiett called for a motion to approve the minutes of seven meetings. During the discussion the Commissioners requested the City Attorney's office to render an opinion on whether commission members could approve minutes of a preliminary panel of which they were not a member.

Assistant City Attorney Satterthwaite advised the commission to vote on the February 18, August 23, and September 16 meetings since three of the four members present were in attendance of those meetings.

Vice Chair Bluiett called for a motion on the February 18, August 23, and September 16 meeting minutes.

Motion was made to approve the minutes of the February 18, 2005 meeting by Commissioner Sorrells. Commissioner Donnelly seconded the motion. The motion passed with Vice-Chairman Bluiett and Commissioners Sorrells and Donnelly voting in favor with Commissioner Bergstresser abstained from voting on this item.

Motion was made to approve the minutes of the August 23, 2005 meeting by Commissioner Bergstresser. Commissioner Donnelly seconded the motion. The motion passed with Vice-Chairman Bluiett and Commissioners Bergstresser and Donnelly voting in favor with Commissioner Sorrells abstained from voting on this item.

Motion was made to approve the minutes of the September 16, 2005 meeting by Commissioner Donnelly. Commissioner Sorrells seconded the motion. The motion passed with Vice-Chairman Bluiett and

**Audit of the City Secretary's Selected Processes for Conflict of Interest and Financial Disclosure Reporting,
Ethics Complaint Filing, and City Official Candidate/Nominee Qualification Verification**

OPPORTUNITIES FOR IMPROVEMENT

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Ethics Advisory Commission Minutes
December 16, 2005
Page 2

Commissioners Donnelly and Sorrells voting in favor with Commissioner Bergstresser abstained from voting on this item.

Later in the meeting, Assistant City Attorney Christopherson stated that the Roberts Rules of Order does not preclude members that were not in attendance of a meeting from voting on minutes of that meeting.

Vice Chair Bluiett called for a motion on the remaining meeting minutes.

Motion was made to approve the minutes of the September 7, 2005 meeting by Commissioner Donnelly. Commissioner Sorrells seconded the motion. The motion passed unanimously.

Motion was made to approve the minutes of the September 13, 2005 meeting by Commissioner Bergstresser. Commissioner Donnelly seconded the motion. The motion passed unanimously.

Motion was made to approve the minutes of the September 19, 2005 meeting by Commissioner Donnelly. Commissioner Bergstresser seconded the motion. The motion passed unanimously.

Motion was made to approve the minutes of the November 7, 2005 meeting by Commissioner Bergstresser. Commissioner Donnelly seconded the motion. The motion passed unanimously.

Vice Chair Bluiett called for the briefing on of Chapter 176 Local Government Code: Disclosure of Conflicts Requirement.

The Assistant City Attorney Satterthwaite presented information on Chapter 176, Local Government Code. This chapter sets forth a new conflicts disclosure requirement for city officers and persons who contract with the City or are interested in contracting with the City. Exhibit A identifies all material presented to the commission.

Vice Chair Bluiett called for discussion, review, and approval of the amended complaint form.

During the discussion, the commissioners raised the following questions:

- 1) whether or not amended complaint forms were addressed in Chapter 12A, Dallas City Code,
- 2) what timeframe should the amended complaint form be accepted,
- 3) if an extended date for the preliminary panel hearing would be given when the amended complaint form was filed?

All commissioners present agreed to allow an amended complaint form to be filed within seven days of the date the original complaint was received in the City Secretary's Office. The amended complaint would supersede and replace the original complaint, and the preliminary panel hearing date would be within 21 days of date the amended complaint was filed.

Vice Chair Bluiett called for a discussion, review, and approval of the EAC Rules of Procedure.

During the discussion on the EAC Rules of Procedure the commissioners agreed to add a subsection under Filing of Complaints titled "Withdrawal of Complaints".

Audit of the City Secretary's Selected Processes for Conflict of Interest and Financial Disclosure Reporting,
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OPPORTUNITIES FOR IMPROVEMENT

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Page 3

A motion to approve the amended complaint form and the EAC Rules of Procedure for use with changes as discussed was made by Commissioner Bergstresser and seconded by Commissioner Donnelly. The motion passed unanimously. Exhibits B and C identifies forms approved by the commission.

The City Secretary's Office was directed to continue drafting the EAC Rules of Procedure, as outlined in the Table of Contents.

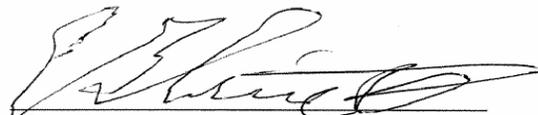
Vice Chair Bluiett called for discussion of the 2006 Annual Report to the City Council.

The City Secretary stated that the information before them was not that of 2005. Since the report is due on February 1, 2006, her staff would provide the information to the commissioners before their January 20, 2006 meeting.

Vice-Chair Bluiett informed the Commission members that they should review and provide comments on the Preliminary Panel Checklist and Preliminary Panel Findings, as these items would be on the agenda for approval at the next meeting. The next meeting is scheduled for Friday, January 20, 2006.

With no other new business, Vice-Chair Bluiett called for a motion to adjourn. Commissioner Bergstresser moved to adjourn; the motion was seconded by Commissioner Sorrells and passed unanimously.

The meeting adjourned at 11:00 AM.



Vice Chair

OPPORTUNITIES FOR IMPROVEMENT

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CITY OF DALLAS
ETHICS ADVISORY COMMISSION

AMENDED COMPLAINT FORM *

EXHIBIT
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For Official Use Only

**Please note that pursuant to the Ethics Advisory Commission's Rules of Procedure, a complaint filed under Chapter 12A of the Dallas City Code may be amended only once, and an amended complaint may only be filed within 7 days after the City Secretary's receipt of the original complaint. The amended complaint will supersede and take the place of the original complaint. Once an amended complaint is filed, all information and allegations contained in the original complaint will no longer be regarded as part of the evidence or record of the complaint; therefore, it is the duty of the complainant to ensure that all accurate information that was contained in the original complaint that the complainant wishes to be considered by the Ethics Advisory Commission is included in the amended complaint form. The Ethics Advisory Commission's Rules of Procedure regarding Amendments to a Complaint filed under Chapter 12A are attached to this Amended Complaint Form.*

Please type or print legibly in blue or black ink.

NOTE: FILING A COMPLAINT THAT FALSELY ACCUSES SOMEONE OF A VIOLATION OF THE ETHICS CODE MAY RESULT IN CRIMINAL PROSECUTION OF ANYONE WHO KNOWINGLY MAKES A FALSE ACCUSATION.

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MAY 22 2006

PART A – COMPLAINANT INFORMATION

1. Your full name (print) (Identifies you as the Complainant)

CITY AUDITOR'S OFFICE

Your residence address (Street, City, State and Zip Code) County

Your business address (Street, City, State and Zip Code) County

Business phone #

Residence phone #

OPPORTUNITIES FOR IMPROVEMENT

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PART B -- COMPLAINANT DECLARATION

I DECLARE I HAVE A COMPLAINT AGAINST:

2. Full Name of person against whom you are bringing the allegation:

(Check One)	Fill in Appropriate Information	
<input type="checkbox"/> Elected Official	Office Held	
<input type="checkbox"/> Appointed Official	Board or Commission/ Title	
<input type="checkbox"/> Candidate	Office Sought	
<input type="checkbox"/> City Employee	Title/Department	

Residence address (Street, City, State and Zip Code)

County

Business address (Street, City, State and Zip Code)

County

PART C -- DESCRIPTION OF COMPLAINT

Provide a statement of the facts upon which your complaint is based. Describe the events in the order in which they occurred. Keep dates of events in sequence. Include full names, addresses and phone numbers of all individuals involved, including any witnesses present when alleged violations took place. Be factual; the information you provide in this statement must be based on facts and not on personal conjecture. Try to answer the questions "who", "what", "where", and "when". Attach extra sheets if more space is needed.

OPPORTUNITIES FOR IMPROVEMENT

050319

THIS AMENDED COMPLAINT AMENDS, SUPERCEDES AND IS IN
SUBSTITUTION OF THE ORIGINAL COMPLAINT DATED

_____, 2005 FILED BY _____

(COMPLAINANT) AGAINST _____. I CERTIFY THAT
I HAVE READ THIS AMENDED COMPLAINT, I FULLY UNDERSTAND ITS
CONTENTS, AND I DECLARE UNDER PENALTY OF PERJURY UNDER THE
LAWS OF THE STATE OF TEXAS THAT THE FOREGOING STATEMENTS
AND PHOTOCOPIES OF ATTACHED DOCUMENTS ARE TRUE AND
CORRECT. I UNDERSTAND THAT A COPY OF THIS AMENDED
COMPLAINT WILL BE SENT TO THE CHAIR OF THE ETHICS ADVISORY
COMMISSION AND TO THE INDIVIDUAL CHARGED IN THIS AMENDED
COMPLAINT. ALL PAPERS AND COMMUNICATIONS RELATING TO A
AMENDED COMPLAINT MUST BE TREATED AS CONFIDENTIAL TO THE
EXTENT ALLOWED BY LAW.

Signature

Before me the undersigned authority, on the ____ day of _____, 200____,
personally appeared, _____, known to me to be
the person whose name is subscribed hereto, and being duly sworn stated that
he/she has personal knowledge of the facts hereinabove and that such facts are
true and correct.

Notary Public

<NOTARY SEAL>

County, Texas

My Commission expires:

Should you have any questions concerning this form, please contact **Michelle Calloway** at (214)
670-3044 in the City Secretary's Office during regular business hours (8:15am – 5:15pm).

Upon completion of **ALL** sections of the amended complaint form, please hand deliver or send by
certified mail with any attachments to:

Office of the City Secretary
CITY HALL
1500 Marilla Avenue – Suite 5DS
Dallas, TX 75201

OPPORTUNITIES FOR IMPROVEMENT

050319

EXHIBIT
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Section 3.2 Amended Complaints. All amended complaints shall be submitted to the EAC through the City Secretary's office Ethics Coordinator, only on a printed form prescribed by the City Secretary' office for amended complaints (see Exhibit ____, page ____). If a complainant determines, after filing a complaint, that he or she wishes to amend his or her original complaint, to add something to, or withdraw something from, the original complaint which has been filed so as to perfect that which is or may be deficient, or to correct that which has been incorrectly stated in the complaint by the complainant, or to allege a new or additional violation of Chapter 12A of the Code or to amend the complaint to add a new respondent, the complainant may file an amended complaint in accordance with this section.

A complaint may be amended only once, and may only be filed within 7 (seven) days after the City Secretary's receipt of the original complaint. The amended complaint will supersede and take the place of the original complaint. Once an amended complaint is filed, all information and allegations contained in the original complaint will no longer be regarded as a part of the evidence or record of the complaint; therefore, it is the duty of the complainant to ensure that all accurate information that was contained in the original complaint that he or she wishes to be considered by the Ethics Advisory Commission is included in the amended complaint. The deadline established in Section 12A-26(e)(1) for making a preliminary finding on a complaint will automatically be extended another 21 days from the date an amended complaint is received by the City Secretary.

The amended complaint must:

- 1) identify the person or persons who allegedly committed the violation;
- 2) provide a statement of the facts on which the complaint is based;
- 3) to the extent possible, identify the ethics provision or provisions allegedly violated; and
- 4) identify sources of evidence, if any, that the complainant recommends should be considered by the ethics advisory commission.

Audio cassettes, VHS tapes, other media formats, supporting documentation and all other such information the complainant feels is relevant may be submitted together with the complaint. All amended complaints must be signed, dated, notarized and sworn to under penalty of perjury.

The city secretary shall, in writing, advise the person filing an amended complaint that falsely accusing someone of a violation of the Code of Ethics may result in criminal prosecution of anyone who knowingly makes a false accusation. The city secretary shall, in writing, advise the person charged in the amended complaint that falsely responding to an amended complaint may result in criminal prosecution of anyone who knowingly makes a false response.

Audit of the City Secretary's Selected Processes for Conflict of Interest and Financial Disclosure Reporting,
Ethics Complaint Filing, and City Official Candidate/Nominee Qualification Verification

OPPORTUNITIES FOR IMPROVEMENT

EXHIBIT
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MAY 22 2006



CITY OF DALLAS

Memorandum

CITY AUDITOR'S OFFICE

DATE December 29, 2005

TO The Honorable Mayor, Members of the City Council, Members of City Boards and Commissions, and Members of Other Boards, Commissions, Districts and Authorities Appointed by the City Council or the Mayor

SUBJECT Conflicts of Interest- Disclosure Requirements Regarding Certain Relationships with Persons Contracting or Seeking to Contract with the City

Beginning January 1, 2006, local government officers are required under Chapter 176 of the Local Government Code, to file a Conflicts Disclosure Statement with the City Secretary's Office, if the local government officer, or a family member of the local government officer, either:

- (1) receives taxable income from an employment or other business relationship with a person¹, or agent of a person, who has contracted with the local governmental entity or with whom the local governmental entity is considering contracting for the sale or purchase of property, goods, or services; or
- (2) has received, during the preceding 12-month period, one or more gifts having an aggregate value of more than \$250 (excluding gifts of food, lodging, transportation, or entertainment accepted as a guest), from a person, or an agent of a person, who has contracted with the local governmental entity or with whom the local governmental entity is considering contracting for the sale or purchase of property, goods, or services.

A local government officer is defined as a member of the governing body of a local governmental entity, or a director, superintendent, administrator, president, or other person designated as the executive officer of the local governmental entity. A local governmental entity is "a county, **municipality**, school district, junior college district, or other political subdivision of this state, or a local government corporation, board, commission, district, or authority to which a member is appointed by the commissioners court of a county, **the mayor of a municipality, or the governing body of a municipality.**" (emphasis added)

¹ For purposes of Chapter 176, a person does not include a state, political subdivision of a state, the federal government or a foreign government or an employee thereof, if the employee is acting in his or her official capacity.

OPPORTUNITIES FOR IMPROVEMENT

For purposes of the City of Dallas, a local government officer would include:

- the Mayor and City Councilmembers,
- members of a city board, commission, or authority appointed by either the mayor or the city council, including advisory boards and commissions,
- members of other boards, commissions, districts or authorities appointed by the mayor or the city council (including non-city boards such as DART, Dallas Central Appraisal District, and the Dallas Housing Authority)
- the Downtown Dallas Development Authority (DDDA),
- the City Manager,
- the Park and Recreation Board Director,
- the Civil Service Board Secretary, and
- administrators of the city's retirement funds.

A city-appointed member to an association, corporation, or organization of governmental entities organized to provide education, assistance, products, or services to its members or to represent its members before the legislative, administrative or judicial branches of the state or federal government would not be a "local government officer" for purposes of Chapter 176.

A family member of a local government officer is defined as a person related within the first degree of consanguinity or affinity to the local government officer and would include the spouse (including an ex-spouse if there is a living child of the marriage), son (including stepson), daughter (including stepdaughter), son-in-law, daughter-in-law, father, mother, father-in-law and mother-in-law of the local government officer. The disclosure requirements in Chapter 176 are in addition to any other disclosure required by law.

Thus, beginning January 1, 2006, in addition to filing any required disclosure of conflicts affidavits or forms pursuant to Chapter 171 of the Local Government Code and the City's Code of Ethics, city councilmembers, all city board and commission members, city-appointed members of DART, the Dallas Central Appraisal District, and DHA, members of the DDDA, the City Manager, Park and Recreation Board Director, Civil Service Board Secretary and the administrators of the city's retirement funds will be required to file the attached Conflicts Disclosure Statement (see Attachment 1) with the City Secretary's Office, if a person, or an agent of a person, contracts with or seeks to contract with the city for the sale or purchase of property, goods, or services, and that person has an employment or business relationship² with one of the above-listed city officers or their family members that resulted in the city officer or family member receiving taxable income, or the person or agent has given more than \$250 in gifts to the city officer or family member in the preceding 12 month period. The Conflicts Disclosure Statement must be filed with the City Secretary's Office not later than 5:00 p.m. on the seventh (7th) business day after the date on which the local government officer becomes aware of the fact that a person, or agent of a person, with whom the local government officer or

² The term "business relationship" is not defined in Chapter 176. It may encompass an activity or enterprise for gain, benefit, advantage or livelihood, a commercial or financial transaction or enterprise, an exchange of things of value, among other things.

OPPORTUNITIES FOR IMPROVEMENT

family member has an employment or other business relationship, or from whom the local government officer or family member has received more than \$250 in gifts in the preceding 12 month period, executed a contract with the city for the sale or purchase of property, goods, or services or that the city is considering doing business with such person.

A local government officer who knowingly fails to file a required Conflicts Disclosure Statement within 7 business days after becoming aware of the conflict commits a Class C Misdemeanor punishable by a fine not exceeding \$500.00. It is a defense to prosecution if the local government officer files the required Conflicts Disclosure Statement not later than the seventh day after the date the officer receives notice of a violation of Chapter 176.

Chapter 176 also provides that the City Council may, if it so chooses, extend the requirements for filing Conflicts Disclosure Statements to all or a group of city employees. If the City Council decides to require all or some of the city's employees to file Conflicts Disclosure Statements in accordance with Sections 176.003 and 176.004 of the Local Government Code, such city employees would, in addition to being subject to prosecution for a Class C misdemeanor, also be subject to reprimand, suspension or termination of employment for failure to file the required disclosure statement.

In addition to requiring local government officers to file Conflicts Disclosure Statements when applicable, Chapter 176 also requires persons who contract with or seek to contract with the city (or other applicable governmental entity) for the sale or purchase of property, goods, or services, and their agents, to file a "Conflict of Interest Questionnaire" with the City Secretary's Office. The Conflict of Interest Questionnaire must be filed within 7 business days after the date the person submits an application, a response to a request for proposals or bids, correspondence, or other writing related to a potential agreement with the city, or within 7 business days after the date the person begins contract discussions or negotiations with the city. This requirement affects all city vendors and contractors and potential city vendors and contractors.

The Conflict of Interest Questionnaire requires that the person filing the questionnaire:

- describe each affiliation or business relationship the person has with each local government officer of the city;
- identify each affiliation or business relationship where the local government officer receives, or is likely to receive, taxable income from the person filing the questionnaire;
- identify each affiliation or business relationship where the person filing the questionnaire receives, or is likely to receive, taxable income from, or at the direction of, a local government officer of the city, and the taxable income is not received from the city;
- describe each affiliation or business relationship with a corporation or other business entity which a local government officer of the city serves (i) as an officer or director, or (ii) holds an ownership interest of 10 percent or more;
- describe each affiliation or business relationship with an employee or contractor of the city who makes recommendations to a city officer with respect to the expenditure of money;

OPPORTUNITIES FOR IMPROVEMENT

- describe each affiliation or business relationship with a person who (i) is a local government officer, and (ii) appoints or employs a local government officer of the city that is the subject of the questionnaire;
- describe any other affiliation or business relationship that might cause a conflict of interest.

The Act also requires the filing of an updated completed questionnaire with the City Secretary not later than (1) September 1 of each year that an activity described by the Act is pending, or (2) the seventh (7th) business day after the date of an event that would make a statement in the questionnaire incomplete or inaccurate.

A person commits a Class C misdemeanor if the person fails to file the Conflict of Interest Questionnaire as required by the Act. It is a defense to prosecution that the person filed the required questionnaire not later than the seventh (7th) business day after the date the person received notice of the violation.

A copy of the required Conflict of Interest Questionnaire is attached hereto as Attachment 2. The City Secretary's Office must maintain a list of all local government officers as defined by Chapter 176 and make that list available to the public, and any person who may be required to file a Conflict of Interest Questionnaire. In addition, all Conflicts Disclosure Statements filed by local government officers and Conflict of Interest Questionnaires filed by persons who contract or seek to contract with the city must be made available to the public on the city's Internet Website.

A copy of Chapter 176 of the Local Government Code is attached. Please contact my office if you have questions concerning whether you are required to file a Conflicts Disclosure Statement pursuant to Chapter 176.



Thomas P. Perkins, Jr.
City Attorney

c: Mary Suhm, City Manager
Shirley Acy, City Secretary
Charles Daniels, Assistant City Manager
Ryan Evans, Assistant City Manager
Tomas Gonzalez, Assistant City Manager
Jill Jordan, P.E., Assistant City Manager
Ramon Miguez, P.E., Assistant City Manager
Paul T. Garner, Assistant City Auditor
Paul Dyer, Director, Park and Recreation Department
Patricia Marsolais, Secretary, Civil Service Board
Cheryl Clemons, Employees Retirement Fund Executive Director
Richard Tettamant, Police and Fire Pension Board Administrator

OPPORTUNITIES FOR IMPROVEMENT

Judge Jay Robinson
David Cook, Chief Financial Officer
Chandra Marshall-Henson, Assistant to the City Manager

**Audit of the City Secretary's Selected Processes for Conflict of Interest and Financial Disclosure Reporting,
Ethics Complaint Filing, and City Official Candidate/Nominee Qualification Verification**

OPPORTUNITIES FOR IMPROVEMENT

ATTACHMENT 1

<p align="center">LOCAL GOVERNMENT OFFICER CONFLICTS DISCLOSURE STATEMENT</p> <p align="center"><small>(Instructions for completing and filing this form are provided on the back.)</small></p>		<p>FORM CIS</p>
<p>This is the notice to the appropriate local governmental entity that the following local government officer has become aware of facts that require the officer to file this statement in accordance with chapter 176, Local Government Code.</p>		<p>OFFICE USE ONLY</p> <p>Date Received _____</p>
1	Name of Local Government Officer	
2	Office Held	
3	Name of person described by Sections 176.002(a) and 176.003(a), Local Government Code	
4	Description of the nature and extent of employment or business relationship with person named in item 3	
5	List gifts if aggregate value of the gifts received from person named in item 3 exceed \$250	
	Date Gift Received _____ Description of Gift _____	<input type="checkbox"/> Did Not Accept Gift
	Date Gift Received _____ Description of Gift _____	<input type="checkbox"/> Did Not Accept Gift
	Date Gift Received _____ Description of Gift _____	<input type="checkbox"/> Did Not Accept Gift
	<small>(attach additional forms as necessary)</small>	
6	<p>AFFIDAVIT</p> <p>I swear under penalty of perjury that the above statement is true and correct. I acknowledge that the disclosure applies to a family member (as defined by Section 176.001(2), Local Government Code) of a government officer. I also acknowledge that this statement covers the 12-month period described by Section 176.003(e)(2)(b), Local Government Code.</p> <p align="right">_____</p> <p align="right"><small>Signature of Local Government Officer</small></p> <p><small>AFFIX NOTARY STAMP / SEAL ABOVE</small></p> <p>Sworn to and subscribed before me, by the said _____, this the _____ day of _____, 20____, to certify which, witness my hand and seal of office.</p> <p>_____ <small>Signature of officer administering oath</small></p> <p>_____ <small>Printed name of officer administering oath</small></p> <p>_____ <small>Title of officer administering oath</small></p>	

Accepted 11/0

OPPORTUNITIES FOR IMPROVEMENT

LOCAL GOVERNMENT OFFICER CONFLICTS DISCLOSURE STATEMENT

Section 176.003 of the Local Government Code requires certain local government officers to file this form. A "local government officer" is defined as a member of a governing body of a local government entity or a director, superintendent, administrator, president, or other person designated as the executive officer of the local government entity. This form is required to be filed with the records administrator of the local governmental entity not later than 5 p.m. on the seventh business day after the date on which the officer becomes aware of the facts that require the filing of this statement.

A local government officer commits an offense if the officer knowingly violates Section 176.003, Local Government Code. An offense under this section is a Class C misdemeanor.

Please refer to chapter 176 of the Local Government Code for detailed information regarding the requirement to file this form.

INSTRUCTIONS FOR COMPLETING THIS FORM

The following numbers correspond to the numbered boxes on the other side.

1. **Name of Local Government Officer.** Enter the name of local government officer filing this statement.
2. **Office Held.** Enter the name of the office held by the local government officer filing this statement.
3. **Name of person described by Sections 176.002(a) and 176.003(a), Local Government Code.** Enter the name of the person described by Section 176.002, Local Government Code with whom the officer has an employment or other business relationship as described by Section 176.003(a), Local Government Code.
4. **Description of the nature and extent of employment or business relationship with person named in item 3.** Describe the nature and extent of the relationship of the employment or other business relationship with the person in item 3 as described by Section 176.003(a), Local Government Code.
5. **List gifts if aggregate value of the gifts received from person named in number 3 exceed \$250.** List gifts received during the 12-month period (described by Section 176.003(a)(2)(B), Local Government Code) by the local government officer or family member of the officer from the person named in number that in the aggregate exceed \$250 in value.
6. **Affidavit.** Signature of local government officer.

ADOPTED 11

**Audit of the City Secretary's Selected Processes for Conflict of Interest and Financial Disclosure Reporting,
Ethics Complaint Filing, and City Official Candidate/Nominee Qualification Verification**

OPPORTUNITIES FOR IMPROVEMENT

ATTACHMENT 2

CONFLICT OF INTEREST QUESTIONNAIRE		FORM CIQ
For vendor or other person doing business with local governmental entity		OFFICE USE ONLY
<p>This questionnaire is being filed in accordance with chapter 176 of the Local Government Code by a person doing business with the governmental entity.</p> <p>By law this questionnaire must be filed with the records administrator of the local government not later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code.</p> <p>A person commits an offense if the person violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.</p>	<p>Date Received</p>	
<p>1 Name of person doing business with local governmental entity.</p>		
<p>2</p> <p><input type="checkbox"/> Check this box if you are filing an update to a previously filed questionnaire.</p> <p>(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than September 1 of the year for which an activity described in Section 176.006(a), Local Government Code, is pending and not later than the 7th business day after the date the originally filed questionnaire becomes incomplete or inaccurate.)</p>		
<p>3 Name each employee or contractor of the local governmental entity who makes recommendations to a local government officer of the governmental entity with respect to expenditures of money AND describe the affiliation or business relationship</p>		
<p>4 Name each local government officer who appoints or employs local government officers of the governmental entity for which this questionnaire is filed AND describe the affiliation or business relationship.</p>		

Adopted 11/01

Audit of the City Secretary's Selected Processes for Conflict of Interest and Financial Disclosure Reporting,
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OPPORTUNITIES FOR IMPROVEMENT

CONFLICT OF INTEREST QUESTIONNAIRE

FORM CIQ

Page 2

For vendor or other person doing business with local governmental entity

5 Name of local government officer with whom filer has affiliation or business relationship. (Complete this section only if the answer to A, B, or C is YES.)

This section, item 5 including subparts A, B, C & D, must be completed for each officer with whom the filer has affiliation or other relationship. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income from the filer of the questionnaire?

Yes No

B. Is the filer of the questionnaire receiving or likely to receive taxable income from or at the direction of the local government officer named in this section AND the taxable income is not from the local governmental entity?

Yes No

C. Is the filer of this questionnaire affiliated with a corporation or other business entity that the local government officer serves as an officer or director, or holds an ownership of 10 percent or more?

Yes No

D. Describe each affiliation or business relationship.

6

Signature of person doing business with the governmental entity

Date

ADOPTED 11/02/200

PUBLIC OFFICERS AND EMPLOYEES

that payments for the coverage are made by current employees of the county or municipality.

Added by Acts 1993, 73rd Leg., ch. 663, § 1, eff. Sept. 1, 1993. Renumbered from V.T.C.A., Local Government Code § 174.004 by Acts 1995, 74th Leg., ch. 76, § 17.01(38), eff. Sept. 1, 1995.

For applicability provisions of the 1993 Act, and provisions relating to the existing health plans of local governments, see note following V.T.C.A., Local Government Code § 175.001.

§ 175.005. Duty to Inform Retiree of Rights

A county and a municipality shall provide written notice to a person to whom this chapter may apply of the person's rights under this chapter not later than the date the person retires from the county or municipality. A county or municipality may fulfill its requirements under this section by placing the written notice required by this section in a personnel manual or employee handbook that is available to all employees.

Added by Acts 1993, 73rd Leg., ch. 663, § 1, eff. Sept. 1, 1993. Renumbered from V.T.C.A., Local Government Code § 174.005 by Acts 1995, 74th Leg., ch. 76, § 17.01(38), eff. Sept. 1, 1995.

For applicability provisions of the 1993 Act, and provisions relating to the existing health plans of local governments, see note following V.T.C.A., Local Government Code § 175.001.

§ 175.006. Certain Matters not Affected

This chapter does not:

- (1) prohibit a county or municipality from uniformly changing the group health insurance plan or group health coverage plan provided for its employees and retirees;
- (2) affect the definition of a dependent or the eligibility requirements for a dependent under a plan;
- (3) prohibit a county or municipality from agreeing with a person to deduct the cost of coverage provided under this chapter from a pension check;
- (4) prohibit a county or municipality from agreeing with a person to pay for the coverage provided under this chapter provided the person reimburses the county or municipality for the actual cost of the coverage;
- (5) prohibit a county, municipality, or a pool established under Chapter 172 from increasing the cost of group health coverage to its employees and to persons covered under this chapter to reflect the increased cost, if any, attributable to compliance with this chapter;

(6) affect the right of a county or municipality to provide coverage under Chapter 172; or

(7) affect the right of a county, municipality, or a pool established under Chapter 172 to offer the coverage at the same rate that is available to active employees or to offer the coverage at a reasonable or actual rate established for retirees that may be greater than the rate offered to active employees.

Added by Acts 1993, 73rd Leg., ch. 663, § 1, eff. Sept. 1, 1993. Renumbered from V.T.C.A., Local Government Code § 174.006 by Acts 1995, 74th Leg., ch. 76, § 17.01(38), eff. Sept. 1, 1995.

For applicability provisions of the 1993 Act, and provisions relating to the existing health plans of local governments, see note following V.T.C.A., Local Government Code § 175.001.

§ 175.007. Exemptions

(a) A county or municipality that does not provide health benefits coverage through a self-insured plan or a plan authorized under Chapter 172 is not required to provide coverage under this chapter if the county or municipality makes a good faith effort to purchase insurance coverage that includes coverage required by this chapter from an insurance company authorized to do business in this state and from pools established under Chapter 172 but is unable to find a provider for the coverage.

(b) A county or municipality that is providing coverage substantially similar to or better than the coverage required by this chapter is exempt from this chapter.

Added by Acts 1993, 73rd Leg., ch. 663, § 1, eff. Sept. 1, 1993. Renumbered from V.T.C.A., Local Government Code § 174.007 by Acts 1995, 74th Leg., ch. 76, § 17.01(38), eff. Sept. 1, 1995.

For applicability provisions of the 1993 Act, and provisions relating to the existing health plans of local governments, see note following V.T.C.A., Local Government Code § 175.001.

CHAPTER 176. DISCLOSURE OF CERTAIN RELATIONSHIPS WITH LOCAL GOVERN- MENT OFFICERS; PROVIDING PUBLIC ACCESS TO CERTAIN INFORMATION

Section	
176.001.	Definitions.
176.002.	Applicability to Certain Vendors and Other Persons.
176.003.	Conflicts Disclosure Statement Required.
176.004.	Contents of Disclosure Statement.
176.005.	Application to Certain Employees.
176.006.	Disclosure Requirements for Vendors and Other Persons; Questionnaire.
176.007.	List of Government Officers.
176.008.	Electronic Filing.

**Audit of the City Secretary's Selected Processes for Conflict of Interest and Financial Disclosure Reporting,
Ethics Complaint Filing, and City Official Candidate/Nominee Qualification Verification**

OPPORTUNITIES FOR IMPROVEMENT

LOCAL GOVERNMENT CODE

Section

176.009. Posting on Internet.

176.010. Requirements Cumulative.

§ 176.001. Definitions

In this chapter:

(1) "Commission" means the Texas Ethics Commission.

(2) "Family member" means a person related to another person within the first degree by consanguinity or affinity, as described by Subchapter B, Chapter 573, Government Code.

(3) "Local governmental entity" means a county, municipality, school district, junior college district, or other political subdivision of this state or a local government corporation, board, commission, district, or authority to which a member is appointed by the commissioners court of a county, the mayor of a municipality, or the governing body of a municipality. The term does not include an association, corporation, or organization of governmental entities organized to provide to its members education, assistance, products, or services or to represent its members before the legislative, administrative, or judicial branches of the state or federal government.

(4) "Local government officer" means:

(A) a member of the governing body of a local governmental entity; or

(B) a director, superintendent, administrator, president, or other person designated as the executive officer of the local governmental entity.

(5) "Records administrator" means the director, county clerk, municipal secretary, superintendent, or other person responsible for maintaining the records of the local governmental entity.

Added by Acts 2005, 79th Leg., ch. 1014, § 1, eff. June 18, 2006.

Sections 2 and 3(a) of Acts 2005, 79th Leg., ch. 1014 provide:

"Sec. 2. The Texas Ethics Commission shall adopt the conflicts disclosure statement and the conflict of interest questionnaire required by Chapter 176, Local Government Code, as added by this Act, not later than December 1, 2006."

"Sec. 3. (a) A local government officer is not required to file a conflicts disclosure statement under Chapter 176, Local Government Code, as added by this Act, before January 1, 2006."

§ 176.002. Applicability to Certain Vendors and Other Persons

(a) This chapter applies to a person who:

(1) contracts or seeks to contract for the sale or purchase of property, goods, or services with a local governmental entity; or

(2) is an agent of a person described by Subdivision (1) in the person's business with a local governmental entity.

(b) A person is not subject to the disclosure requirements of this chapter if the person is:

(1) a state, a political subdivision of a state, the federal government, or a foreign government; or

(2) an employee of an entity described by Subdivision (1), acting in the employee's official capacity

Added by Acts 2005, 79th Leg., ch. 1014, § 1, eff. June 18, 2006.

Sections 2 and 3(b) of Acts 2005, 79th Leg., ch. 1014 provide:

"Sec. 2. The Texas Ethics Commission shall adopt the conflict disclosure statement and the conflict of interest questionnaire required by Chapter 176, Local Government Code, as added by this Act, not later than December 1, 2006."

"Sec. 3. (b) A person described by Section 176.002(a), Local Government Code, as added by this Act, is not required to file conflict of interest questionnaire under Chapter 176, Local Government Code, as added by this Act, before January 1, 2006."

§ 176.003. Conflicts Disclosure Statement Required

(a) A local government officer shall file a conflict disclosure statement with respect to a person described by Section 176.002(a) if:

(1) the person has contracted with the local governmental entity or the local governmental entity is considering doing business with the person; and

(2) the person:

(A) has an employment or other business relationship with the local government officer or family member of the officer that results in the officer or family member receiving taxable income; or

(B) has given to the local government officer or family member of the officer one or more gifts other than gifts of food, lodging, transportation, or entertainment accepted as a guest, that have an aggregate value of more than \$250 in the 12-month period preceding the date the officer becomes aware of that:

(i) a contract described by Subdivision (1) has been executed; or

(ii) the local governmental entity is considering doing business with the person.

(b) A local government officer shall file the conflict disclosure statement with the records administrator of the local governmental entity not later than 5 p.m. the seventh business day after the date on which the

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PUBLIC OFFICERS AND EMPLOYEES

§ 176.006

officer becomes aware of the facts that require the filing of the statement under Subsection (a).

(c) A local government officer commits an offense if the officer knowingly violates this section. An offense under this subsection is a Class C misdemeanor.

(d) It is a defense to prosecution under Subsection (c) that the person filed the required conflicts disclosure statement not later than the seventh business day after the date the person received notice of the violation.

Added by Acts 2005, 79th Leg., ch. 1014, § 1, eff. June 18, 2005.

Sections 2 and 3(a) of Acts 2005, 79th Leg., ch. 1014 provide:

"Sec. 2. The Texas Ethics Commission shall adopt the conflicts disclosure statement and the conflict of interest questionnaire required by Chapter 176, Local Government Code, as added by this Act, not later than December 1, 2006."

"Sec. 3. (a) A local government officer is not required to file a conflicts disclosure statement under Chapter 176, Local Government Code, as added by this Act, before January 1, 2006."

§ 176.004. Contents of Disclosure Statement

The commission shall adopt the conflicts disclosure statement for local government officers. The conflicts disclosure statement must include:

(1) a requirement that each local government officer disclose:

(A) an employment or other business relationship described by Section 176.003(a), including the nature and extent of the relationship; and

(B) gifts received by the local government officer and any family member of the officer from a person described by Section 176.002(a) during the 12-month period described by Section 176.003(a)(2)(B) if the aggregate value of the gifts from that person exceed \$250;

(2) an acknowledgment from the local government officer that:

(A) the disclosure applies to each family member of the officer; and

(B) the statement covers the 12-month period described by Section 176.003(a)(2)(B); and

(3) the signature of the local government officer acknowledging that the statement is made under oath under penalty of perjury.

Added by Acts 2005, 79th Leg., ch. 1014, § 1, eff. June 18, 2005.

Sections 2 and 3(a) of Acts 2005, 79th Leg., ch. 1014 provide:

"Sec. 2. The Texas Ethics Commission shall adopt the conflicts disclosure statement and the conflict of interest questionnaire re-

quired by Chapter 176, Local Government Code, as added by this Act, not later than December 1, 2006."

"Sec. 3. (a) A local government officer is not required to file a conflicts disclosure statement under Chapter 176, Local Government Code, as added by this Act, before January 1, 2006."

§ 176.005. Application to Certain Employees

(a) The local governmental entity may extend the requirements of Sections 176.003 and 176.004 to all or a group of the employees of the local governmental entity.

(b) A local governmental entity may reprimand, suspend, or terminate the employment of an employee who fails to comply with a requirement adopted under this section.

(c) An employee of a local governmental entity commits an offense if the employee knowingly violates requirements imposed under this section. An offense under this subsection is a Class C misdemeanor.

(d) It is a defense to prosecution under Subsection (c) that the person filed the required conflicts disclosure statement not later than the seventh business day after the date the person received notice of the violation.

Added by Acts 2005, 79th Leg., ch. 1014, § 1, eff. June 18, 2005.

Sections 2 and 3(a) of Acts 2005, 79th Leg., ch. 1014 provide:

"Sec. 2. The Texas Ethics Commission shall adopt the conflicts disclosure statement and the conflict of interest questionnaire required by Chapter 176, Local Government Code, as added by this Act, not later than December 1, 2006."

"Sec. 3. (a) A local government officer is not required to file a conflicts disclosure statement under Chapter 176, Local Government Code, as added by this Act, before January 1, 2006."

§ 176.006. Disclosure Requirements for Vendors and Other Persons; Questionnaire

(a) A person described by Section 176.002(a) shall file a completed conflict of interest questionnaire with the appropriate records administrator not later than the seventh business day after the date that the person:

(1) begins contract discussions or negotiations with the local governmental entity; or

(2) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential agreement with the local governmental entity.

(b) The commission shall adopt a conflict of interest questionnaire for use under this section that requires disclosure of a person's affiliations or business rela-

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LOCAL GOVERNMENT CODE

tionships that might cause a conflict of interest with a local governmental entity.

(c) The questionnaire adopted under Subsection (b) must require, for the local governmental entity with respect to which the questionnaire is filed, that the person filing the questionnaire:

(1) describe each affiliation or business relationship the person has with each local government officer of the local governmental entity;

(2) identify each affiliation or business relationship described by Subdivision (1) with respect to which the local government officer receives, or is likely to receive, taxable income from the person filing the questionnaire;

(3) identify each affiliation or business relationship described by Subdivision (1) with respect to which the person filing the questionnaire receives, or is likely to receive, taxable income that:

(A) is received from, or at the direction of, a local government officer of the local governmental entity; and

(B) is not received from the local governmental entity;

(4) describe each affiliation or business relationship with a corporation or other business entity with respect to which a local government officer of the local governmental entity:

(A) serves as an officer or director; or

(B) holds an ownership interest of 10 percent or more;

(5) describe each affiliation or business relationship with an employee or contractor of the local governmental entity who makes recommendations to a local government officer of the local governmental entity with respect to the expenditure of money;

(6) describe each affiliation or business relationship with a person who:

(A) is a local government officer; and

(B) appoints or employs a local government officer of the local governmental entity that is the subject of the questionnaire; and

(7) describe any other affiliation or business relationship that might cause a conflict of interest.

(d) A person described by Subsection (a) shall file an updated completed questionnaire with the appropriate records administrator not later than:

(1) September 1 of each year in which an activity described by Subsection (a) is pending; and

(2) the seventh business day after the date of an event that would make a statement in the questionnaire incomplete or inaccurate.

(e) A person is not required to file an updated completed questionnaire under Subsection (d)(1) in a year if the person has filed a questionnaire under Subsection (c) or (d)(2) on or after June 1, but before September 1, of that year.

(f) A person commits an offense if the person violates this section. An offense under this subsection is a Class C misdemeanor.

(g) It is a defense to prosecution under Subsection (f) that the person filed the required questionnaire not later than the seventh business day after the date the person received notice of the violation.

Added by Acts 2005, 79th Leg., ch. 1014, § 1, eff. June 18, 2005.

Sections 2 and 3(a) of Acts 2005, 79th Leg., ch. 1014 provide:

"Sec. 2. The Texas Ethics Commission shall adopt the conflicts disclosure statement and the conflict of interest questionnaire required by Chapter 176, Local Government Code, as added by this Act, not later than December 1, 2006."

"Sec. 3. (a) A local government officer is not required to file a conflicts disclosure statement under Chapter 176, Local Government Code, as added by this Act, before January 1, 2006."

§ 176.007. List of Government Officers

The records administrator for a local governmental entity shall maintain a list of local government officers of the entity and shall make that list available to the public and any person who may be required to file a questionnaire under Section 176.006.

Added by Acts 2005, 79th Leg., ch. 1014, § 1, eff. June 18, 2005.

Sections 2 and 3(a) of Acts 2005, 79th Leg., ch. 1014 provide:

"Sec. 2. The Texas Ethics Commission shall adopt the conflicts disclosure statement and the conflict of interest questionnaire required by Chapter 176, Local Government Code, as added by this Act, not later than December 1, 2006."

"Sec. 3. (a) A local government officer is not required to file a conflicts disclosure statement under Chapter 176, Local Government Code, as added by this Act, before January 1, 2006."

§ 176.008. Electronic Filing

The requirements of this chapter, including signature requirements, may be satisfied by electronic filing in a form approved by the commission.

Added by Acts 2005, 79th Leg., ch. 1014, § 1, eff. June 18, 2005.

Sections 2 and 3(a) of Acts 2005, 79th Leg., ch. 1014 provide:

PUBLIC OFFICERS AND EMPLOYEES

§ 180.002

"Sec. 2. The Texas Ethics Commission shall adopt the conflicts disclosure statement and the conflict of interest questionnaire required by Chapter 176, Local Government Code, as added by this Act, not later than December 1, 2005."

"Sec. 3. (a) A local government officer is not required to file a conflicts disclosure statement under Chapter 176, Local Government Code, as added by this Act, before January 1, 2006."

§ 176.009. Posting on Internet

(a) A local governmental entity shall provide access to the statements and questionnaires filed under this chapter on the Internet website maintained by the local governmental entity.

(b) This subsection applies only to a county with a population of 800,000 or more or a municipality with a population of 500,000 or more. A county or municipality shall provide, on the Internet website maintained by the county or municipality, access to each report of political contributions and expenditures filed under Chapter 254, Election Code, by a member of the commissioners court of the county or the governing body of the municipality in relation to that office as soon as practicable after the officer files the report. Added by Acts 2005, 79th Leg., ch. 1014, § 1, eff. June 18, 2005.

Sections 2 and 3(a) of Acts 2005, 79th Leg., ch. 1014 provide:
"Sec. 2. The Texas Ethics Commission shall adopt the conflicts disclosure statement and the conflict of interest questionnaire required by Chapter 176, Local Government Code, as added by this Act, not later than December 1, 2005."

"Sec. 3. (a) A local government officer is not required to file a conflicts disclosure statement under Chapter 176, Local Government Code, as added by this Act, before January 1, 2006."

§ 176.010. Requirements Cumulative

The requirements of this chapter are in addition to any other disclosure required by law.

Added by Acts 2005, 79th Leg., ch. 1014, § 1, eff. June 18, 2005.

Sections 2 and 3(a) of Acts 2005, 79th Leg., ch. 1014 provide:
"Sec. 2. The Texas Ethics Commission shall adopt the conflicts disclosure statement and the conflict of interest questionnaire required by Chapter 176, Local Government Code, as added by this Act, not later than December 1, 2005."

"Sec. 3. (a) A local government officer is not required to file a conflicts disclosure statement under Chapter 176, Local Government Code, as added by this Act, before January 1, 2006."

[Chapters 176 to 179 reserved for expansion]

CHAPTER 180. MISCELLANEOUS PROVISIONS AFFECTING OFFICERS AND EMPLOYEES OF MUNICIPALITIES, COUNTIES, AND CERTAIN OTHER LOCAL GOVERNMENTS

Section
180.001. Coercion of Police Officer or Fire Fighter in Connection With Political Campaign.

Section
180.002. Defense of Civil Suits Against Peace Officers, Fire Fighters, and Emergency Medical Personnel.
180.003. Maximum Duty Hours of Peace Officers.
180.004. Working Conditions for Pregnant Employees.
180.005. Appointments to Local Governing Bodies.

§ 180.001. Coercion of Police Officer or Fire Fighter in Connection With Political Campaign

(a) An individual commits an offense if the individual coerces a police officer or a fire fighter to participate or to refrain from participating in a political campaign.

(b) An offense under this section is a misdemeanor and is punishable by a fine of not less than \$500 or more than \$2,000, confinement in the county jail for not more than two years, or both a fine and confinement.

Acts 1987, 70th Leg., ch. 149, § 1, eff. Sept. 1, 1987.

§ 180.002. Defense of Civil Suits Against Peace Officers, Fire Fighters, and Emergency Medical Personnel

(a) In this section, "peace officer" has the meaning assigned by Article 2.12, Code of Criminal Procedure

(b) A municipality or special purpose district shall provide a municipal or district employee who is a peace officer, fire fighter, or emergency medical services employee with legal counsel without cost to the employee to defend the employee against a suit for damages by a party other than a governmental entity if:

(1) legal counsel is requested by the employee and

(2) the suit involves an official act of the employee within the scope of the employee's authority

(c) To defend the employee against the suit, the municipality or special purpose district may provide counsel already employed by it or may employ private counsel.

(d) If the municipality or special purpose district fails to provide counsel as required by Subsection (c) the employee may recover from it the reasonable attorney's fees incurred in defending the suit if a trier of fact finds:

(1) that the fees were incurred in defending a suit covered by Subsection (b); and

Audit of the City Secretary's Selected Processes for Conflict of Interest and Financial Disclosure Reporting,
Ethics Complaint Filing, and City Official Candidate/Nominee Qualification Verification

OPPORTUNITIES FOR IMPROVEMENT

EXHIBIT
10

RECEIVED

2005 MAY 22 2006 10

Memorandum

CITY AUDITOR'S OFFICE



DATE September 13, 2005
TO The Honorable Mayor and Members of the City Council
SUBJECT Conflict of Interest Disclosure

At the September 7, 2005 city council briefing meeting, several questions were asked regarding the filing of disclosure of conflict forms. Specifically, questions were raised concerning: (1) when council members should file conflict of interest disclosure forms with the city secretary's office, (2) which conflict of interest disclosure forms should be filed by a council member when the matter involves a state law conflict of interest or a city code of ethics conflict of interest, (3) whether conflict of interest disclosure forms could be filed retroactively, and (4) whether conflict of interest disclosure forms should be filed in instances where a council member recuses himself or herself from the vote, but does not have a conflict of interest under state or city conflict of interest regulations.

State Conflict of Interest Law

Chapter 171 of the Local Government Code sets forth state law conflict of interest regulations applicable to local public officials, such as council members and city board and commission members who exercise responsibilities that are more than advisory in nature. The following city boards and commissions are more than advisory in nature and their members, like city council members, are subject to Chapter 171¹:

- Board of Adjustment (and alternate members)
- Building Inspection Advisory, Examining, and Appeals Board
- City Plan and Zoning Commission
- Civil Service Board (and adjunct members)
- Dallas-Fort Worth International Airport Board
- Employee Retirement Fund Board
- Ethics Advisory Commission
- Fire Code Advisory and Appeals Board
- Landmark Commission (and alternate members)

¹ Dallas Central Appraisal District (DCAD) and Dallas Area Rapid Transit (DART) are two other public entities that are subject to Chapter 171. These boards are not City of Dallas boards or commissions. However, pursuant to state law, the city council appoints one or more members of the DCAD and DART board of directors.

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OPPORTUNITIES FOR IMPROVEMENT

The Honorable Mayor and Members of the City Council
Page 2

Park and Recreation Board
Permit and License Appeal Board
Police and Fire Pension Board
Police and Fire Welfare Fund Board
Urban Rehabilitation Standards Board (and alternate members).

Section 171.004(a) of the Local Government Code requires a local public official who has a substantial interest in a business entity or in real property to file an affidavit disclosing the nature and extent of the public official's interest in the business entity or the real property, if: (1) in the case of a business entity, action on the matter will have a special economic effect on the business entity that is distinguishable from the effect on the public, or (2) in the case of real property, it is reasonably foreseeable that action on the matter will have a special economic effect on the value of the property that is distinguishable from its effect on the public. **The affidavit must be filed with the city secretary's office before the vote or decision on a matter involving the business entity or the real property in which the public official holds a substantial interest.**

In addition to requiring the filing of the affidavit disclosing the conflict prior to a vote or decision on the matter, Chapter 171 requires the public official to abstain from further participation in the matter. Abstaining from participation in a matter means that, as soon as the public official becomes aware or has knowledge that the matter to be considered will have a special economic effect on a business entity in which the public official has a substantial interest or as soon as it becomes reasonably foreseeable that the matter will have a special economic effect on the value of real property in which the public official holds a substantial interest, the public official must refrain from discussing the matter with other public officials who will consider the matter. Chapter 171, however, does not limit the requirement to "abstain from further participation in the matter" only to discussions of the matter with other public officials who will consider the matter. The requirement can be broadly interpreted, and our office cautions public officials who are interested in a matter to avoid discussing the matter not only with other public officials who will consider the matter, but also with city staff responsible for presenting or making recommendations concerning the matter to the governing body.

A public official has a "substantial interest" in a business entity for purposes of Chapter 171 if: (1) the public official or a person related to the public official within the first degree of consanguinity or affinity owns 10 percent or more of the voting stock or shares of the business entity or owns either 10 percent or more or \$15,000 or more of the fair market value of the business entity, or (2) funds received from the business entity by the public official or person related to the public official within the first degree of consanguinity or affinity exceed 10 percent of the person's gross income for the previous year. A public official has a "substantial interest" in real property for purposes of Chapter 171 if the public official or a relative of the public official within the first degree of consanguinity or affinity has an equitable or legal ownership interest in real property valued at \$2,500 or more.

A public official's relatives within the first degree of consanguinity or affinity include the public official's mother, father, son, daughter, spouse, mother-in-law, father-in-law, daughter-in-law, son-in-law, step-daughter, and step-son. Thus, if action on a matter will have a special economic effect on a business entity or real property in which either the public official or a relative of the

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OPPORTUNITIES FOR IMPROVEMENT

The Honorable Mayor and Members of the City Council

Page 3

public official within the first degree of consanguinity or affinity has a substantial interest, the public official must file the affidavit disclosing the substantial interest prior to any vote or decision on the matter and refrain from participation in the matter.

Chapter 171 of the Local Government Code provides that a public official who knowingly fails to file the affidavit or refrain from participation in a matter in which the public official has a substantial interest commits a Class A misdemeanor. Chapter 171 does not provide a method for "remedying" failure to file the affidavit prior to a vote or decision on a matter by "retroactively" filing an affidavit of disclosure after the vote on the matter is taken. Chapter 171 does not set forth a specific form for the affidavit; however, an affidavit form that should be filed with the city secretary's office whenever a public official has a conflict of interest under Chapter 171 is attached as Exhibit A.

Please note that if a public official has a conflict of interest under Chapter 171, the public official will also have a conflict of interest under Section 12A-3 of the Dallas City Code (Code of Ethics). Section 12A-3(a), among other things, prohibits city officials and employees from taking any official action that is likely to affect particularly the economic interests of the city official or employee or the economic interests of a business entity or an affiliated business entity in which the city official or employee holds an economic interest. The city's code of ethics is stricter than the state law (Chapter 171) because a public official is prohibited from taking action on the matter if the public official holds **any** economic interest (having more than a de minimis value) in a business entity or in real property being particularly affected by the action, while the state law only requires that the public official have a "substantial interest" in the business entity or real property.

In addition, Section 12A-3(b) prohibits a city official from taking official action that is likely to affect particularly the substantial economic interests of a relative of the city official within the first degree of consanguinity or affinity or the substantial economic interest of a business entity or an affiliated business entity in which the city official's relative within the first degree of consanguinity or affinity holds a substantial economic interest. Section 12A-3(b) is similar to Chapter 171 with respect to determining whether a city official has a conflict of interest based on a relative's interest in a business entity or in real property because of the requirement that the interest be a "substantial economic interest."

Section 12A-3(c) of the Dallas City Code provides that a city official or employee whose conduct or action on a matter would violate Section 12A-3(a) or (b) must immediately refrain from further participation in the matter, including discussing the matter with persons likely to consider the matter, and "promptly file a written statement disclosing the conflict on a form provided by the city secretary." Further, Sections 12A-3(d)(7) and (8) require a council member or a board or commission member to promptly disclose his or her conflict to the respective body of which he or she is a member and not be present during any discussion or voting on the matter. Our office has advised the city secretary that if a council member or other public official has a Chapter 171 conflict and files a conflict affidavit form as required by Chapter 171, that form will also suffice for meeting the requirements of Section 12A-3(c) of the city's code of ethics since the conflict is disclosed in writing on the form and the form is provided by the city secretary. If, however, a council member or a board or commission member wishes to file both the Chapter

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OPPORTUNITIES FOR IMPROVEMENT

The Honorable Mayor and Members of the City Council
Page 4

171 affidavit and the city's disclosure of conflict form disclosing the same conflict on a particular agenda item, he or she is free to do so.

City's Code of Ethics (Chapter 12A of the Dallas City Code)

The city's code of ethics contains different, and more stringent standards, for determining conflicts of interest than those contained in Chapter 171 of the Local Government Code; thus, it is possible to have a conflict of interest under the city's code of ethics and not have a conflict of interest under the state conflict of interest regulations. While Chapter 171 requires affidavits to be filed with respect to matters in which the public official has a substantial interest, the city's code of ethics requires a written disclosure of conflict in all matters where a city official's or city employee's action is likely to affect particularly his or her economic interests or the economic interests of other persons listed in Section 12A-3 of the Dallas City Code, including matters in which the city official or employee only has a small (but more than de minimis) economic interest. In addition, whereas Chapter 171 only applies to council members and members of city boards and commissions that are more than advisory in nature, the city's code of ethics is applicable to all city officials and employees, including members of advisory city boards and commissions. For purposes of the city's code of ethics, "city official" includes city council members, municipal judges, the city manager and all of her assistant city managers, the city auditor and the first assistant city auditor, the city attorney and his first assistant city attorney, the city secretary and her first assistant city secretary, all department directors, members of all boards, commissions (except the youth commission), committees, and other bodies created by the city council pursuant to city ordinance or federal or state law, and city council appointed members of boards of entities that were not created by the city council.

Section 12A-3(a) of the Dallas City Code not only requires a city official to file a written disclosure of conflict statement involving any matter that is likely to affect particularly any economic interest of the city official or a business entity or affiliated business entity in which the city official has an economic interest, but it also, among other things, requires the disclosure of conflict statement to be filed with respect to matters involving the economic interest of the official's outside employer, outside client, business entity in which the city official serves as an officer, director, or policymaker, and business entities from which the city official may have received offers of employment or with which the city official may be engaged in negotiations concerning a business opportunity. Thus, there may be instances in which the city official would be required to file a disclosure of conflict form under the city's code of ethics, but not have to file an affidavit of conflict under Chapter 171 of the Local Government Code. In those instances where the conflict is limited to Section 12A-3 of the Dallas City Code, then Sections 12A-3(c) and (d) provide that where a city official whose conduct or action on a matter would violate Sections 12A-3(a) or (b), the city official must recuse himself or herself and (1) from the time the conflict is recognized, immediately refrain from further participation in the matter, (2) promptly file a written statement with the city secretary disclosing the conflict on a form provided by the city secretary, and (3) promptly disclose his or her conflict to the body of which the official is a member and not be present during any discussion or voting on the matter. Note that the city's code of ethics requires that the written statement disclosing the conflict be filed **promptly** with the city secretary's office. Thus, where a conflict exists under the city's code of ethics, it is possible to file a written statement disclosing a conflict of interest on a matter after the vote or

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OPPORTUNITIES FOR IMPROVEMENT

The Honorable Mayor and Members of the City Council
Page 5

decision on the matter is taken without violating the city's code of ethics, provided the statement is filed promptly. Attached as Exhibit B is the disclosure of conflict form that is on file with the city secretary's office for disclosing conflicts under the city's code of ethics.

As to whether conflict of interest disclosure forms should be filed when a city council member recuses him or herself from a vote in instances where the council member has neither a state law conflict of interest or a conflict of interest under the city's code of ethics, please be advised that Chapter III, Section 10 of the Dallas City Charter states that no council member shall be excused from voting except on matters involving the consideration of his own official conduct, or where his financial interests are involved, and in these instances, the council member shall not vote. Further, Section 4.5 of the City Council Rules of Procedure provides that every member present when a question is called shall vote either "Yes" or "No" except on matters involving a conflict of interests and/or consideration of the member's own official conduct. Thus, it would not be appropriate for a council member to file a disclosure of conflict form in order to avoid voting on a matter that does not involve a conflict of interest under the state law or the code of ethics, or the council member's financial interest or own official conduct.

If you have any questions concerning this memorandum, please contact me.



THOMAS P. PERKINS, JR.
City Attorney

c: Mary K. Suhm, City Manager
Dave K. Cook, Interim Assistant City Manager/Chief Financial Officer
Ramon F. Miguez, P.E., Assistant City Manager
Ryan S. Evans, Assistant City Manager
Charles W. Daniels, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Shirley Acy, City Secretary
Paul T. Garner, Interim City Auditor
The Honorable Jay Robinson, Administrative Judge
Jesus Toscano, Jr., Administrative Assistant City Attorney
Gwendolyn Satterthwaite, Executive Assistant City Attorney
Lisa Christopherson, Assistant City Attorney
Charles Bierfeld, Special Assistant City Attorney

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OPPORTUNITIES FOR IMPROVEMENT

EXHIBIT A

DATE OF COUNCIL MEETING: _____ AGENDA ITEM: _____

NAME: _____

**DALLAS CITY COUNCIL
AFFIDAVIT ON ABSTENTION FROM VOTING**

STATE OF TEXAS §
COUNTY OF DALLAS §

I, _____, a member of the City Council of the City of Dallas, Texas, file this affidavit in accordance with the provisions of Chapter 171 of the Texas Local Government Code, and hereby on oath state the following:

A. Business Entity Name of Entity: _____

I and/or person(s) related to me* have a substantial interest in a business entity that would be specially affected economically by the matter presently pending before the City Council. The nature and extent of the interest is:

_____ Ownership of 10 percent or more of the voting stock or shares of the business entity or ownership of \$15,000 or more of the fair market value of the business entity.

_____ Funds received from the business entity exceed 10 percent of gross income for the previous twelve months.

B. Real Property

_____ I and/or person(s) related to me*, have an interest in real property that has a fair market value of \$2,500 or more, and it is reasonably foreseeable that the action presently pending before the City Council will have a special economic effect on the value of the property, distinguishable from the effect on the public.

**For purposes of this affidavit, "person(s)" refers to first degree by consanguinity (parent or child, natural or adoptive), or first degree by affinity (spouse, step child, mother-in-law, father-in-law, daughter-in-law, son-in-law). (In cases of divorce or death, if a child is living, the marriage is considered as continuing, even after divorce or death.)*

As a result of this interest, I will refrain from participating in discussion and voting on the item(s); and, I will leave the council chambers immediately before the discussion and vote on the item(s).

Signature of Council Member

Date

BEFORE ME, the undersigned authority, on this day personally appeared _____, who on oath stated that the above facts are within _____ personal knowledge and are true and correct.

SWORN TO AND SUBSCRIBED BEFORE ME on this ____ day of _____.

[SEAL]

NOTARY PUBLIC

MY COMMISSION EXPIRES: _____

REVISED 10/20/99

Audit of the City Secretary's Selected Processes for Conflict of Interest and Financial Disclosure Reporting,
Ethics Complaint Filing, and City Official Candidate/Nominee Qualification Verification

OPPORTUNITIES FOR IMPROVEMENT

EXHIBIT B



For Official Use Only

DISCLOSURE OF CONFLICT STATEMENT

This statement is filed in accordance with Chapter 12A of the Dallas City Code. Copies of the applicable code sections and additional copies of this form may be obtained from the City Secretary's office.

Please print or type all information. Attach additional pages if more space is needed.

Check One		Fill in Appropriate Information
<input type="checkbox"/>	Elected Official	Office Held
<input type="checkbox"/>	Appointed Official	Board or Commission/ Title
<input type="checkbox"/>	City Employee	Title/Department

1. Name of Employee/Official: _____

I _____ have a conflict as defined in Chapter 12A, Article II, of the Dallas City Code in the following matter:

Audit of the City Secretary's Selected Processes for Conflict of Interest and Financial Disclosure Reporting,
Ethics Complaint Filing, and City Official Candidate/Nominee Qualification Verification

OPPORTUNITIES FOR IMPROVEMENT

Memorandum

City Attorney's Office

MAY 15 2006



CITY OF DALLAS

EXHIBIT
11

DATE May 12, 2006

TO HONORABLE MAYOR AND
MEMBERS OF THE CITY COUNCIL

SUBJECT Status of Financial Disclosure Reports

In accordance with Chapter 12A, "Code of Ethics", of the Dallas City Code, the individuals on the attached list have not filed Financial Disclosure Statements as of May 12, 2006.

Pursuant to Section 12A-19(G)(i) of the Code, persons on the list have been notified by certified mail that failure to file within fifteen (15) days after the original deadline is a violation of Chapter 12A. The deadline date to file within fifteen (15) days after the original deadline is May 23, 2006.

If you need additional information, please advise.

Deborah Watkins
CITY SECRETARY

Attachment

C: Mary K. Suhm, City Manager
Thomas P. Perkins, Jr., City Attorney
Jesus Toscano, Executive Assistant City Attorney
Gwendolyn Satterthwaite, Executive Assistant City Attorney
Lisa Christopherson, Executive Assistant City Attorney

RECEIVED

MAY 22 2006

CITY AUDITOR'S OFFICE

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OPPORTUNITIES FOR IMPROVEMENT

NON-FILERS AS OF May 12, 2006
Building Inspection Advisory, Examining and Appeals Board
Lloyd Harmon
Harvey (HJ) Johnson
Board of Adjustment (Alternate Members)
Maria E. Gomez
Linda Wise
Community Development Commission
Sanmi Akinmulero
Walter Lewis Price
Civil Service Board (Adjunct Members)
Bonnie Sue Gates
Miguel M. Marrero
Mel McCoy
Ethics Advisory Commission
Rebecca Bergstresser
Fire Code Advisory and Appeals Board
Ricardo Medrano, Jr.
Housing Finance Corporation Board
Randall Parker
Landmark Commission (Alternate Members)
E. Lee Roth
Reinvestment Zone Boards
Taylor Bowen
Printice L. Gary
Henry S. Miller III
Brenda Garza
Michael T. Moon
Shelle Bagot
John Zogg, Jr.
Deborah Marine
William Munding
Pat Priest
David L. Rawlinson
Brenda Reyes
Frank Nuchereno
Sharon Simmons
Lily Mak
Matt Troussiant
Myron Mims
Urban Rehabilitation Standards Board
Charles E. Helton
Maury Karp
Kathleen Ragsdale
Jennifer Selzer
Thomas R. Stauch
Martin Weber
John J. Boyle

City Attorney's Office

MAY 15 2006

Audit of the City Secretary's Selected Processes for Conflict of Interest and Financial Disclosure Reporting,
Ethics Complaint Filing, and City Official Candidate/Nominee Qualification Verification

OPPORTUNITIES FOR IMPROVEMENT

EXHIBIT 12

City of Dallas Ethics Advisory Commission

Annual Report 2005



ANNUAL REPORT

February 1, 2005

ETHICS ADVISORY COMMISSION

RECEIVED

MAY 22 2006

CITY AUDITOR'S OFFICE

Audit of the City Secretary's Selected Processes for Conflict of Interest and Financial Disclosure Reporting,
Ethics Complaint Filing, and City Official Candidate/Nominee Qualification Verification

OPPORTUNITIES FOR IMPROVEMENT

City of Dallas Ethics Advisory Commission

Annual Report 2005

Date: February 1, 2005

Memo: To the Honorable Mayor and
Members of the City Council

Re: Ethics Advisory Commission Annual Report

In accordance with Chapter 8, Section 8-1.1, the *members of the Ethics Advisory Commission are submitting* their annual report of our activities for your review.

Daniel C. Perez

Daniel C. Perez, Chairman
Ethics Advisory Commission

City of Dallas Ethics Advisory Commission

Annual Report 2005

ETHICS ADVISORY COMMISSION

ANNUAL REPORT 2005

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RECOMMENDATIONS	4
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OPPORTUNITIES FOR IMPROVEMENT

City of Dallas Ethics Advisory Commission

Annual Report 2005

ETHICS ADVISORY COMMISSION MEMBERS

Daniel C. Perez, Chairman

Calvin C. Bluiett, Vice-Chairman

Rebecca Baird Bergstresser

James Clark

Margaret Donnelly

Linda G. Sorrells

Gloria M. Tarpley

OPPORTUNITIES FOR IMPROVEMENT

City of Dallas Ethics Advisory Commission

Annual Report 2005

MISSION STATEMENT

The Ethics Advisory Commission is a quasi-judicial board having the jurisdiction to review and make findings concerning any alleged violation of the City of Dallas' Code of Ethics. It can make findings concerning any persons subject to the provisions of the Code, including but not limited to current city officials and employees, former city officials and employees, and persons doing business with the city. Complaints must be filed within one year after the date of the alleged violation. The commission may not consider any alleged violation occurring before January 1, 2001 or more than one year before the date of the filing of a complaint.

The Ethics Advisory Commission has the power to:

- 1) Establish, amend and rescind rules and procedures governing its own internal organization and operations in a manner and form consistent with the Code of Ethics.
- 2) Meet as often as necessary to fulfill its responsibilities.
- 3) Request from the City Manager (who obtains personnel from the City Secretary) through the City Council the appointment of such staff as is necessary to carry out the duties of the Commission.
- 4) Review, index, maintain on file, and dispose of sworn complaints.
- 5) Make findings of fact as necessary for the disposition of a complaint.
- 6) Make notifications, extend deadlines, and conduct investigations.
- 7) Exert any other powers as are specifically granted in the Code of Ethics.

OPPORTUNITIES FOR IMPROVEMENT

City of Dallas Ethics Advisory Commission

Annual Report 2005

SUMMARY OF ACTIVITIES

Four full meetings were held.

One meeting was held and cancelled due to lack of a quorum.

Two preliminary panels were seated.

Both complaints were dismissed for failure to state just cause.

Dr. Robin Lovin, Carey McGuire University Professor of Ethics, Southern Methodist University, attended two of the four full meetings held. At the request of the commissioners, he and his students presented to the EAC a special report entitled, "A Survey of City Ethics Commissions" (see attached).

OPPORTUNITIES FOR IMPROVEMENT

City of Dallas Ethics Advisory Commission

Annual Report 2005

RECOMMENDATIONS

The Ethics Advisory Commission recommends the following changes to the Code:

- § Section 12A-26(a) Require the complaint to be filed on the form provided by the City Secretary's Office. Rationale: increases probability that complaint is correctly filed.
- § Stipulate that any supplement to original complaint form **MUST** be filed within seven (7) days of the date the original complaint is received in the City Secretary's office. Supplements must be sworn to at the same level as the original complaint (under penalty of perjury).
- § Section 12A-28(d)(e) Revise to make rights of complainant and rights of respondent the same as stated in section (d). Rationale: eliminate source of confusion and appearance of partiality at full hearings.

The Ethics Advisory Commission recommends the following policy change:

The Ethics Advisory Commission recommends that a comprehensive policy be developed to avoid conflicts between the Code of Ethics and existing policies for the use of city resources, facilities and equipment by employees and officials for political purposes.

The Ethics Advisory Commission further recommends the following:

That efforts be made by both members of the Ethics Advisory Commission and members of the City Council to increase the awareness in the Dallas community of the Code of Ethics.

City of Dallas Ethics Advisory Commission

Annual Report 2005

INDEX OF COMPLAINTS

<u>CASE #</u>	<u>DATE FILED</u>	<u>STATUS/ OUTCOME</u>	<u>ETHICS CODE CITATION</u>	<u>DATE HEARD</u>
19	12/12/03	Dismissed for lack of just cause	Sec. 12A-11	01/16/04
20	02/24/04	Dismissed for lack of just cause	Sec. 12A-7(a)(2)(A)	04/01/04

OPPORTUNITIES FOR IMPROVEMENT

EXHIBIT 13 (1)

050833

Economic Development and Housing Committee Meeting Record October 3, 2005

The Economic Development and Housing Committee meetings are recorded. Agenda materials and audiotapes may be reviewed/copied by contacting the Office of Economic Development, Staff Coordinator at 214-670-1686.

Meeting Date: October 3, 2005 Meeting Start time: 9:40 A.M.

Committee Members Present:

Bill Blaydes, Chair
James Fantroy, Vice Chair
Leo V. Chaney, Jr.
Donald W. Hill
Angela Hunt
Linda Koop
Pauline Medrano
Ron Natinsky
Mitchell Rasansky

Staff Present:

Ryan S. Evans, Assistant City Manager
Karl Zavitkovsky, Director, OED
J. Hammond Perot, Assistant Director, OED
Karl Stundins, Manager, OED
Mark Duebner, Director, Business
Development and Procurement Services
Anthony Coleman, Manager, Business
Development and Procurement Services
Jerry Killingsworth, Director, Housing
Barbara Martinez, Assistant City Attorney

Other Council Members Present

Ed Oakley
Gary Griffith

Guests/Speakers

Calvin Stevens, SSP Consulting
Henry T. Hank Lawson, Executive Director,
SouthFair Community Development
Corporation

AGENDA:

1. Approval of September 20, 2005 Minutes of the Economic Development and Housing Committee

Presenter(s): None

Information Only: _____

Action Taken/Committee Recommendation(s): The September 20, 2005 Economic Development and Housing Committee minutes were unanimously approved as written.

Motion made by: Ms. Koop

Item passed unanimously: X

Item failed unanimously: _____

Motion seconded by: Mr. Natinsky

Item passed on a divided vote: _____

Item failed on a divided vote: _____

Follow-up (if necessary):

OPPORTUNITIES FOR IMPROVEMENT

Economic Development and Housing Committee

October 3, 2005

Meeting Record – Page 2 of 3

2. Surety Support Program

Presenter(s): Mark Duebner, Director, Business Development and Procurement Services

Speaker: Mr. Calvin Stevens, President and Chairman, SSP Consulting (the current surety contractor)

Mr. Stevens stated that the contract should be outsourced.

Information Only: ___

Action Taken/Committee Recommendation(s): A motion was made to not take this in-house and to continue the proposal evaluation process. Staff was directed to recommend one of the proposals submitted by an outside firm to this Committee for consideration.

Motion made by: Mr. Hill

Item passed unanimously:

Item failed unanimously: ___

Motion seconded by: Mr. Fantroy

Item passed on a divided vote: ___

Item failed on a divided vote: ___

Follow-up (if necessary):

- Provide the last three years of results:
 - Clients served
 - Did they get the contract?
 - Was it through our efforts?
 - What was the amount of the contract?
 - Did the company perform?
 - How much money are we saving?
- Chart showing work currently being done and proposed work to assist in understanding how the contract can be reduced from \$300,000 to \$150,000
- Staff is to verify with the City Attorney's Office what the conditions would be if the City take the contract in-house.
- Mr. Calvin Stevens asked to provide his printed history to Committee and City staff.

3. Proposed Policy for Public Improvement Districts (PID)

Presenter(s): Karl Zavitkovsky, Director, Office of Economic Development

Information Only: X

Note: The Deep Ellum PID discussion would be held at the end of the briefing. Mr. Rasansky left the meeting during the discussion of the Deep Ellum PID due to a possible conflict of interest.

Action Taken/Committee Recommendation(s): No action taken by the Committee.

Motion made by: ___

Item passed unanimously: ___

Item failed unanimously: ___

Motion seconded by: ___

Item passed on a divided vote: ___

Item failed on a divided vote: ___

Follow-up (if necessary):

- City staff to provide a definition of mixed-use, residential component in regards to PIDS.

OPPORTUNITIES FOR IMPROVEMENT

Economic Development and Housing Committee
October 3, 2005
Meeting Record – Page 3 of 3

050833

- City Attorney's Office to provide information on whether the City may differentiate between one group (single family) and another group (multi-family) when creating PIDS. Also, provide information on who is responsible for enforcing PID deed recordation.
- Staff to provide Committee Members with names of residential subdivisions interested in establishing PIDS.
- Staff to provide Committee Members the percentage of administrative costs the Vickery Meadow PID.
- Staff asked to return to this Committee at the next meeting and finalize recommendations.

4. Proposed New Tax Increment Financing Districts

Presenter(s): Karl Zavitkovsky, Director, Office of Economic Development and Karl Stundins, Manager, Office of Economic Development

Information Only: ___

Note:

- Mr. Rasansky and Mr. Chaney left the room during the discussion of the Grand Park South TIF to avoid a conflict in interest.
- Mr. Hank Lawson, SouthFair Community Development Corporation, provided information on the proposed sports complex for the Grand Park South TIF.

Action Taken/Committee Recommendation(s): Motion made to support both TIFS and move them forward to the City Council.

Motion made by: Mr. Hill
Item passed unanimously: X
Item failed unanimously: _____

Motion seconded by: Mr. Natinsky
Item passed on a divided vote: ___
Item failed on a divided vote: _____

Follow-up (if necessary):

5. Upcoming City Council Agenda Items for September 2005

- Tax Abatement Assignment to MM Industrial Stoneridge I LP
- Republic Center Tower I - Contracting Part Name Change
- Replacement Homes (3)
- Tax Credit - Mill City Parc
- MAP Contract Renewal Approval

Presenter(s):

Information Only:

Action Taken/Committee Recommendation(s): Item was not presented to the Committee.

Motion made by: _____
Item passed unanimously: ___
Item failed unanimously: _____

Motion seconded by: _____
Item passed on a divided vote: ___
Item failed on a divided vote: _____

Follow-up (if necessary):

Meeting Adjourned: 11:37 A.M.

**Audit of the City Secretary's Selected Processes for Conflict of Interest and Financial Disclosure Reporting,
Ethics Complaint Filing, and City Official Candidate/Nominee Qualification Verification**

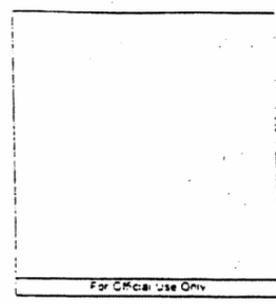
OPPORTUNITIES FOR IMPROVEMENT

EXHIBIT 13 (2)

RECEIVED

050833

2016 MAY 26 PM 4:14



DISCLOSURE OF CONFLICT STATEMENT

This statement is filed in accordance with Chapter 12A of the Dallas City Code. Copies of the applicable code sections and additional copies of this form may be obtained from the City Secretary's office.

Please print or type all information. Attach additional pages if more space is needed.

Check One		Fill in Appropriate Information
<input type="checkbox"/> Elected Official	Office Held	<u>Commitment</u>
<input type="checkbox"/> Appointed Official	Board or Commission/ Title	
<input type="checkbox"/> City Employee	Title/Department	

1. Name of Employee/Official: Leo V. Chawley, JR

Leo V. Chawley, JR have a conflict as defined in Chapter 12A, Article II, of the Dallas City Code in the following matter:

Audit of the City Secretary's Selected Processes for Conflict of Interest and Financial Disclosure Reporting,
Ethics Complaint Filing, and City Official Candidate/Nominee Qualification Verification
OPPORTUNITIES FOR IMPROVEMENT

050833

RECEIVED

2006 MAY 26 PM 4:14

Nature of Conflict:

CITY SECRETARY
DALLAS, TEXAS

Reside within target area

As a result of this conflict, I will not take any official action in regard to the matter stated above.

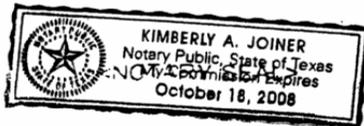
Leo V. Chaney Jr.
Signature of Employee/Official

5/25/06
Date

BEFORE ME, the undersigned authority, on this day personally appeared

Leo V. Chaney, Jr., who on oath stated that the above facts are
within his personal knowledge and are true
and correct.

SWORN TO AND SUBSCRIBED BEFORE ME on this 25th day of May,
2006, to certify which, witness my hand and seal.



Kim Joiner
Signature of officer administering oath

Kimberly A. Joiner
Printed name of officer administering oath

NOTARY
Title of officer administering oath

OFFICE OF THE CITY SECRETARY

2

DALLAS, TEXAS

**Audit of the City Secretary's Selected Processes for Conflict of Interest and Financial Disclosure Reporting,
Ethics Complaint Filing, and City Official Candidate/Nominee Qualification Verification**

OPPORTUNITIES FOR IMPROVEMENT

Exhibit 13 (3)

050833

RECEIVED

DATE OF COUNCIL MEETING: 10/3/2005 AGENDA ITEM: _____
 NAME: Economic Development + Housing Committee

DALLAS CITY COUNCIL
 AFFIDAVIT ON ABSTENTION FROM VOTING

STATE OF TEXAS §
 COUNTY OF DALLAS §

I, _____, a member of the City Council of the City of Dallas, Texas, file this affidavit in accordance with the provisions of Chapter 171 of the Texas Local Government Code, and hereby on oath state the following:

A. Business Entity Name of Entity: _____

I and/or person(s) related to me* have a substantial interest in a business entity that would be specially affected economically by the matter presently pending before the City Council. The nature and extent of the interest is:

_____ Ownership of 10 percent or more of the voting stock or shares of the business entity or ownership of \$15,000 or more of the fair market value of the business entity.

_____ Funds received from the business entity exceed 10 percent of gross income for the previous twelve months.

B. Real Property

I and/or person(s) related to me*, have an interest in real property that has a fair market value of \$2,500 or more, and it is reasonably foreseeable that the action presently pending before the City Council will have a special economic effect on the value of the property, distinguishable from the effect on the public.

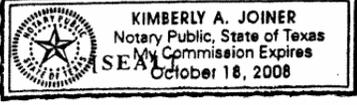
*For purposes of this affidavit, "person(s)" refers to first degree by consanguinity (parent or child, natural or adoptive), or first degree by affinity (spouse, step child, mother-in-law, father-in-law, daughter-in-law, son-in-law). (In cases of divorce or death, if a child is living, the marriage is considered as continuing, even after divorce or death.)

As a result of this interest, I will refrain from participating in discussion and voting on the item(s); and, I will leave the council chambers immediately before the discussion and vote on the item(s).

Signature of Council Member: Leo V. Chaney, Jr. Date: 5/25/06

BEFORE ME, the undersigned authority, on this day personally appeared Leo V. Chaney, Jr. who on oath stated that the above facts are within his personal knowledge and are true and correct.

SWORN TO AND SUBSCRIBED BEFORE ME on this 25 day of MAY



Kimberly A. Joiner
 NOTARY PUBLIC

MY COMMISSION EXPIRES: 10/18/2008

REVISED 10/20/99

Audit of the City Secretary's Selected Processes for Conflict of Interest and Financial Disclosure Reporting,
Ethics Complaint Filing, and City Official Candidate/Nominee Qualification Verification

OPPORTUNITIES FOR IMPROVEMENT

Exhibit 13-3b

050833



RECEIVED

2006 JUN -2 AM 10:33

CITY SECRETARY
DALLAS, TEXAS

For Official Use Only

DISCLOSURE OF CONFLICT STATEMENT

This statement is filed in accordance with Chapter 12A of the Dallas City Code. Copies of the applicable code sections and additional copies of this form may be obtained from the City Secretary's office.

Please print or type all information. Attach additional pages if more space is needed.

Check One	Fill in Appropriate Information
<input checked="" type="checkbox"/> Elected Official	Office Held: <u>Dallas City Council member</u>
<input type="checkbox"/> Appointed Official	Board or Commission/ Title
<input type="checkbox"/> City Employee	Title/Department

1. Name of Employee/Official: Mitchell Rasansky

Mitchell Rasansky have a conflict as defined in Chapter 12A, Article II, of the Dallas City Code in the following matter:

October 3, 2005 - Economic Development and Housing Committee Meeting
Agenda Item No. 4 - "Proposed New Tax Increment Financing Districts"

OFFICE OF THE CITY SECRETARY

1

DALLAS, TEXAS

Audit of the City Secretary's Selected Processes for Conflict of Interest and Financial Disclosure Reporting,
Ethics Complaint Filing, and City Official Candidate/Nominee Qualification Verification
OPPORTUNITIES FOR IMPROVEMENT

050833

Nature of Conflict:

Grand Park South TIF

Multifamily owner at the time

As a result of this conflict, I will not take any official action in regard to the matter stated above.

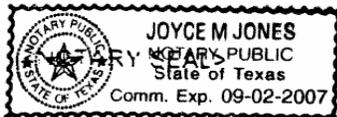
Signature of Employee/Official

Date

BEFORE ME, the undersigned authority, on this day personally appeared

Mitchell Kasansky, who on oath stated that the above facts are within his personal knowledge and are true and correct.

SWORN TO AND SUBSCRIBED BEFORE ME on this 30th day of May, 2006, to certify which, witness my hand and seal.



Joyce M. Jones Joyce M. Jones Notary
Signature of officer administering oath Printed name of officer administering oath Title of officer administering oath

OFFICE OF THE CITY SECRETARY

2

DALLAS, TEXAS

Audit of the City Secretary's Selected Processes for Conflict of Interest and Financial Disclosure Reporting,
Ethics Complaint Filing, and City Official Candidate/Nominee Qualification Verification

OPPORTUNITIES FOR IMPROVEMENT

Page 1 of 1

Exhibit 13 (4)

Watkins, Deborah

From: Watkins, Deborah
Sent: Friday, May 26, 2006 5:47 PM
To: Dunn, Deborah
Subject: Council committee meeting of October 3, 2005

Deborah, Councilmember Rasansky announced he had a conflict of interest at the October 3, 2005 Economic Development and Housing Council Committee meeting and we need a conflict of interest statement from him. Please ask Councilmember Rasansky to complete the conflict of interest statement and turn it in ASAP.

There was an audit of our files and it was discovered that we do not have conflict of interest statements for Councilmembers when they announce conflict of interest in city council committee meetings. We have asked the board coordinators for the council committees to review their minutes for 2005 and 2006 and provide us with conflict of interest statements for all council members who announced conflicts.

Deborah Watkins
City of Dallas
City Secretary's Office
(214) 670-3738

5/30/2006

Audit of the City Secretary's Selected Processes for Conflict of Interest and Financial Disclosure Reporting,
Ethics Complaint Filing, and City Official Candidate/Nominee Qualification Verification

OPPORTUNITIES FOR IMPROVEMENT

Page 1 of 1

Exhibit 13 (5)

Watkins, Deborah

From: Watkins, Deborah
Sent: Thursday, May 25, 2006 1:02 PM
To: Cook, David; Daniels, Charles; Evans, Ryan; Jordan, Jill; Miguez, Ramon; Carraway, Carlette; Janice Favors; Limon, Bernice; Lowe, Della; Session, Shungetta; Wilson, Natalie
Cc: Suhm, Mary
Subject: COUNCIL COMMITTEE MINUTES AND CONFLICT OF INTEREST

During the course of an audit performed by the City Auditor's Office, we checked our City Secretary's files and discovered that we do not have on file conflict of interest statements for City Councilmembers who may have announced a conflict of interest during council committee meetings. I am trying to inform and gather conflict of interest statements as the results of a conflict that may have been announced in council committee meetings.

I am requesting the council committee coordinators review your minutes for the last two years (2005 and 2006) and if your minutes indicate a conflict of interest by a councilmember please provide the City Secretary's Office with an original conflict of interest statement so we may file it with the appropriate minutes. This will certainly help us clean up our files.

In the future, just as councilmembers file conflict of interest statements for conflicts during council meetings that should also file conflict of interest statements for council committee meetings.

Thanks for all your help. Please call me if you need any clarification or further explanation. I have plenty of forms in my office or you will find some on the City Secretary's Office website.

Deborah Watkins
City of Dallas
City Secretary's Office
(214) 670-3738

5/30/2006