

# NEWS



# NEWS

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### Mayor John F. Street's Statement on Ethics Reform

At the end of the 2003 general election, I established the Philadelphia 21<sup>st</sup> Century Review Forum, a committee of leaders, activists, and citizens, and charged it with the responsibility of reviewing our operations and recommending a course to guide this administration through its second term.

The Review Forum was broken down into five committees: Appointments, Ethics, Program Evaluation, Regional Cooperation, and Right-Sizing Government. Each of these topics is important, and we are already taking action on many of the recommendations made by these committees. But I emphasize the Ethics report. Because it is essential for the public to understand this Administration's strong commitment to high ethical standards, and our commitment to strengthen public confidence in the integrity of its city government.

I believe the overwhelming majority of city employees are honest, hard working, and dedicated public servants. I also believe we must address the fact that there is always a small number of employees that either do not understand the standards, or deliberately try to take advantage of their position. Let me be clear: As Mayor,

I will not tolerate any abuses of the public trust. There will be zero tolerance for this behavior in this Administration.

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Consequently, I am signing two executive orders today to implement key reforms which were recommended to us in March by the Review Forum's Ethics Committee.

First, I am signing an executive order which will significantly tighten the city's policy on acceptance of gifts, meals, or favors by city employees. We need a bright-line rule that makes it clear to every city employee, city vendor – and the public – that city workers cannot accept gifts, meals or favors from anyone doing business with city government – or from anyone *seeking* to do business with city government.

Today, we're strengthening that rule, and sending a clear signal to everyone: City employees cannot accept gifts, meals, or favors. And vendors cannot offer them. I want to make this point especially clear to those who seek to do business with our City: Do not offer gifts, meals, or favors to our employees. The executive order I will sign states that any vendor, prospective vendor, or individual acting on behalf of any such persons who offers any gift that would be in violation of this order can be debarred from obtaining City contracts.

Second, I am signing an executive order that will revive and reconstitute the existing city Board of Ethics. This is an immediate step to highlight the importance of ethics enforcement and education in government. And, this is the first step in a series of actions that will be designed to create a strong, vibrant ethics process unlike any that Philadelphia has even seen.

The current ethics board has been in existence since the 1960s. For the past decade or more, it has fallen into disuse, because the board has never had little power or concrete responsibilities. With the executive order I am signing today, that is going to change:

- The Board of Ethics will have five new Members, whose appointments I am announcing today. They are Charisse Lillie, Esq., Daniel P. McElhatton, Esq., Rev. James Allen, Pedro A. Ramos, Esq., our City Solicitor, and Pennsylvania Superior Court Senior Judge Phyllis Beck. These individuals bring a track record of high ethical standards and a practical knowledge of the workings of government. I have asked Charisse Lillie to chair the Board of Ethics, and she has agreed to do so.

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Each new board member will serve a staggered, four-year term. They are an incredibly impressive group of individuals, whose commitment to public service is well-documented.

- The executive order directs the board to ensure compliance by all City officials and employees with the “*highest standards of ethical behavior*” – including all applicable ethics laws. In addition, the Board will have specific new responsibilities:
  1. Regular education and training of all city employees on the city’s ethics rules and regulations. No such ethics education and training occurs now.
  2. Consistently and thoroughly reviewing the Financial Disclosure Forms that many city officials are required to file, for conflicts of interest. The Board will advise the City Solicitor and the Inspector General of any potential problems detected. There is no organized, citywide review of these Disclosure Forms now.
  3. Reviewing ethics questions relating to conduct of city officials. The Board will work closely with the Law Department and the Solicitor on any issues that arise, and will make advisory opinions to the employees or officials who request them.
  4. Reviewing campaign finance documents filed by candidates for city offices. The Board will review campaign finance documents for completeness, accuracy and any potential conflicts. The Board will advise the candidate of any problems detected and, if appropriate, the relevant enforcement authorities.

While we are announcing these reforms today, our ethics efforts go back many months. In my inaugural address in January, I highlighted this Administration’s commitment to “ensuring high ethical standards” in City Hall. During a lean budget cycle this spring, we successfully fought for more funding for the Inspector

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General's Office – a key recommendation of the Ethics Committee. An additional \$550,000 was authorized for the Inspector General. This commitment of additional funds will enable the IG's Office to hire more auditors and better detect patterns of suspected wrongdoing. It's an important reform, but just the start.

The ethics reforms I am announcing today are the first in a series of initiatives that I intend to unveil over the coming months. Before I comment on those other reforms, I want to commend the work of the Ethics Committee, under the leadership of its chair, Common Pleas Judge Ida K. Chen. The Chen Committee did great work and advanced the cause of ethics reform in city government. More reform is on the way:

- We will transmit to City Council a new Omnibus Code of Ethics this fall, which will consolidate and strengthen all local ethics laws in one place. I called for this new Code of Ethics in my inaugural speech in January. The ethics Committee delivered a first draft in March. Our Law Department is refining that draft Code for introduction in September when Council returns.
- We will seek a Home Rule Charter change to create stronger enforcement powers – an ethics process with “teeth” – for the Board of Ethics. Those new enforcement powers, along with appropriate resources, will create an ethics process in Philadelphia second to none in the country.
- We will open up our contracting process for professional services to more competition, while still retaining an important but appropriate level of discretion for government decision-makers. First, we should note that we have a competitive process in most areas even where not required by law. For example, contracts for prison health services; health insurance portability; and computerized flight display information at our Airport – contracts worth many millions of dollars – are all examples of professional services contracts being let through a competitive RFP process, although the city is not required to do so. Second, we should note that the range of specialization or the type of professional service may limit the amount of competition. For example, I have said before that hiring lawyers is not like buying widgets. However, I remain open to ideas for increasing

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competition in professional services contracts generally. I have asked the Managing Director, Finance Director, and City Solicitor to work on this issue – with the Board of Ethics. I look forward to their recommendations in the near future.

- We will advocate for comprehensive statewide campaign finance reform legislation in Harrisburg this fall – particularly on the issue of “pay-to-play” reform. Campaign finance reform is never easy. Previous attempts around the country have produced dubious results. When campaign reforms occur, inevitably others find loopholes in new laws. But I remain committed to campaign finance reform on a statewide level. The ethics board is working with the Law Department to have state legislation prepared for consideration by the Pennsylvania General Assembly this fall.
- There are a number of other reforms recommended by the Ethics Committee which will be implemented. We will insert language on core ethics principles in all city contracts and place campaign finance reports for city office candidates on the city’s official website. The Board of Ethics, with Administration officials, will take a closer look at part-time, outside employment by city employees. It’s a growing problem that needs addressing.

The process of ethics reform in this government has been ongoing. We hired a qualified Inspector General in early 2003. In my inaugural speech in January, I called for a new Code of Ethics. It continued through the work of the Ethics Committee, and publication of its report in March. And we are now implementing these important reforms.

Today it enters a new stage – implementing these reforms: A bright-line ban on accepting gifts and meals. A revived Board of Ethics. A legislative strategy to create an ethics process with real enforcement powers – and education and training as well. More resources for investigative oversight. Streamlined disclosure forms. More competition and openness in contracting. Comprehensive statewide campaign finance reform.

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The public must have faith in the integrity of its government. I am confident the steps we are taking today will reinforce that faith. As Mayor, my job starts with the appointment of honest and talented officials. It continues with ensuring our rules of conduct are clear, understandable, and enforceable.

Today is not the end or the beginning. It's an important step in the process.

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