



# CITY OF ATLANTA

**BOARD OF ETHICS**  
John D. Marshall, Jr., Chair  
Kenyatta Mitchell, Vice-Chair  
MaryAnne F. Gaunt  
Susan Housen  
Lawrence S. Levin  
John Lewis, Jr.  
Jacquee Minor

68 MITCHELL STREET SW, SUITE 3180  
ATLANTA, GEORGIA 30303-0312  
(404) 330-6286  
FAX: (404) 658-7720

**ETHICS OFFICE**  
Ginny Looney, Ethics Officer

**To:** Board of Ethics

**From:** Ginny Looney, Ethics Officer

**Date:** September 21, 2006

**Cc:** Mayor Shirley Franklin  
City Council President Lisa Borders  
All City Council Members  
Chief Operating Officer Lynette Young  
Chief of Staff Greg Pridgeon  
City Attorney Linda DiSantis  
City Department Heads

**Re:** 2006 Financial Disclosure Report

---

## Final Report on 2006 Financial Disclosure Program

### Summary

The success story for financial disclosure in the City of Atlanta this year is that the number of electronic filers increased to 82 percent, and individuals are disclosing more information in their statements. The disappointing news is that routine compliance with the disclosure requirements is not yet a reality. The percentage of timely filers dropped to 81 percent, the number of nonfilers doubled from eight to sixteen, and 48 employees paid a late filing fee. Board members have a comparatively poor record of compliance: one-fourth of the persons serving on boards or as neighborhood planning unit officers submitted their statement after the filing deadline.

### Recommendations

1. The Board of Ethics should expand its requirement for online filing of the 2007 Financial Disclosure Statement in the City Electronic Filing System to include city board members and NPU officers.
2. The City needs to enlarge its enforcement tools in order to obtain better compliance. Specifically, the Code of Ethics needs to be amended to enable the City to:
  - a. collect fines imposed by the Board of Ethics after a hearing through means such as payroll deduction for employees
  - b. remove persons serving on city boards or as NPU officers for their failure to file a disclosure statement and
  - c. disqualify any city board member from reappointment and any NPU officer from reelection when the official fails to file a financial disclosure statement

## **The Program**

The Code of Ethics requires the annual disclosure of financial statements to enable the public to review the assets and income sources of city officials and employees for actual and potential conflicts of interest between the individual's official duties and private interests. City law lists 23 categories of filers, including elected city officials, city board members, city-appointed members of other boards, NPU officers, department heads, and certain other city employees.

## **Mailings and Notices**

The 2006 City Financial Disclosure Statement was mailed to the home address of required filers on January 13, 2006 as required by law. An email with instructions and a link to the City eFiling System was sent to all filers with an email address on January 18, 2006, and the names of all required filers – both employees and board members -- were posted online at the Board of Ethics' website. The Ethics Office emailed two reminder notices to non-filing employees and board members prior to the filing deadline of February 15.

After that deadline, the Ethics Office sent a warning letter in March and a final notice letter in May to all non-filers; the latter mailing included a copy of the form and a self-addressed envelop for filing the form by mail. In June, a last call email and letter was sent to non-filing board members and NPU officers reminding them of their duty to file, with another copy of the form enclosed with the letter. In addition, departments and board chairs received reports on employees and board members who had not filed or paid their civil penalty for late filing.

## **Electronic Filing**

This year, for the first time, the Board of Ethics imposed a mandatory electronic filing requirement for all current city employees and elected officials. The requirement is a key reason that the number of online filers increased from 437 persons, or 35%, in 2005 to 1074, or 82%, in 2006. The City of Atlanta is one of a handful of the nation's cities that has an electronic filing and disclosure system.

There are important advantages to electronic filing and disclosure. First, the information is publicly available as soon as the statement is filed, and the public can immediately search the statements online for potential conflicts. In addition, filers cannot file a form that is empty of information, a practice that has persisted with paper filing. Finally, the City does not have to spend scarce resources re-entering information from paper forms to electronic online forms for public access. Due to these advantages, it is recommended that the Board of Ethics require electronic filing by all persons who are required to file financial disclosure statements in 2007.

Because many employees do not have computers, email accounts, or experience with online filing, the process of getting compliance with the eFiling requirement is labor intensive. The Ethics Office essentially had one contact for every two persons who filed or, put differently, every one in two persons needed assistance with their form or filing. To assist employees with eFiling, the Ethics Office provided a computer for online filing in its office, held an eFiling Day in the atrium at City Hall, and visited offices to assist groups of employees without computers. In the 40-day period between January 15 and February 25, the ethics officer responded to 218 telephone calls, 288 emails, and 81 in-person visits about financial disclosure and eFiling.

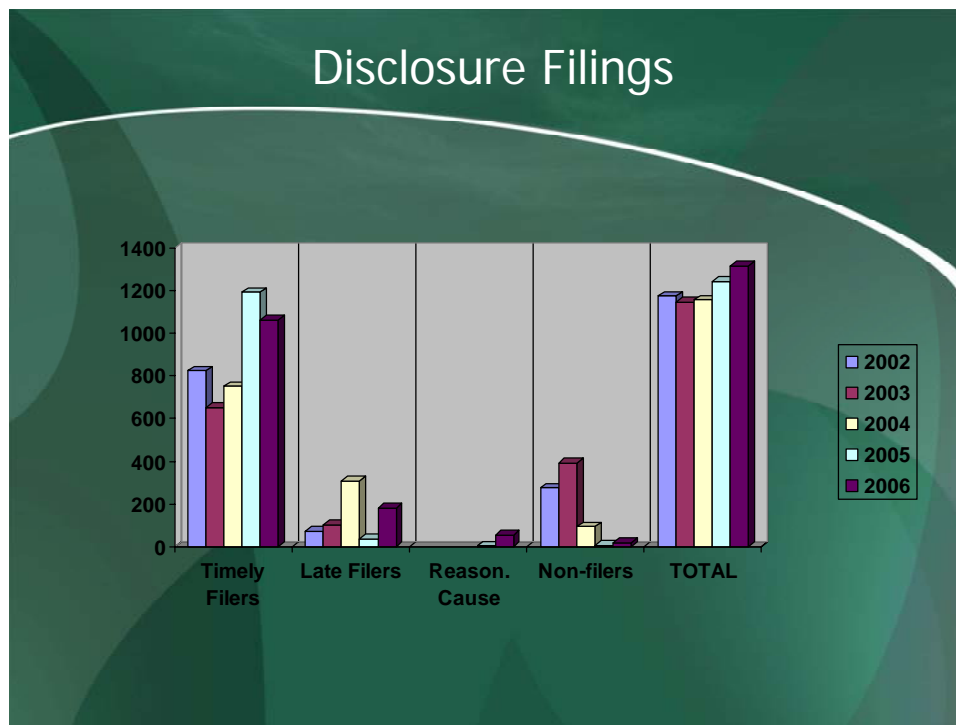
## Compliance

The overall filing rate this year is 98 percent, higher than in any previous year except 2005, when it was 99 percent. The rate of timely filers dropped significantly, however, from 96 percent in 2005 to 80 percent in 2006. Although the timely filing rate was artificially high last year because the Board of Ethics extended the filing deadline to March 1, the rate of persons filing by March 1 this year was still below last year, at 88 percent.

### Compliance in 2006

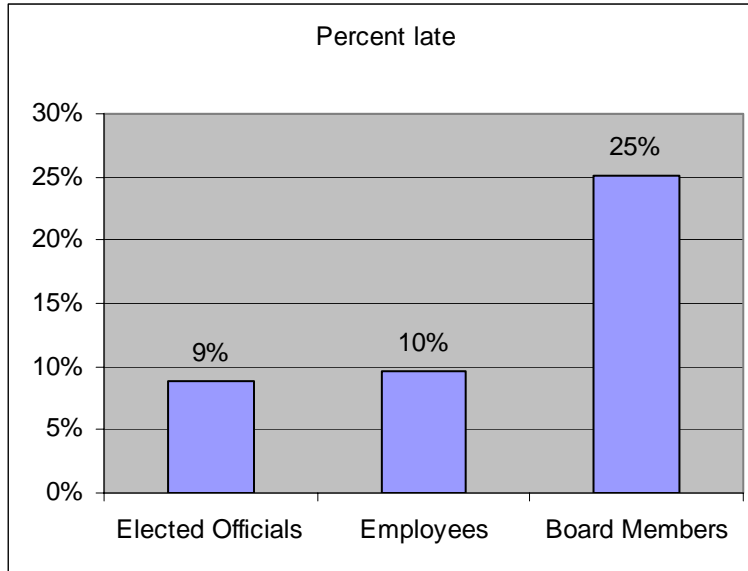
<b>Total number of persons in database</b>	1,315
Timely filers	1,059 (80.5%)
Reasonable cause	57 ( 4.3%)
Late filers	181 (13.8%)
Incomplete filers	2 ( 0.2%)
Non-filers	16 ( 1.2%)

### Five-Year Comparison of Disclosure Filings



By any measure, city employees have a better compliance record than city board members and NPU officers. While all current employees had filed by May, there were 14 current board members and NPU officers who had not filed at that time, and three who still had not filed, as of September 15, 2006. One out of every four board members filed late, compared to one of every ten employees. Overall, board members and NPU officers are approximately one-fourth of the required filers, but one-third of the non-filers and one-half of the late filers.

### Comparison of Late Filers



The City needs to do a better job in educating appointed officials about their duty to comply with the Code of Ethics and its financial disclosure requirements. At the same time, the Ethics Office and Board of Ethics need to take more stringent action against violators, such as imposing fines on board members who do not file any statement. Serving as a volunteer is not an excuse for ignoring the filing requirement. In fact, it is the individuals who serve on city boards who are most likely to work for a firm that does business with the city. Of the 89 filers reporting that they received income in 2005 from a company that does business with the city, 75 percent are board members or NPU officers.

Elected officials are another category of persons with a disappointing filing record. Four of the fifteen current council members filed after the February 15 deadline this year. Three paid a fine for their late filing, and one was classified as having reasonable cause because his form was mailed to a former address.

### Comparison of Filing Rates by Category of Filer

	Elected Officials	Employees	Board Members	Total
<b>Timely</b>	30 (3%)	784 (74%)	245 (23%)	1059
<b>Late</b>	3 (2%)	89 (49%)	89 (49%)	181
<b>Non-filers &amp; Incomplete</b>	0	12 (67%)	6 (33%)	18
<b>Reasonable Cause</b>	1 (2%)	42 (74%)	14 (25%)	57
<b>Totals</b>	34 (3%)	927 (71%)	354 (27%)	1315

## **Review and Audit Process**

The Ethics Office reviewed paper forms and required additional information from individuals to complete the forms before entering the data in the e-filing system. In addition, the staff is currently reviewing the online forms to determine if filers have made full and complete disclosure and have no conflicts of interest. Results of the office's research will be provided to the Board of Ethics and the public when completed.

## **Enforcement Action**

The Board of Ethics has found 34 persons delinquent for their failure to file the 2006 City Financial Disclosure Statement as required by law. Adopted on August 24, 2006, the Roll of Delinquent Filers includes all persons who had failed to file and all current city employees who failed to pay their fine for late filing without reasonable cause. The Board imposed these additional penalties:

- Issued a written letter of reprimand to the non-filers
- Recommended to the appointing authorities that non-filing current board members be removed from office
- Recommended that non-filing former board members be considered ineligible for reappointment for a period of time equal to their term of office and until they comply with the financial disclosure requirements
- Recommended that non-filing employees be considered ineligible for rehiring for one year and until they comply with the financial disclosure requirements
- Ordered the non-paying late filers to pay their fine within seven days or show cause at a board hearing why they should not be required to pay the fine and have additional penalties imposed

Since the board's action, all employees have paid their fine, except one. In 2006, 48 current employees paid a total of \$3,250 in fines into the City of Atlanta General Fund.

## **Special Recognition**

It takes the entire City to obtain compliance with the financial disclosure requirements. Special thanks go to the following departments for their exemplary efforts in encouraging their employees to comply with the law.

1. All current employers in the Departments of Corrections, Law, and Parks, Recreation, and Cultural Affairs and Office of Internal Auditor were timely filers or had reasonable cause for filing late
2. The Department of Planning and Community Development helped ensure all of its current inspectors filed a timely disclosure statement, despite their lack of personal computers or city email accounts
3. The Department of Watershed Management assisted in enforcement by separately mailing letters by certified mail from the commissioner to delinquent filers

## **Conclusion**

In the past three years the City has made enormous progress in obtaining full disclosure of the financial interests of city officials and employees. The City has instituted an electronic filing system that gives the public easy, complete access to the information in the disclosure statements. The rate of filing has risen, filers are making fuller disclosure, and both individual departments and the City as a whole are strongly supporting enforcement efforts. The Board of Ethics and Ethics Office remain committed to their goal of obtaining routine compliance with the disclosure laws. They will continue to educate persons about the importance of financial disclosure and exercise their full authority under the law to ensure that individuals file timely, complete disclosure statements.