



# CITY OF ATLANTA

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

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## ETHICS OFFICE

Ginny Looney, Ethics Officer

## 2007 Financial Disclosure Report

In four years, the City of Atlanta has gone from widespread disregard for the financial disclosure law to a 98% compliance rate. The City should continue its commitment to financial disclosure because it educates officials and employees about potential conflicts of interest and helps eliminate actual conflicts of interests in their decisions and votes.

### Recommendations

1. Maintain current electronic filing requirement with the over-65 age exemption from e-filing
2. Fund upgrades to the Electronic Filing System to enable changes in the online form and keep up with changing technology

### Overview

The Code of Ethics requires the annual filing of financial disclosure 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 identifies 23 categories of filers, including elected city officials, city board members, city-appointed members of other boards, neighborhood planning unit officers, department heads, and certain other city employees. In 2007, nearly 1,500 persons were required to file, including 26 elected officials, 1,098 city employees, and 354 board members and NPU officers.

The filing record of city officials and employees improved in 2007 by nearly every measure:

- 9 of every 10 required filers met the February filing deadline, up from 8 of 10 in 2006
- 95% of all persons filed electronically, up from 82% in 2006
- 5 agencies had 100% compliance with the filing deadline by their current and former employees
- 8 agencies had 100% compliance with the filing deadline by their current employees
- The percentage of late filers dropped more than 5%

### Comparison of Filing Rates by Category of Filer

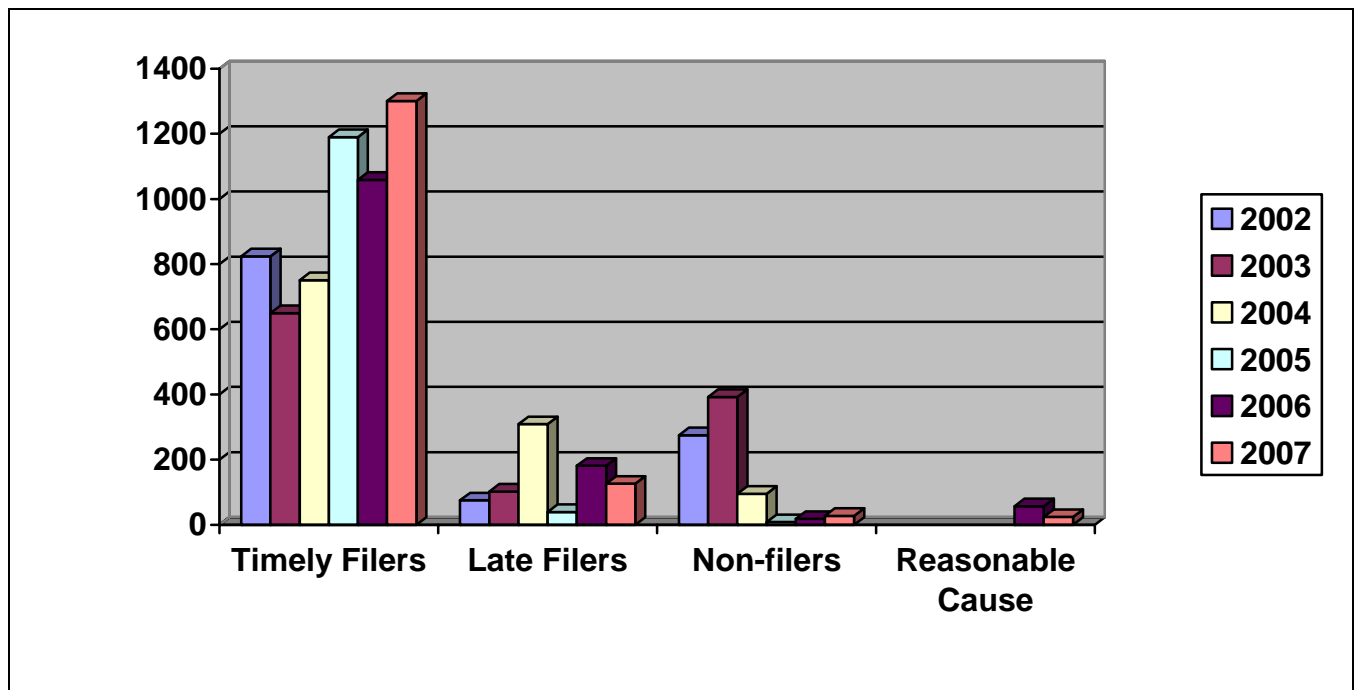
Category of Filer	Elected Officials	Employees	Board Members	Total	Total Percent
<b>Timely Filers</b>	<b>23 (2%)</b>	<b>1011 (78%)</b>	<b>267 (20%)</b>	<b>1301</b>	<b>88.0</b>
<b>Late Filers</b>	<b>3 (2%)</b>	<b>55 (44%)</b>	<b>68 (54%)</b>	<b>126</b>	<b>8.5</b>
<b>Nonfilers</b>	<b>0</b>	<b>22 (81%)</b>	<b>5 (19%)</b>	<b>27</b>	<b>1.8</b>
<b>Filers with Reasonable Cause</b>	<b>0</b>	<b>10 (42%)</b>	<b>14 (58%)</b>	<b>24</b>	<b>1.5</b>
<b>Total</b>	<b>26 (2%)</b>	<b>1098 (74%)</b>	<b>354 (24%)</b>	<b>1478</b>	<b>100.0</b>

The primary problem this year has been the increase in the number of nonfilers to 27, up from 16 in 2006. Although the increase is due primarily to the release of this final report in March, six months earlier than in past years, the failure of five current officials to file any statement is a cause for concern. See Appendix, Nonfilers Report.

### Improvements in Compliance Records

The City has made steady progress in its financial disclosure filing record since the 2002 revisions to the Code of Ethics. In 2002, the overall filing rate was 77%, compared to this year's rate of 98%. In 2004, the percentage of timely filers was 62%, with more than 400 persons missing the filing deadline, compared to 88% timely filers this year. In 2005, the previous best year for filing, 96% of all persons filed by March 1, a figure matched this year.

### Comparison of Disclosure Filings, 2002 – 2007



The most significant improvement has been the reduction of current officials and employees who are delinquent in their filing. In 2004, 32 current board members or NPU officers had not filed any financial disclosure statement by October; in 2006 there were 14 current officials who had not filed by May; this year the number has been reduced to four current board members and one current NPU officer who have not yet filed. The goal for 2008 is to gain 100% compliance with the financial disclosure requirements by all current employees, board members, and NPU officers.

While it may take a village to raise a child, it takes a City to enforce ethical standards of conduct. Mayor Shirley Franklin has provided the necessary leadership and made clear that she expects city employees and appointed city officials to comply with the disclosure requirements. The City Council amended the law to require more disclosure of personal interests related to immediate family members. Department heads in all three branches of government have supported financial disclosure and designated filing officers to encourage and monitor their employees' filings. The overwhelming majority of city employees and citizen volunteers who are required to file have fulfilled their duties under the law. Finally, the Ethics Office has worked hard to educate city officials and employees about the purpose of the disclosure laws, and the Board of Ethics has been willing to sanction individuals who fail to comply, imposing fines, issuing public reprimands, and recommending removal from office. The Appendix has the reports on filers that are required under city law. See Late Filers Report, Timely Filers Report, and Filers with Reasonable Cause Report (listing persons with good cause for failing to timely file).

### **Honor Rolls**

The Ethics Office created two financial disclosure honor rolls to publicly recognize departments with exemplary performance in their employees' compliance with the financial disclosure filing requirements. For departments to qualify for the top honor roll, the Ethics Roll of Honor, every current and former employee who is required to file had to file the 2007 City Financial Disclosure Statement by the filing deadline of February 15, 2007. Three executive departments and two other offices earned a place on the Roll of Honor:

- Department of Corrections
- Department of Human Resources
- Department of Procurement
- Municipal Court of Atlanta
- Office of City Internal Audit

For departments to qualify for the Roll of Merit, every current departmental employee who is required to file had to file the 2007 City Financial Disclosure Statement by the February filing deadline. Seven executive departments and one judicial office earned a place on the Roll of Merit:

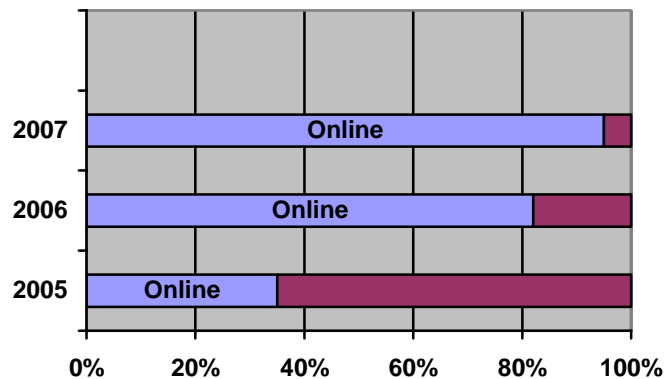
- Atlanta Police Department
- Department of Aviation
- Department of Finance
- Department of Law
- Department of Parks, Recreation, and Cultural Affairs
- Department of Planning and Community Development
- Department of Public Works
- Office of City Solicitor

## Electronic Disclosure

The City of Atlanta is one of only a few cities that require electronic disclosure of city financial disclosure statements and other ethics forms. The Electronic Filing System provides for rapid, searchable Internet disclosure of financial assets and income of elected and appointed city officials and certain employees. The Board of Ethics imposed a mandatory electronic filing requirement for city officials and employees in 2007, except for persons 65 years of age or older.

The electronic filing program has been an unqualified success with online filing increasing steadily over the past three years. In 2005, when electronic filing was voluntary, 437 persons or 35% filed online. In 2006, when current city employees were required to file electronically, 1074 persons or 82% filed online. In 2007, when electronic filing was mandatory, 1,378 persons or 95% filed online. This online filing figure includes 143 persons whom the Ethics Office assisted with e-filing.

### Method of Filing



Administering the financial disclosure program is a labor intensive process. The Ethics Office handled 763 telephone calls, emails, and office visits about financial disclosure in the two months since the filing period began. As a part of the process, the Ethics Office held two all-day help sessions in the City Hall Atrium. Like 2006, the Ethics Office had one contact for every two persons who filed a disclosure statement.

### Mailings and Notices to Filers

The Ethics Office notified city officials and employees about their duty to file the 2007 City Financial Disclosure Statement by letter, email, and postcards:

- Jan. 8 Posted online list of required filers
- Jan. 10 First class mailing of courtesy copy of form to home address
- Jan. 12 Email: 2007 City Financial Disclosure Statement Available Online
- Jan. 19 E-filing Day in Atrium
- Feb. 2 Ethics Matters newsletter sent to all required filers
- Feb. 8 E-filing Day in Atrium
- Feb. 9 Postcard: Reminder Notice to all nonfilers (many postmarked 2/15)

Feb. 12            Email: Only 4 more days to efile  
Feb. 21            First class mailing of warning letter to nonfilers  
Feb. 23            Email: Warning – Grace Period Ends March 1  
Feb. 28            Email: Warning – Less than 48 hours to file  
March 6            Postcard: Warning to Delinquent Filers

In addition, the filing officers in each department contacted their employees to encourage and remind them to file their statement on time. In early January, the Ethics Office sent each filing officer a list of employees required to file, and a meeting was held to demonstrate the Electronic Filing System and how to track their employees' filings. A departmental report was sent the day before the filing deadline, listing all employees who had not yet filed. At the same time, the Ethics Office notified the staff or chair of every board that had members who had not yet submitted their 2007 statement.

### **Enforcement**

Under section 2-814, any person who fails to file a timely and complete financial disclosure statement without reasonable cause is a delinquent filer and is subject to administrative sanctions for non-compliance. The Board of Ethics revised its enforcement procedures for 2007. Under Board Rule 7, delinquent filers will be listed on the Roll of Delinquent Filers, required to pay a fine for filing after March 1, and subject to recommendations for removal from office. The Ethics Office must notify persons when they are found delinquent, and delinquent filers have the right to appeal their penalties. They must first seek an administrative review by the ethics officer and, if necessary, may appeal the ethics officer's decision to the Board of Ethics. See Appendix, Request for Review. The Board's rules and a summary of the appeals process are posted at its website.

### **Recommendations**

The City has developed a strong financial disclosure system that provides for immediate electronic disclosure and requires strict compliance with the law. To continue the program's effectiveness, the following recommendations are made:

- The Board of Ethics should continue to mandate electronic filing with the current age e-filing exemption for persons 65 years of age or older
- The City should fund upgrades to the Electronic Filing System to move from the current .asp language to .net language and to enable revisions of the online forms if required by amendments to the law

By Ginny Looney  
Ethics Officer  
March 16, 2007

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