Metropolitan Water Reclamation District of Greater Chicago

Certified Copy

100 East Erie Street
Chicago, IL 60611

Ordinance: O25-011

File Number: O25-011

Authority to amend Ordinance O25-010 Office of Interim Inspector General

I, Jacqueline Torres, Clerk of the Metropolitan Water Reclamation District of Greater Chicago, and keeper of its official records and seal DO HEREBY CERTIFY that the attached File Number O25-011, was duly presented and passed at the meeting of the Board of Commissioners held on 9/4/2025.

A motion was made by Patricia Theresa Flynn, seconded by Yumeka Brown, that this Ordinance be Adopted. The motion carried by the following roll call vote:

I HEREBY CERTIFY that said File Number remains in full force and effect and has not been rescinded, modified or amended.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Metropolitan Water Reclamation District of Greater Chicago.

Attest: Jacqueline Torres

Jacqueline Torres

September 12, 2025

Date Certified

TRANSMITTAL LETTER FOR BOARD MEETING OF SEPTEMBER 4, 2025

COMMITTEE ON ETHICS

Mr. John P. Murray, Acting Executive Director

..Title
Authority to amend Ordinance O25-010 Office of Interim Inspector General
..Body

Dear Sir:

On April 3, 2025, the Board of Commissioners (Board) adopted Ordinance O25-010 establishing an Office of Interim Inspector General and establishing the minimum qualifications and duties for the Interim Inspector General (Interim IG Office Ordinance). On the same date, the Board authorized the MWRD to enter into an agreement with attorney Patrick Blanchard to serve as the MWRD's Interim Inspector General. This proposed amendment reflects changes recommended by the Law Department after receiving input from the Interim Inspector General.

Currently, the Interim IG Office Ordinance provides that summary reports must be kept confidential with certain exceptions. The proposed amendment is necessary to explain the limited circumstances under which confidential summary reports may be released and to whom they may be released. The proposed amendment also adds a penalty for any person who violates a summary report's confidentiality.

Further, the Interim IG Office Ordinance currently provides that the Interim Inspector General may only issue public statements regarding an investigation into an individual. The proposed amendment will correct this language to authorize the Interim Inspector General to also make public statements regarding investigations into inefficient or wasteful management, not just an individual's misconduct. The Interim IG Office Ordinance also contains certain grammatical, non-substantive errors and omissions that will be rectified by this amendment.

This amendment more accurately addresses MWRD staff's use of confidential summary reports to effectively address matters of discipline, recommended action, or ethical violations. This amendment also reflects the full intended authority of the Interim Inspector General to make public statements and corrects minor grammatical issues.

It is respectfully requested that the Board amend Ordinance O25-010 Establishing an Office of Interim Inspector General and establishing the minimum qualifications and duties for the Interim Inspector General.

Requested, Patrick Blanchard, Interim Inspector General and Susan T. Morakalis, General Counsel,
STM:JBM:GML:mmv
Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for September 4, 2025

Attachment

ORDINANCE O25-011

OFFICE OF THE INTERIM INSPECTOR GENERAL

RECITALS

WHEREAS, the Metropolitan Water Reclamation District of Greater Chicago ("MWRD") desires to ensure that effective programs are in place to promote integrity, efficiency, accountability, and transparency in government; and

WHEREAS, on April 18, 2019, MWRD's Board of Commissioners ("Board"), in furtherance of these goals and wishing to provide independent oversight, adopted Ordinance O19-003 entitled Office of Independent Inspector General; and

WHEREAS, pursuant to that Ordinance, MWRD entered into an Intergovernmental Agreement ("IGA") with the County of Cook ("County") wherein the County's Office of the Independent Inspector General ("OIIG") extended its services to MWRD; and

WHEREAS, on May 13, 2022, Section 4 of the MWRD Act was amended to grant the MWRD authority to hire its own Inspector General (70 ILCS 2605/4)

WHEREAS, the IGA between MWRD and the County expired on May 16, 2025; and

WHEREAS, on April 3, 2025, in accordance with its statutory authority, MWRD appointed its own Interim Inspector General and adopted Ordinance O25-010 establishing policies and practices for the Interim Inspector General and his staff; and

WHEREAS, it is anticipated that during this interim period, MWRD will begin a search for an individual to serve in a non-interim capacity in this position; and

NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE METROPOLITAN WATER RECLAMATION DISTRICT OF GREATER CHICAGO:

ARTICLE I
ESTABLISHMENT

There is hereby established an MWRD office known as the Office of the Interim Inspector General ("Interim IG Office"). The Interim Inspector General shall head the Interim IG Office. The organization and administration of the Interim IG Office shall be independent to assure that no interference or influence external to the office adversely affects the independence and objectivity of the Interim Inspector General. The Interim IG Office shall include the Interim Inspector General and such staff as authorized by the MWRD's annual budget and as necessary to properly staff the Interim IG Office. Neither the Interim Inspector General nor any Interim IG Office staff shall be members of the MWRD's classified service.

ARTICLE II
PURPOSE OF OFFICE

The purpose of the Interim IG Office is to detect, deter and prevent corruption, fraud, waste, mismanagement, unlawful political discrimination or misconduct in the MWRD's operation.

A. "Corruption" is defined as the act of an official or fiduciary who unlawfully and wrongfully uses their position or character to obtain some benefit for themselves or for another person, contrary to duty and the rights of others.

B. "Fraud" is defined as a knowing misrepresentation of the truth or concealment of a material fact to induce another to act. Fraud includes, but is not limited to, false representations of fact, making false statements, or concealment of information.

C. "Waste" is defined as the thoughtless or careless expenditure or abuse of resources to the MWRD's detriment, or potential detriment. Waste also includes, but is not limited to, incurring unnecessary costs from inefficient or ineffective practices, systems or controls.

D. "Mismanagement" is defined as fraudulent activity, criminal misuse of funds, or abuse or violation of a well-established, articulated, clear and compelling public policy.

E. "Unlawful political discrimination" shall be defined as follows: conduct affecting a nonexempt employee's hiring, firing or terms and conditions of employment based on political reasons and factors. Such political reasons and factors include the following:

1. Recommendations for hiring, promotion or other employment terms for specific persons from public officeholders or political party officials that are not based on personal knowledge of the person's work skills, work experience or other job-related qualifications.

2. The fact that the person worked in a political campaign or belongs to a political organization or political party, or the fact that the person chose not to work in a political campaign or to belong to a political organization or a political party. The mere fact that a person worked for a political campaign for elective office does not prohibit consideration of a recommendation related to that person insofar as the basis for that recommendation relates to the person's relevant work experience.

3. The fact that the person contributed money, raised money or provided something else of value to a candidate for public office or a political organization, or the fact that the person chose not to contribute or raise money for a candidate for public office or a political organization.

4. The fact that the person is a Democrat or a Republican or a member of any other political party or group, or the fact that the applicant is not a member of such a group.

5. The fact that the person expressed views or beliefs on political matters such as which candidates or elected officials he or she favored or opposed, which public policy issue he or she favored or opposed, or which views on government actions or failures to act he or she expressed.

F. "Misconduct" is defined as wrongful or unlawful behavior.

ARTICLE III
QUALIFICATIONS, APPOINTMENT AND TERM

A. The Interim Inspector General shall be a person who at a minimum has:

1. Graduated from an accredited law school with a Doctor of Law (Juris Doctor) and licensed to practice law in any state within the United States; and

2. A minimum of 10 years of federal, state, or local government experience as an attorney or judge; in which at least five years of this experience involved conducting or adjudicating complex investigations such as fraud, theft, deception, or conspiracy.

3. A certified inspector general.

B. The person appointed by a majority of the Board shall become the Interim Inspector General from May 17, 2025 to December 31, 2025. The Board may, by a majority vote, extend the Interim Inspector General's term. Upon expiration of the Interim Inspector General's term, the Interim IG Office shall be null and void.

C. In the event the Interim Inspector General does not complete the term, is otherwise unable to serve or is removed pursuant to Article X, on the Executive Director's recommendation the Board shall appoint a new Interim Inspector General by a majority vote.

ARTICLE IV
FUNCTIONS, AUTHORITY, POWERS & SCOPE

A. In addition to other powers conferred herein, the Interim IG Office shall have the following functions, authority, and powers:

1. To receive and register complaints and information concerning corruption, fraud, waste, mismanagement, unlawful political discrimination and misconduct in MWRD operations relating, but not limited, to: any MWRD

contract, agreement, permit, lease, or application for eligibility on same; any MWRD employee, or agent; MWRD Board Members in the performance of their official duties; contractors and subcontractors providing goods and services pursuant to an MWRD contract; and all persons and business entities seeking MWRD contracts, agreements, leases or permits or application of eligibility for same.

2. To investigate corruption, fraud, waste, mismanagement, unlawful political discrimination and misconduct in MWRD operations, either in response to a complaint or on the Interim Inspector General's own initiative or in the proper case, to refer complaints and information to an outside law enforcement agency.

3. To promulgate rules and regulations for the conduct of investigations consistent with the requirements of equal protection and due process.

4. To request information from and to conduct interviews under oath of MWRD Board Members, employees, agents, contractors, subcontractors, or persons or businesses seeking to do business with the MWRD or for eligibility for MWRD contracts, agreements, permits, or leases, or any other third party for the purpose of investigating corruption, fraud, waste, mismanagement, unlawful political discrimination, or misconduct. This includes the power to review past, present, and proposed MWRD programs, accounts, records, contracts, agreements and transactions.

5. To prepare reports and make recommendations for corrective action as outlined in Articles VII and VIII.

6. To notify the Cook County State's Attorney's Office or other appropriate outside law enforcement authority if the Interim Inspector General determines or suspects that possible criminal conduct has occurred, and to promptly tender to such authorities any evidence or information which has been obtained by the Interim IG Office. In the event an investigation by the Interim IG Office threatens to interfere with an investigation by a law enforcement agency, the Interim IG Office will cooperate in all respects with such law enforcement agency. The Interim IG Office shall acquiesce in its investigation only upon written request of another law enforcement agency.

7. To notify the MWRD Ethics Commission if the Interim Inspector General determines that a violation of the MWRD Ethics Ordinance has occurred by submitting to the MWRD Ethics Commission a copy of the investigation report described in Article VIII.

8. To create and maintain an "Office of the Interim Inspector General Hotline" for the purpose of receiving reports of corruption, fraud, waste, mismanagement, unlawful political discrimination and misconduct. The

identity of any individual placing a call to the Interim IG Office Hotline shall be kept confidential during and after the investigation of any complaint made by the caller unless the caller consents to disclosure of their name or disclosure of the caller's identity is otherwise required by law. Alternatively, reports may be made anonymously.

9. To appoint, employ, and remove Interim IG staff, subject to the MWRD's annual budget.

10. To establish personnel procedures as deemed necessary for the efficient and effective administration of the Interim IG Office.

ARTICLE V
COOPERATION

A. It shall be the duty of all MWRD Board Members, employees, agents, contractors, subcontractors, and persons or businesses seeking MWRD contracts, agreements, permits, or leases, to cooperate with the Interim IG Office in the conduct of investigations undertaken pursuant to this ordinance.

It shall be unlawful for any person subject to this Article to refuse to cooperate with the Interim IG Office as required by this Article. The penalty for such violation shall be governed by Article XI.

B. All persons with whom the Interim IG requests an interview shall promptly comply. Within constitutional limitations, failure by any MWRD Board Member, employee, agent, contractor, subcontractor, or person or business seeking MWRD contracts, agreements, permits and leases, to cooperate with any reasonable request by the Interim IG Office carries the threat of recommendation of discipline, sanctions and/or criminal contempt proceedings, and any other penalties the Board or the Interim IG Office has within its scope.

C. Nothing in this Article may be interpreted to allow the Interim IG Office to violate any individual's constitutional rights.

D Every MWRD Board Member and employee, shall cooperate with the Interim IG Office in any investigation. The premises, equipment, personnel, books, records and papers of each MWRD Department shall be made readily available to the Interim IG Office.

E. If the Interim Inspector General's quarterly or summary report recommend corrective action, the Executive Director shall respond to that recommendation within 45 days with a written response to the Interim Inspector General. This response must include either:(1) a description of any corrective action the Executive Director or appropriate Department Head has taken; or (2) a request for a 30-day extension of the 45-day requirement if additional time is needed by the

Executive Director to review the recommended corrective action. If the Executive Director does not take any corrective action or takes different corrective action than that recommended by the Interim Inspector General, the Executive Director must explain the basis of that decision in the written response. If the Executive Director fails to meet the 45-day requirement or, if approved, the 30-day extension of the 45-day requirement, then the Interim Inspector General shall notify the Board. The Board may call the Executive Director to appear before the Board to explain failing to respond.

F. All MWRD Board Members, employees, agents, contractors, subcontractors, and persons or businesses seeking MWRD contracts, agreements, permits and leases must report to the Interim Inspector General, directly and without undue delay, any conduct which concerns their employment or an MWRD related transaction which they know to involve corruption, fraud, waste, mismanagement, allegations of political discrimination in nonexempt positions, misconduct or other criminal activity. A knowing failure to report as required above shall constitute cause for discipline up to and including termination.

ARTICLE VI
SUBPOENAS

The Interim Inspector General is authorized to issue subpoenas to request documents or testimony related to an investigation authorized by this ordinance. Subpoenas shall be served in the manner provided under the Illinois Code of Civil Procedure or the Rules of the Illinois Supreme Court and shall identify the person or entity to whom the subpoena is directed, and the documents or items sought, stating the date, time and place for appearance of the witness and/or production of the documents or other items described in the subpoena. In no event shall the date for appearance or production be less than seven days after service of the subpoena. No later than the time for appearance or production requested by subpoena, the person to whom the subpoena is directed may object to the subpoena in whole or in part. The Interim Inspector General shall consider the grounds for the objection and may resolve the objection through negotiation. If negotiation does not resolve the objection or if negotiation attempts would be futile, the Interim Inspector General shall be authorized to seek enforcement of subpoenas issued pursuant to this Article, through the Cook County State's Attorney's Office in the Circuit Court of Cook County. No documents or testimony may be sought from representatives of labor organizations representing an employee subject to investigation, or for documents or information which are privileged or confidential under State or Federal law, including, but not limited to, documents or information maintained under the Mental Health and Developmental Disabilities Confidentiality Act.

ARTICLE VII
QUARTERLY REPORTS

No later than the 15th day of January, April, July and October of each year, the Interim Inspector General shall submit to the Board and Executive Director a publicly available report, accurate as of the last day of the preceding month, indicating:

A. The number of complaints received, the number of investigations and type of conduct investigated that were initiated, concluded, or pending since the date of the last report;

B. Any recommendations made to any Department Heads or Board Members and whether the recommendation was followed; and

C. Any completed investigations that have not yet been responded to by the Executive Director within the 45-day requirement or, if approved, the 30-day extension.

ARTICLE VIII
SUMMARY REPORTS

A. Upon conclusion of any investigation, the Interim Inspector General shall submit a confidential summary report to the President of the Board, the Executive Director, the General Counsel, and the Director of Human Resources. The Interim Inspector General may release a summary report to the Department Head to which the investigation pertains. When deemed appropriate, the Interim Inspector General or the Executive Director may provide the confidential summary report to additional Department Heads. In the case of a sustained finding regarding any violation of the MWRD Ethics Ordinance, the confidential summary report shall also be provided to the MWRD Ethics Commission.

Confidential summary reports received by any MWRD official or employee shall only be used for official government purposes and may only be disclosed for official government purposes. The penalty for improper use or disclosure of confidential summary reports, including but not limited to, a disclosure for political purposes, shall be governed by Article XI and may include employee discipline including discharge.

B. The confidential summary report shall include the following:

1. A description of any complaints or other information received by the OIG pertinent to the investigation,

2. A description of any illegal conduct, corruption, fraud, waste, mismanagement, unlawful political discrimination, misconduct, or inefficiencies observed or discovered during the investigation,

3. Recommendations for corrective action of any illegal conduct, corruption, fraud, waste, mismanagement, unlawful political discrimination, misconduct, or inefficiencies described in the report and a proposed timeline for the corrective action; and

4. Such other information as the Interim Inspector General may deem relevant to the investigation or resulting recommendations.

C. The confidential summary report shall not mention the name of any informant, complainant, witness, or person investigated, except in the following instances:

1. Where the report recommends disciplinary action against an employee;

2. Where the report makes recommendations concerning any contractor, subcontractor, applicant for a contract; or

3. Where the report makes recommendations concerning a person seeking an MWRD contract, agreement, permit or lease.

D. If any investigation is not concluded within 180 days after its initiation, the Interim Inspector General shall notify the Board and Executive Director of the general nature of the complaint or information giving rise to the investigation and the reasons for not completing the investigation within 180 days.

ARTICLE IX
CONFIDENTIALITY AND PUBLIC STATEMENTS

A. Investigatory files and summary reports shall be confidential except as follows:

1. Summary reports shall not be divulged by the Interim Inspector General to any person except those identified in Article VIII.

2. Investigatory files shall be confidential. However, when deemed appropriate such as to effectively address matters of discipline, recommended action, or ethical violations, the Interim Inspector General may provide investigatory files and confidential summary reports to any of the following: the Executive Director, the MWRD Ethics Commission, the Director of Human Resources, the General Counsel, the relevant Department Head, or Board Member whose office the investigation pertains. Upon receipt from the Interim Inspector General, the Director of Human Resources and the General Counsel may provide investigatory files and confidential summary reports to necessary staff in order to effectively address matters of discipline, recommended action, or ethical violations. Should the Director of Human Resources or the General Counsel provide investigatory files and confidential summary reports to necessary staff, such staff may utilize and disclose the investigatory files and confidential summary reports as reasonably necessary to effectively address matters of discipline, recommended action, or ethical violations.

B. Notwithstanding the foregoing, information or evidence obtained by the OIG relating to criminal activity shall be promptly provided to the appropriate law enforcement authorities.

C. The Interim Inspector General may issue public statements concerning an investigation:

(1) that exonerates an individual who is publicly known to have been under investigation, where the subject requests such a statement, or

(2) regarding inefficient or wasteful management, as opposed to an individual's misconduct or illegality.

ARTICLE X
REMOVAL OF INTERIM INSPECTOR GENERAL

The Interim Inspector General may be removed prior to the expiration of their term only for cause and in accordance with the provisions of this Article. The Board and Executive Director shall give written notice of intent to remove the Interim Inspector General, stating the cause for removal and the proposed effective date. Within 10 days of receipt of notice, the Interim Inspector General may file with the Board a request for hearing on the cause for removal. If no such request is made within 10 days of receipt of notice, the Interim Inspector General shall be deemed to have resigned effective close of business of the 10th day after receipt of notice. If a request for hearing is made, the Board or its designee shall conduct a hearing on the cause for removal of the Interim Inspector General, at which the Interim Inspector General may appear and be heard. The hearing shall be convened within 14 days after the request and shall be concluded within 14 days thereafter. The hearing shall be conducted in closed session with notice given in accordance with the Illinois Open Meetings Act (5 ILCS 120/1 *et seq.*). The notice of cause for removal shall constitute the charge against the Interim Inspector General. Removal of the Interim Inspector General shall require the affirmative vote of two-thirds of the Board in an open meeting.

ARTICLE XI
VIOLATIONS AND PENALTIES

A. It shall be a violation for any person to:

1. Fail to comply with any term of this ordinance; or

2. Retaliate against, punish, harass, threaten, or penalize any other person for communicating, cooperating or assisting the Interim IG Office in the performance of duties; or

3. Interfere, obstruct, or attempt to interfere or obstruct an Interim IG Office investigation; or

4. Require anyone to disclose the nature of any conversations or interview with the Interim IG Office.

B. In addition to all other available remedies, civil and criminal, the following penalties shall apply for violations of this ordinance:

1. Any MWRD employee who is found to have willfully violated this ordinance shall be subject to disciplinary action, up to and including discharge.

2. Any MWRD agent, contractor, or subcontractor found to have willfully violated this ordinance shall be subject to termination of existing contracts and may be ineligible for future MWRD contracts.

3. Any person or business entity seeking MWRD contracts, agreements, permits, or leases found to have willfully violated this ordinance may be ineligible for future MWRD contracts, agreements, permits or leases.

4. Any person found to have willfully violated Article V by failing to cooperate with the Interim IG Office shall also be subject to a fine of not less than $500.00 and not more than $2,000.00 per violation. Actions seeking the imposition of a fine shall be filed as quasi-criminal actions. The Interim Inspector General is authorized to refer violations of this paragraph to the Office of the Illinois Attorney General or the Office of the Cook County State's Attorney for enforcement.

5. Any person found to have willfully misused or wrongfully disclosed a confidential summary report as provided in Article VIII shall also be subject to a fine of not less than $500.00 and not more than $2,000.00 per violation. Actions seeking the imposition of a fine shall be filed as quasi-criminal actions. The Interim Inspector General is authorized to refer violations of this paragraph to the Office of the Illinois Attorney General or the Office of the Cook County State's Attorney for enforcement.

ARTICLE XII
FACILITATING THE TRANSFER OF FILES AND EVIDENCE FROM THE OIIG TO THE INTERIM INSPECTOR GENERAL

In accordance with the IGA, the OIIG shall transfer all open and closed files and related materials to the Interim Inspector General using best practices and maintaining confidentiality.

ARTICLE XIII
SEVERABILITY

If any Article, subsection, clause or provision of this ordinance is held to be invalid by a court of competent jurisdiction, the remainder of the section and/or the remainder of the ordinance shall not be affected by any such invalidity.

ARTICLE XIV
EFFECTIVE DATE AND REPEALER

This ordinance is effective the date of its passage. This ordinance repeals MWRD Ordinance No.O25-010.

PRESENTED, PASSED, APPROVED AND RECORDED by the Metropolitan Water Reclamation District of Greater Chicago, Cook County, Illinois, this 4th day of September 2025

Attest:

Clerk, Metropolitan Water Reclamation District of Greater Chicago

SIGNED:

President, Board of Commissioners Metropolitan Water Reclamation District of Greater Chicago

Approved as to Form and Legality:

Head Assistant Attorney
Metropolitan Water Reclamation
District of Greater Chicago

General Counsel
Metropolitan Water Reclamation
District of Greater Chicago