



## 94TH GENERAL ASSEMBLY

### State of Illinois

2005 and 2006

HB0013

Introduced 12/3/2004, by Rep. Patricia R. Bellock

#### SYNOPSIS AS INTRODUCED:

230 ILCS 10/5.2 new  
230 ILCS 10/5.3 new

Amends the Riverboat Gambling Act. Prohibits a former member or employee of the Illinois Gaming Board from accepting employment or receiving compensation from an employer that (1) is an organization licensee under the Illinois Horse Racing Act of 1975 or an owners licensee under the Riverboat Gambling Act or (2) derives 50% or more of its gross income from one or more contracts with one or more organization licensees or owners licensees under the Riverboat Gambling Act for at least 2 years. Prohibits a former member or former employee of the Gaming Board whose principal duties were directly related to procurement from engaging in a procurement activity relating to the board for 2 years. Creates a code of conduct for members and employees of the Illinois Gaming Board. Prohibits certain conduct by those persons that may cause or have the appearance of causing a conflict of interest. Effective immediately.

LRB094 00124 LRD 30124 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT in relation to gambling.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Riverboat Gambling Act is amended by adding  
5 Sections 5.2 and 5.3 as follows:

6 (230 ILCS 10/5.2 new)

7 Sec. 5.2. Revolving door prohibition. A former member or  
8 employee of the Board may not, within a period of 2 years  
9 immediately after termination of such membership or  
10 employment, accept employment or receive compensation from an  
11 employer that: (1) is an organization licensee under the  
12 Illinois Horse Racing Act of 1975 or an owners licensee; or (2)  
13 derives 50% or more of its gross income from a contract or  
14 contracts with one or more organization licensees or owners  
15 licensees. This prohibition includes but is not limited to:  
16 lobbying the procurement process; specifying; bidding; and  
17 proposing bid, proposal, or contract documents, on his or her  
18 own behalf or on behalf of any firm, partnership, association,  
19 or corporation.

20 A former member of the Board or a former employee of the  
21 Board who was employed by the Board for at least 6 months and  
22 whose principal duties were directly related to procurement is  
23 expressly prohibited for a period of 2 years after terminating  
24 membership or employment from engaging in any procurement  
25 activity relating to the Board. The prohibition includes but is  
26 not limited to: lobbying the procurement process; specifying;  
27 bidding; and proposing bid, proposal, or contract documents, on  
28 his or her own behalf or on behalf of any firm, partnership,  
29 association, or corporation.

30 This Section applies only to persons who terminate  
31 membership or employment with the Board on or after the  
32 effective date of this amendatory Act of the 94th General

1 Assembly.

2 (230 ILCS 10/5.3 new)

3 Sec. 5.3. Code of conduct.

4 (a) Purpose. The purpose of this Section is to create a  
5 code of conduct to assure, to the maximum extent possible, that  
6 persons subject to this Act avoid situations, relationships, or  
7 associations that may lead to or represent a conflict of  
8 interest. If an employee of the Board has a question or concern  
9 as to the applicability of this Section to a current or  
10 prospective situation, relationship, or association, he or she  
11 must present the question or concern to the Chairman of the  
12 Board or the Administrator for clarification or guidance.

13 Members and employees of the Board are to discharge their  
14 duties and responsibilities with undivided loyalty to the Board  
15 and in such a manner as to promote and preserve public trust  
16 and confidence in the integrity of the conduct of gaming and in  
17 the integrity and impartiality of the Board. No Board member or  
18 employee shall use or attempt to use his or her official  
19 position to secure or attempt to secure any privilege,  
20 advantage, favor, or influence for himself, herself, or others.  
21 Members and employees of the Board shall bear responsibility  
22 for adherence to this policy and to the specific prohibitions  
23 and restrictions set forth in this Section.

24 Certain of the prohibitions in this Section affect or  
25 extend to the parents and children of Board members and  
26 employees. For purposes of this Section, these include the  
27 blood lineal relations of Board members and employees and, in  
28 the case of children, legally adopted children. It is  
29 recognized that, in some cases, Board members and employees may  
30 have limited influence over the decisions of their relatives.  
31 This limited influence will be taken into consideration in  
32 evaluating the circumstances of a violation or a potential  
33 violation of this Section that involves the lineal relatives of  
34 a Board member or employee.

35 Board members and employees and their respective spouses,

1 parents, and children have an affirmative duty to avoid  
2 relationships that may cause or have the appearance of causing  
3 a conflict of interest.

4 (a-5) Definitions. For the purposes of this Section:

5 (1) The term "key person" means a key person as defined  
6 by the Board in administrative rules.

7 (2) The term "horse racing representative" means a  
8 representative of any race track under the Illinois Horse  
9 Racing Act of 1975, any racing association, or any person,  
10 organization, or entity engaged in the conducting of horse  
11 racing under the Illinois Horse Racing Act of 1975.

12 (3) The term "Board employee" or "employee of the  
13 Board" means any State employee in the service of the  
14 Board.

15 (4) The term "conflict of interest" means a situation  
16 in which a Board member's or a Board employee's private  
17 interest, whether personal, financial, or otherwise,  
18 influences or creates the appearance that it may influence  
19 the Board member's or employee's judgment in the  
20 performance of his or her regulatory duties and  
21 responsibilities in a fair and impartial manner.

22 (5) The term "professional service agents of the Board"  
23 means any person, corporation, or organization providing  
24 legal, accounting, financial, public relations, auditing,  
25 architectural, data processing, or management consulting  
26 services to the Board.

27 (b) Gambling. Except as may be required in the conduct of  
28 official duties, Board members and employees shall not engage  
29 in gambling on any riverboat licensed by the Board or engage in  
30 legalized gambling in any establishment identified by Board  
31 action that, in the judgment of the Board, could represent a  
32 potential for a conflict of interest.

33 (c) Outside employment. Board members and employees shall  
34 not hold or pursue employment, an office, a position, business,  
35 or an occupation that may conflict with their official duties.  
36 Employees may engage in other gainful employment that does not

1 interfere or conflict with their duties, provided that the  
2 employment is disclosed to the Administrator and the Board and  
3 approved by the Board or, as delegated, by the Administrator.

4 Disclosure of outside employment must be made at the time  
5 of appointment to the Board or at the time the employee is  
6 hired to work for the Board or prior to accepting the outside  
7 employment. Any Board member who discloses outside employment  
8 to the Board shall recuse himself or herself from any  
9 discussion and decision made by the Board relative to his or  
10 her outside employment.

11 (d) Restrictions on receiving gifts. Board members and  
12 employees and their spouses, children, and parents may not,  
13 directly or indirectly, accept any gift, gratuity, service,  
14 compensation, travel, lodging, or thing of value, with the  
15 exception of unsolicited items of an incidental nature, from  
16 licensees or their affiliates, applicants or their affiliates,  
17 key persons, or horse racing representatives. This prohibition  
18 may be extended by Board action to any entity or individual  
19 that, in the judgment of the Board, could represent a potential  
20 for a conflict of interest.

21 (e) Prohibition on holding or acquiring ownership. Board  
22 members and employees of the Board, their spouses, children,  
23 and parents may not, directly or indirectly, hold or acquire or  
24 cause or encourage any other person to acquire any actual or  
25 contingent form of ownership interest or other financial  
26 interest in licensees or their affiliates, applicants or their  
27 affiliates, key persons, or horse racing representatives. This  
28 prohibition may extend to the holding or acquisition of an  
29 interest in any entity identified by Board action that, in the  
30 judgment of the Board, could represent the potential for or the  
31 appearance of a conflict of interest. The holding or  
32 acquisition of an interest in those entities through an  
33 indirect means, such as through a mutual fund, is not  
34 prohibited, except that the Board may identify specific  
35 investments or funds that, in its judgment, are so influenced  
36 by gaming holdings as to represent the potential for or the

1 appearance of a conflict of interest.

2 Board members, upon leaving office, and employees of the  
3 Board, upon termination from employment with the Board, are  
4 precluded for a period of one year from the acquisition of any  
5 actual or contingent form of ownership interest or other  
6 financial interest in licensees or their affiliates,  
7 applicants or their affiliates, key persons, or horse racing  
8 representatives. This prohibition may be extended by Board  
9 action to any entity that, in the judgment of the Board, could  
10 represent a potential for or the appearance of a conflict of  
11 interest. The holding or acquisition of an interest in such  
12 entities through an indirect means, such as through a mutual  
13 fund, is not prohibited, except that the Board may identify  
14 specific investments or funds that, in its judgment, are so  
15 influenced by gaming holdings as to represent the potential for  
16 or the appearance of a conflict of interest.

17 (f) Prohibition on economic association. Board members and  
18 employees of the Board and their spouses, children, and parents  
19 shall not be directly or indirectly employed by, under contract  
20 with, or have any economic association with any licensee or its  
21 affiliates, applicant or its affiliates, key person, or horse  
22 racing representative. This prohibition may be extended to any  
23 entity or individual identified by Board action that, in the  
24 judgment of the Board, could represent the potential for or the  
25 appearance of a conflict of interest. This prohibition on  
26 economic association may be waived by Board action for a child  
27 or parent of an employee of the Board.

28 (g) Disclosure of economic association. Each Board member  
29 who owns or is employed by a firm or business entity shall, to  
30 the best of his or her ability, identify any current economic  
31 relationship, direct or indirect, representing the potential  
32 for or the appearance of a conflict of interest that may exist  
33 between the Board member's firm or business entity and any  
34 licensee or its affiliates, applicant or its affiliates, key  
35 person, or horse racing representative. The Board member must  
36 declare his or her intention to refrain from deliberations and

1 voting on decisions related to the gaming entity in that  
2 relationship. This requirement may be extended by Board action  
3 to any entity or individual that, in the judgment of the Board,  
4 could represent the potential for or the appearance of a  
5 conflict of interest.

6 (h) Restrictions on professional service agents.  
7 Professional service agents of the Board may be subject to  
8 terms and conditions relating to restrictions or prohibitions  
9 in representation, employment, and contracting with licensees  
10 and their affiliates, applicants and their affiliates, key  
11 persons, and horse racing representatives. These restrictions  
12 and prohibitions shall be contained in the professional service  
13 contracts of the Board.

14 (i) Disclosure statements. Board members and employees  
15 must complete and timely file the statement of economic  
16 interest required under Article 4A of the Illinois Governmental  
17 Ethics Act, a copy of which must be provided to the  
18 Administrator.

19 (j) Past Board affiliation or employment. A former Board  
20 member or employee shall not, for a period of one year after  
21 termination of his or her Board appointment or employment,  
22 engage in any employment or contractual relations with or have  
23 any financial interest in any licensee or its affiliate,  
24 applicant or its affiliate, key person, or horse racing  
25 representative.

26 The prohibitions set forth in this subsection (j) may be  
27 extended by Board action to employment with any entity or  
28 individual that, in the judgment of the Board, could represent  
29 the potential for or the appearance of a conflict of interest.

30 The prohibitions set forth in this subsection (j) may be  
31 waived by Board action for an employee if, in the judgment of  
32 the Board, the employee was not involved in any way with any  
33 issue or transaction before or under investigation by the Board  
34 relative to any prospective employer during the employee's last  
35 year of employment with the Board. This waiver provision is not  
36 available to the Board Administrator, Deputy Administrators,

1 or legal counsel.

2 (k) Prohibition on negotiations for employment. Board  
3 members and their representatives and employees of the Board  
4 and their representatives shall not initiate or participate in  
5 any negotiation or discussion of employment with any licensee  
6 or its affiliate, applicant or its affiliate, key person, or  
7 horse racing representative. A Board member or his or her  
8 representative or employee of the Board or his or her  
9 representative who initiates or participates in any  
10 negotiation or discussion of employment with any licensee or  
11 its affiliate, applicant or its affiliate, key person, or horse  
12 racing representative must immediately provide written notice  
13 of the details of the negotiation or discussion to the  
14 Administrator and Chairman of the Board as soon as the  
15 negotiation or discussion has occurred.

16 (l) Restrictions on post-employment appearances and  
17 discussions. A Board member or employee who leaves the  
18 employment of the Board for any reason may not:

19 (1) appear before the Board on any matter before the  
20 Board or an administrative law judge appointed by the Board  
21 or on any matter under investigation by the Board relative  
22 to a licensee or its affiliates, applicant or its their  
23 affiliates, key person, or horse racing representative; or

24 (2) engage in any discussion with any Board member or  
25 employee regarding any specific licensee or its  
26 affiliates, applicant or its affiliates, key person, or  
27 horse racing representative for a period of one year  
28 following the termination of the Board member's or  
29 employee's tenure or employment with the Board.

30 The prohibitions set forth in item (2) of this subsection  
31 (1) may be waived by Board action for an employee if, in the  
32 judgment of the Board, the employee was not involved in any way  
33 with any issue before or under investigation by the Board  
34 relative to any prospective employer during the employee's last  
35 year of employment with the Board. The waiver provisions set  
36 forth in this Section are not available to the Board



1 Administrator, Deputy Administrators, or legal counsel.

2 (m) Violations. Violation of this Section by a member of  
3 the Board may result in sanctions up to and including removal  
4 from the Board. Violation of this Section by an employee or  
5 agent of the Board may result in discipline up to and including  
6 termination.

7 Section 99. Effective date. This Act takes effect upon  
8 becoming law.