

EVERYDAY DEMOCRACY

CITIZEN ADVOCACY CENTER'S SEASONAL NEWSLETTER, SUMMER 2002

During the summer, student interns invade the Citizen Advocacy Center! With their assistance, the Center creates more brochures, hosts more workshops, and holds open the doors of government to more people. Thank you to all of their supporters, including: The Public Interest Law Initiative, IIT Kent Chicago School of Law, Northwestern University School of Law, The George Washington University Law School, Macalester College, University of Illinois College of Law, Vermont Law School, Loyola University Chicago School of Law, Georgetown University Law Center, and DePaul University College of Law. Thank you to the interns: Mike Baranda, Nick Berg, Melissa Burger, Will Conrad, Lisa Filippi, Joe Marzo, Shereen Mikhael, Rebecca Parkhurst, Christopher Paluch, Jennifer Trout, and Michael Zink

—The Center

The Changing Face of Campaign Finance

My summer legal internship at the Center was educational and deeply rewarding. The Center is a perfect environment to practice legal techniques while developing a social and political consciousness. After spending a semester in law school working in a U.S. House member's office, I became incensed at the current state of U.S. campaign finance reform. As my main project, I chose to prepare comprehensive educational packets on the current status of federal and state campaign finance law for the Center. I analyzed federal election law, including the recently passed Bipartisan Campaign Reform Act, or BCRA, to determine the impact the new legislation would have locally and nationally. I also analyzed Illinois campaign finance law and the Illinois State Gift Ban Act, which prohibits gifts to candidates for Illinois office.

The most personally rewarding component of my internship was receiving intake calls from local residents who were having problems with their local government. I helped a local group address the legality of a cell tower that had been constructed without proper permit regulations. I assisted residents in becoming engaged and effective at the local level. I worked to organize the community group to encourage the park district to provide notice to residents of similar plans in the future, and to influence the zoning, building, and wetlands divisions of their county government. Finally, I researched existing state and federal legislation to determine possible solutions to their problem.

The Center is one of the few groups in existence providing essential community lawyering services. The ten weeks I spent at the Center were an invaluable learning experience that I would recommend to both law students considering a career in public interest law, and anyone who enjoys helping people change their community for the better.

*Nick Berg
Georgetown University Law Center*

DEMOCRACY IN ACTION SEMINAR

Become Engaged in YOUR Community!

SATURDAY, OCTOBER 19th, 10 AM—2PM

CALL THE CENTER AT 630-833-4080 TO REGISTER!

Learn Who Represents You at Every Level of Government

Learn How to Effectively Contact Your Representative

Learn How to Use The Freedom of Information Act

Learn About the Illinois General Assembly

Learn How to use the Open Meetings Act

Learn How A Bill Becomes A Law

CONNECTING THE

As the Center continues its sizeable task of exploring how DuPage County spends its taxpayers' money, my primary task this summer has been to begin the analysis of the raw data of campaign contributions and county expenditures in the form of contracts. The objective is to determine what links, if any, exist between donations to elected officials and the contracts awarded by the county. Contractors, particularly those in the architectural, construction, and engineering fields that offer services a state government will require on a large scale, have long sought to cultivate relationships with elected officials in every state. However, where the officials possess a substantial amount of discretion in the doling out of government contracts, as DuPage County officials have in the awarding of no-bid contracts, high correlations between contributions and contracts may raise questions of impropriety.

At the Center's disposal, obtained through a FOIA request, is DuPage County's general ledger, ending mid-2001, and a database of campaign contribution disclosures made in accordance with state law for a dozen candidates, including gubernatorial candidate and Attorney General Jim Ryan, County Board Chairman Robert Schillerstrom, former state GOP chairman Lee Daniels, DuPage County State's Attorney Joseph Birkett, and State House Representative Mary Lou Cowlshaw. Many of those individuals may be household names—part of the local political scene for more than a decade.

The Center is creating a searchable database that will be able to link individuals with controlling interest in companies doing business with the county that have donated in their personal names or even those of family.

Jennifer M. Trout
Loyola University Chicago School of Law

Student Empowerment

I had the opportunity to work on several significant and exciting projects for CAC. My main project had two parts. The first was to update existing materials for the Citizen Training Corps, the Center's civic education program. I created user friendly lesson plans and updated time sensitive information, such as newly elected officials and changes in the law. The second part was the creation of an entirely new program called the Student Citizen Training Corps. The program is geared toward high school and middle school students and is intended to address a lack of civic awareness and engagement in young people. Students will develop the tools they need to be effective participants in the democratic process for the rest of their lives. The Center will work with local schools to implement this program.

I also created a "take action" packet focused on First Amendment issues and the Open Meetings Act. The packet addresses the interplay between free speech and public comment. It outlines the basic provisions of the Act, explains what public forums are, introduces the effect of SLAPP suits (Strategic Lawsuits Against Public Participation) on free speech, and offers a practical guide to speaking at public meetings.

I researched legal malpractice insurance standards among states and updated the Center's pamphlet on municipal and county ordinances, researched a local resident's legal rights against his condominium board and offered alternative methods of opposition. Finally, I gathered information on the privatization of the DuPage County recycling center in Carol Stream.

I have truly enjoyed my time at the CAC. The skills I have developed will prove invaluable to my legal education, and, more importantly, I feel as though I have made a positive impact on the Elmhurst community and neighboring areas.

Lisa Filippi
University of Illinois College of Law

Unincorporated Communities

How does government operate in unincorporated areas and who are resident representatives? An unincorporated area is one that has not been annexed by a city, town or village and thus does not have a mayor or city council. While an individual in a city can easily contact their city government to address a local issue, unincorporated residents have a more convoluted route to follow. DuPage is comprised of unincorporated areas and municipalities, nine townships and 22 taxing districts, all of which have distinct boundaries that overlap in several ways. This creates a complicated web of grids and boundaries.

Citizens in unincorporated areas have two options when it comes to its local government: the township or the county government. While the township covers mostly roads and the general welfare of the citizens, the county government takes on a significant portion of responsibilities. Building permits, ordinances, taxes, police services and countless other issues are allocated to the county level. The township can be a crucial advocate for those in unincorporated areas if citizens needs a unified voice at the county level. For those in unincorporated areas, it is important to learn about the structure and policies of the township to have a voice.

Michael Barranda
Loyola University Chicago School of Law

Procurement in a Nutshell

I spent my summer at the CAC putting DuPage County procurement practices in a nutshell. Procurement is the act of buying, purchasing, renting, or leasing a good or service, and the process of deciding exactly which good or service should be bought, rented, or leased. CAC community lawyers and legal interns have collected county ordinances, state laws, and model legal codes which both authorize and suggest procurement practices. My task was twofold: to organize and update the Center's previous procurement research, and to generate an informational packet which summarized and evaluated the 1999 DuPage County Purchasing Ordinance.

I found DuPage County's procurement code essentially equivalent to the procurement codes of Kane, Lake, McHenry, and Will counties, and analogous to the Illinois state code on a smaller scale. All of these codes seek to establish procurement practices which are both economically efficient and sufficiently transparent to ensure political integrity in awarding government contracts. While DuPage County practices seem par for the procurement course, a comparison of the 1999 DuPage County Procurement Ordinance with the American Bar Association's Model Procurement Code suggests the DuPage Ordinance could be amended to restrict the discretion of procurement officials without overburdening county's resources.

I also fielded several intake questions from DuPage citizens. I researched if a city employee's personal video tape of a city council meeting was open to public inspection under the Illinois Freedom of Information Act and if a school board had violated the Illinois Open Meetings Act by entering into closed session without first voting to do so. My favorite intake question asked which government agency should pay for flooding damage to a residential basement caused by a crushed public sewer connection: the agency that operated the public sewer, or the agency that probably damaged the sewer connection while repairing the road that ran above it.

Both the procurement project and citizen intake questions introduced me to the challenges private citizens face in researching and interacting with government agencies. While the obstacles to civic participation may be formidable, the Center

Government Efficiency or Usurping Democracy?

I worked on issues involving quick take, fast track and the DuPage Water Commission. Quick-Take is based in eminent domain law, which establishes that a government may take land for a public purpose as long as it pays a court-determined just compensation to the landowner. However, it differs slightly from eminent domain in that it expedites the taking process. Quick-Take power is primarily used by federal and state agencies. IDOT utilizes Quick-Take for highway construction purposes. Citizens should pay attention to whether or not quick take provisions will be utilized in the proposed O'Hare expansion.

Fast Track is another institution meant to expedite a traditional process in the name of the public good. Fast Track is the bypassing of Congressional input when the President enters into a trade agreement with other nations. Supporters argue that Fast Track allows the President to form treaties that create jobs and stability for developing nations, which may aid the war on terror. Opponents argue that such agreements sacrifice labor and environmental issues and that Fast Track is unconstitutional. Congress recently passed Fast Track with several amendments, thus, President Bush will have this unique authority.

An issue that directly affects DuPage residents is water distribution. Lake Michigan water first came to DuPage in 1992 through the DuPage County Water Commission, which obtains the water from the City of Chicago. The Commission sells the water to its 25 municipal and 2 private members, and each of the subscribers then distributes water to residents. Residents of unincorporated areas often attempt to obtain access to Lake Michigan water after wells become contaminated, but residents are told that they must first annex, which is expensive and takes years. This appears to make safe, clean water a privilege, not a right.

*Michael Zink
DePaul University College of Law*

provides advice and tools which can enable citizens to surmount those challenges. I'm happy to have had the opportunity to volunteer at the Center.

*Joe Marzo
Northwestern University School of Law*

ARE YOU KILLING YOURSELF AT WORK? YOUR BOSS MAY BE COUNTING ON IT!

I had the opportunity of working on many different legal issues while at the Center. My main project consisted of investigating Corporate-Owned Life Insurance policies (COLI). Corporate-Owned Life Insurance Policies (COLI) are life insurance policies that employers take out on their employees naming themselves as sole beneficiaries, both with and without the consent or knowledge of their employees. Commonly used among Fortune 500 companies, the policies are also nicknamed "dead peasants insurance" and "janitors insurance." When the employee dies, the company stands to gain anywhere from \$60,000 to several hundred thousand dollars. These policies are primarily used as investment tools to gain significant tax breaks for the corporations.

Illinois has statutorily legalized these policies although none of the representatives with whom I spoke was aware that they exist. It will take active participation by Illinois citizens to bring this matter to the attention of state legislatures.

As part of an intake call by DuPage residents, I researched municipal procedures during city council meetings and made a public statement at a city council meeting about their civic shut-out. I also researched and analyzed the proper procedure for municipal property transfers and whether a local municipality was following such procedures, specifically determining if there was appropriate notice to the public so that citizens could effectively participate in the decision made by the local government and in the continuing change in the community.

*Shereen Mikhael
George Washington University*

The WorldCom Debacle

I facilitated a brown bag lunch entitled "WorldCom: A case study in corporate greed". We discussed the details of what happened, who is responsible, and what legislation and reforms are taking place.

I conducted research by looking through popular media sources and I found the most interesting articles were the ones pointing blame. Along with the top executives and auditors, the banks are to blame for WorldCom's fraud and collapse. After giving enormous, frivolous, pre-approved loans, Citigroup and Deutsche banks were the first in line to get repaid, and drove WorldCom to bankruptcy by freezing \$2.6 billion they had lent to the company.

While the mainstream media clearly described what happened and who was responsible, they were unclear about legislative action, possibly because the legislation is pretty unclear. The main corporate reform bill, the Sarbanes bill, takes major steps forward by increasing whistleblower protections, preventing auditors from performing non-audit services, banning loans to corporate insiders (CEO Bernard Ebbers borrowed \$100 million from WorldCom), mandating corporate insiders disclose stock trades within two days, and stiffening penalties for corporate fraud.

Yet, the bill fails to deal with the most important reforms on expensing stock options, which cost investors by diluting their own shareholdings. Different figures show a 20% – 30% profit loss on the S&P 500 if the stock options

Who Knows What About YOU!

This summer I investigated the current state of laws protecting the privacy of personal information in Illinois, created a series of easy-to-understand privacy education brochures and held a seminar class focused on protecting personal financial information. Privacy law is controlled by a rationale fostered by the information industry-- that personal financial information is a commodity to be bought and sold.

Statutes intended to protect consumers were designed to support this rationalization. The Fair Credit Reporting Act gave consumers the right to access the personal financial information which is used to generate a credit report. It provided a means to dispute inaccurate information, and limited the redisclosure of certain types of personal financial information for "business purposes" only. More recently, the Gramm-Leach-Bliley Act gave consumers the right to request that personal information obtained by a financial institution be kept within its "corporate family" and not disclosed to outsiders. As yet, none of the federal or state statutory protections enacted have slowed the rising tide of identity theft, the most overt form of information misuse.

New legislation should recognize that personal financial information is inextricably linked to the individual person, and that the consequences of inaccurate or misused information are severe. Granting individuals property rights over their personal information is one possible solution. Despite widespread public demand and bipartisan political support, it does not appear likely that any significant reform will be enacted soon.

In the meantime, it is important to take advantage of protections already granted. Call the Center for copies of the privacy right brochures to get started. Call 1-888-5OPTOUT and follow the instructions to permanently opt out of information sharing by the major credit reporting agencies. Contact each of your financial institutions for information on how to opt out of "third party nonaffiliate sharing" and do so. These steps will reduce the likelihood that your information will be misused.

*Rebecca Parkhurst
University of Illinois College of Law*

Tollgate III: The Toll Authority

During my summer at CAC I was given the unique opportunity to work on Tollgate III. Tollgate III is a follow-up to Tollgate I and II, which outlined waste and fraud within the Illinois State Toll Highway Authority (ISTHA). Tollgate III is an analysis of the activity of the ISTHA that led up to and followed the proposed Toll Hike in March 2002. I looked into the management, finances and planning of ISTHA. To understand ISTHA, and the reasons behind the toll hike, I investigated the executive director, as well as the board members and their political experience and connections within Illinois. Despite the claims of reform, ISTHA is an agency set on raising tolls and expanding the tollway system within Illinois. ISTHA continues to have poor budgetary skills and lacks focus and foresight with construction and infrastructure projects, focusing on ways to expand their agency through I-Pass, widening, and extensions while ignoring neglected roads. In addition, many of the top tollway contractors are significant campaign contributors. Tollgate III also includes an overview of the many reform bills that have failed and the few reform bills that the General Assembly has passed. In total, ISTHA remains an agency ripe for real reform and on the road to financial disaster.

Besides Tollgate III, I worked on an intake call involving the Illinois Freedom of Information Act. I drafted an appeal letter to the Cook County Board of Review for an individual whose previous requests were unilaterally ignored.

I have a great interest in public interest work, and the Center gave me an opportunity to work on an issue very important to many within the Chicago area. I am grateful for the opportunity and experience I received while working at the Center.

*Christopher T. Paluch
Vermont Law School*

WorldCom expensed. Stock options can be a good incentive to employees, and worth this expense to the investors if used properly. Unfortunately, top executives in many companies hold 80% of the stock and many companies do not require executives to hold their stock options while with the company. So, instead of ensuring commitment to the company improvement, stock options have served as catalysts for corporate greed.

Solid reforms, not simply political posturing, must be generated to restore confidence in corporations. The reforms must overhaul the old system by greatly increasing the power of the SEC, dealing with stock options, and giving auditors independence and accountability.

Will Conrad

Consumers Crossing—Out

From the Brown Bag Lunches to the Rolling Thunder Democracy Tour, my summer experience at the CAC gave me exactly what I was looking for - the opportunity to work with a grassroots public interest organization.

I researched consumer rights and mandatory arbitration clauses in form contracts. Presuming that arbitration is less expensive and a less time-consuming alternative to litigation, I'd never considered that arbitration could be a *bad* thing. However, it did not take much time to discover these provisions place consumers at a distinct disadvantage in suits against corporations. Under the Federal Arbitration Act, courts are likely to enforce mandatory arbitration clauses in routine consumer contracts because it is presumed consumers voluntarily agreed to the provision because consumers are free to shop for better terms. As more and more companies include mandatory arbitration clauses in their contracts, it is more difficult, if not impossible, for consumers to negotiate around them. Legislative reform attempts have failed. Consumers have to become informed and take action: read contracts thoroughly, cross-off and initial provisions that you don't agree with, and keep a copy for your records should a dispute arise.

I also worked on an intake call from a citizen who is frustrated by a local school district because it intends to have a citizens committee, appointed by the school board and superintendent, meet in closed meetings to discuss a possible referendum issue for the school district. I researched the possible violation of the Illinois Open Meetings Act. The stated purpose of the Act is to ensure that the business of "public bodies" is conducted openly. Is a citizen committee "independent" from the school board because it reports to the superintendent, a "public official" versus if the committee reports directly to the school board, a "public body," where the advisory committee would certainly be subject to the Act? Whether or not legally the committee is subject to the Act, it appears as if the school district is trying to circumvent public scrutiny.

These projects were both interesting and challenging, and gave me the opportunity to develop my research and writing skills. As a resident of DuPage County, I look forward to future projects with the Center.

*Melissa Burger
IIT-Chicago Kent College of Law*

Receive our newsletter via email! Visit us at www.citizenadvocacycenter.org

Everyday Democracy is a publication of the *Citizen Advocacy Center*, a non-profit, nonpartisan, 501(c)(3) corporation. Submissions from citizen advocates in the western suburbs of Chicago are encouraged. The *Center* is an educational and charitable organization dedicated to building democracy for the 21st century by strengthening the public's capacities, resources, and institutions for self-governance.

If you are interested in more information, becoming a volunteer, or making a tax-deductible contribution to the *Center*, please feel free to contact or visit us.

www.citizenadvocacycenter.org

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CENTER WELCOMES NEW COMMUNITY LAWYER

The Center welcomes our new community lawyer, Sarah Klaper, who joined our office August 5th. Sarah grew up in Wheaton, is a 1994 graduate of Ohio University in Athens, Ohio, and is a 1997 graduate of the University of Cincinnati College of Law. After working for three years as a staff attorney for Southeastern Ohio Legal Services, she returned to the western suburbs of Chicago to start a solo practice. Sarah is extremely excited to be back in the public interest sector and working with the Center. Stop by and say hello!

DONATE ON-LINE AT THE CENTER'S NEW WEBSITE www.citizenadvocacycenter.org

The Center received two matching challenge grants for \$5,000. Donations will be matched dollar for dollar up to \$5,000.

The Center does not accept government or corporate funding, freeing us to monitor and pursue government and corporate accountability projects uncompromised. Our funding is derived solely from foundation grants and individual contributors.

Help us continue to build democracy! We now accept donations by credit card and on-line! Call or visit our new website to make a donation. Thank you!

Citizen Initiative Award Nominations

The Center's Citizen Initiative Award recognizes citizens who act as catalysts for more citizen participation in the democratic process. Recipients have demonstrated significant and informed civic participation in their communities and by their example have inspired others to build democracy.

To nominate a citizen or organization, please mail or email the nominee's name, address, phone number, fax/ E-mail and references with phone numbers. Please include a description of the nominee's dynamic civic involvement along with the nominator's name and phone number. Please visit our website for more information

DEADLINE is OCTOBER 15, 2002