City of Chicago

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Office of the City Clerk

Document Tracking Sheet

Meeting Date:	4/18/2018
Sponsor(s):	Burke (14) Laurino (39) Harris (8) Mitts (37) Smith (43)
Type:	Ordinance
Title:	Amendment of Municipal Code Section 2-92-320 prohibiting persons or businesses from participating in transactions with City of Chicago if involved in pre-dispute arbitration process or agreement in sexual harassment claim
Committee(s) Assignment:	Committee on Finance

Committee on Finance

ORDINANCE

WHEREAS, the City of Chicago is a home rule unit of government pursuant to the 1970 Illinois Constitution, Article VII, Section 6(a); and

WHEREAS, pursuant to its home rule power, the City of Chicago may exercise any power and perform any function relating to its government and affairs including the power to regulate for the protection of the public health, safety, morals, and welfare; and

WHEREAS, arbitration is utilized to settle disputes outside of the court system and many companies have inserted mandatory arbitration clauses into employment contracts to keep disputes confidential and resolve conflicts in an expedited matter; and

WHEREAS, arbitration accomplishes two goals: (1) protecting the privacy and identity of the victim of sexual harassment; and (2) helping corporations hide the details of sexual harassment in the workplace; and

WHEREAS, nearly every company requires as a condition of employment that its employees waive their right to sue in a court of law and instead agree to take any claims against the company to private arbitration; and

WHEREAS, under this condition, the employees are legally bound to remain silent about the sexual harassment they experienced at work and about the arbitration process; and

WHEREAS, forced arbitration has become a standard practice of business that helps manage long-term legal risk, ensuring that companies will not be embroiled in costly and protracted lawsuits; and

WHEREAS, Uber and IBM are prime examples that forced arbitration led to a long-term operating risk where discrimination, harassment, and retaliation disputes through forced arbitration proceedings became culturally entrenched and enabled sexual harassers to move to firms and continue harassing; and

WHEREAS, recently, Microsoft took the lead to stop requiring forced arbitration in cases of sexual harassment; and

WHEREAS, United States Representative Cheri Bustos of Illinois and United States Senator Kirsten Gillibrand of New York introduced the Ending Forced Arbitration of Sexual Harassment Act of 2017, which would ban the use of forced arbitration in cases of sexual harassment and discrimination; and

WHEREAS, the Ending Forced Arbitration of Sexual Harassment Act of 2017 has bipartisan support and is waiting for Speaker Paul Ryan to allow a vote in the House; and

WHEREAS, similar to nondisclosure agreements, forced arbitration silences victims of sexual harassment by keeping the issue out of public and law enforcement scrutiny; and

WHEREAS, the Chicago City Council stands with workers to ensure that businesses in our city conform with the mission to foster a safe workplace and prevent harassers from hiding behind forced arbitrations; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. The above recitals are expressly incorporated herein and made part hereof as though fully set forth herein.

SECTION 2. Chapter 2-92-320 of the Municipal Code of Chicago is hereby amended by adding the language underscored as follows:

Chapter 2-92-320 Ineligibility for city transactions – Other offenses.

(a) No person or business entity shall participate in a transaction as defined herein, and may have its current transactions permanently or temporarily suspended or canceled, if that person or business entity:

(Omitted text is not affected by this ordinance)

(8) has mandated a pre-dispute arbitration process or agreement in sexual harassment claims except where such a process has been voluntarily elected by the claimant. For purposes of this subsection (a)(8): "sexual harassment" is as defined in 2-160-020 (m) of this code; and "pre-dispute arbitration agreement" means any agreement to arbitrate disputes that had not arisen at the time of the making of the agreement.

SECTION 3. This ordinance shall be in full force and effect one hundred and eighty (180) days after passage and publication.

Edward M. Burke
Alderman, 14th Ward

Margaret Laurino
Michelle A Harris 8th
Emma Mitts 37
Nicholas Sawyer