



OEIG Investigation No.: 24-00353
Subject(s) Name(s): Daniel Thomas

Investigative Summary Report Publication

The Executive Ethics Commission ("Commission") is responsible for publishing the attached redacted Executive Inspector General for the Agencies of the Illinois Governor investigative summary report pursuant to the State Officials and Employees Ethics Act. 5 ILCS 430/20-52. An Executive Inspector General issues an investigative summary report at the conclusion of an investigation if they determine that reasonable cause exists to believe a violation has occurred. 5 ILCS 430/20-50. The Commission did not write the report, conduct the investigation leading to the report, or impose any discipline upon the subject of the report.

The Commission and Investigative Summary Reports

The Ethics Act requires the Commission to publish an investigative summary report and ultimate jurisdictional authority's response if the report's subject was terminated or suspended for three days or more. 5 ILCS 430/20-52(a). Otherwise, the Commission may, but does not have to, publish the report and response. The ultimate jurisdictional authority varies from report to report and is typically the constitutional officer overseeing the subject's work location.

Investigative Summary Report Redactions

The Ethics Act also requires the Commission to redact, or remove, some information from investigative summary reports before publishing them. 5 ILCS 430/20-52(b). The Commission must redact information that may reveal the identity of witnesses, complainants, or informants or where the Commission determines that redaction is appropriate to protect the identity of a person. The Ethics Act permits the Commission, in its discretion, to redact other information it does not believe should be made public.

Before the Commission publishes a redacted report, it sends the report with the proposed redactions to the subject(s), the Executive Inspector General, and the Office of the Attorney General to review the proposed redactions, offer suggested redactions, and/or provide a response to be published with the report. 5 ILCS 430/20-52(b). The subject has an opportunity to provide a response to the report. If the report is published, the subject's response may be published as well. If the Executive Inspector General finds reasonable cause to believe that the subject(s) violated the Ethics Act's prohibition against sexual harassment, the Commission also sends the report with proposed redactions to the complainant for review and an opportunity to provide a response. 5 ILCS 430/20-63(b)(7).

Investigative Summary Report Publication Considerations

The Commission exercises its investigative summary report publication responsibilities only after thoughtful consideration. While the Ethics Act allows a subject to submit a response to be published with the report, it does not allow a subject to request a hearing before the Commission regarding the contents of a report. By publishing the following redacted report, the Commission neither makes nor adopts any arguments, allegations, determinations of fact, or conclusions of law relating to the subject or any other individual or entity referenced therein.

If you have questions about the content of the report, please contact the Executive Inspector General for the Agencies of the Illinois Governor. For enquiries about the Commission's publication process, please email eec@Illinois.gov or visit eec.illinois.gov for additional information.

Office of Executive Inspector General for the Agencies of the Illinois Governor

Investigation Case No. 24-00353



I. BACKGROUND AND ALLEGATIONS

The Illinois Department of Commerce and Economic Opportunity (DCEO) Office of Tourism (Tourism Office) promotes Illinois as a travel destination for leisure travelers and for meetings, conventions, and special events.¹ Daniel Thomas has been the Deputy Director of Tourism for the DCEO Tourism Office since July 1, 2023. Prior to taking his State position, Mr. Thomas worked for, and previously owned TimeZoneOne, which describes itself as a global creative communications agency.²

Between February 7 and October 29, 2024, the OEIG received multiple complaints alleging misconduct by Mr. Thomas. The allegations included that Mr. Thomas steered work to TimeZoneOne and other companies with which he had a personal connection since he began working for DCEO, and that TimeZoneOne overbilled under its State contracts. The allegations also included that TimeZoneOne paid for travel and other expenses incurred by Mr. Thomas. In addition, the allegations included that Mr. Thomas improperly accepted a gift of discounted lodging from [Hotel 1].³

II. INVESTIGATION

A. Conflict Of Interest Rules And Gift Ban

DCEO policy requires employees to give DCEO “their primary professional loyalty and to arrange their financial and other personal interests so as not to conflict or interfere with their commitment” to DCEO.⁴ Employees have an obligation to avoid:

any activity, agreement, business investment or interest or other situation that might in fact or in appearance cause the [DCEO] employee to place his or her own interest, or those of another, above the employee’s obligation to [DCEO].⁵

In this context, an employee’s financial and personal interests include activities “from which the individual receives or expects to receive remuneration,” as well as such interests on the part of the employee’s spouse.⁶ Examples of circumstances that might involve a conflict of interest include:

assisting a business . . . in which a [DCEO] employee has a financial or personal interest, in applying or preparing to apply to any [DCEO] programs in which the .

¹ See <https://dceo.illinois.gov/aboutdceo/tourism.html> (last visited Nov. 18, 2024).

² See <https://timezoneone.com/> (last visited Nov. 18, 2024).

³ The complaints that originally were assigned OEIG case numbers 24-00892, 24-00908, and 24-02771 were closed into this investigation. [Redacted].

⁴ DCEO Employee Policy Manual 1.5.

⁵ DCEO Employee Policy Manual 1.5.

⁶ DCEO Employee Policy Manual 1.5.

.. employee has personally and substantially participated within the preceding year, or will likely personally and substantially participate within the next year.⁷

The policy requires employees to promptly notify their supervisor and the DCEO Ethics Officer of any actual or potential conflicts of interest.⁸ In addition, the State of Illinois Code of Personal Conduct requires State employees to take appropriate action to identify, disclose, and avoid potential conflicts of interest with the performance of their official duties.⁹

The State Officials and Employees Ethics Act (Ethics Act) generally prohibits State employees from intentionally soliciting or accepting any gift from any prohibited source.¹⁰ A “gift” includes discounts, hospitality, and other tangible or intangible items having monetary value such as food and drink.¹¹ A “prohibited source” includes any entity that is seeking official action by the employee or their State agency, does business or seeks to do business with the agency, or has interests that may be substantially affected by the performance or non-performance of the employee’s official duties.¹²

B. Mr. Thomas’s Prior Positions With TimeZoneOne

According to his resume in DCEO’s hiring file, Mr. Thomas was the Chief Executive Officer of TimeZoneOne beginning in 2013. Additional documents obtained in the investigation reflect that he also previously owned TimeZoneOne. A Stock Purchase Agreement reflects that in 2020, Mr. Thomas sold TimeZoneOne and another company to Schafer Condon Carter, Inc. for \$200,000 (of which \$180,000 was allocated to the TimeZoneOne shares) paid on the date of closing, and three subsequent earnout payments. Under the agreement, each earnout payment was to be 2% of the revenue generated by TimeZoneOne and the other company over successive one-year periods following the sale. Thus, the third and final earnout payment was to be 2% of the business revenue generated by TimeZoneOne and the other company between August 1, 2022 and July 31, 2023. The Stock Purchase Agreement provided that 50% of the third earnout payment would be paid on October 1, 2023, and that the remaining 50% would be paid in ten equal monthly installments on the first business day of each month from November 1, 2023 through August 1, 2024.

The Stock Purchase Agreement also included an Employment Agreement, under which Mr. Thomas accepted employment as the Chief Executive Officer of TimeZoneOne and as the Chief Integration Officer for Schafer Condon Carter.

C. TimeZoneOne’s Contracts For DCEO Work

1. Contracts between TimeZoneOne and DCEO

⁷ DCEO Employee Policy Manual 1.5.

⁸ DCEO Employee Policy Manual 1.5.

⁹ State of Illinois Code of Personal Conduct (rev. Mar. 17, 2021).

¹⁰ 5 ILCS 430/10-10.

¹¹ 5 ILCS 430/1-5.

¹² 5 ILCS 430/1-5.

In April 2017, DCEO entered into a contract with TimeZoneOne, for the planning and execution of public relations programs and activities to promote Illinois as a business and leisure tourism destination; that contract was renewed through June 30, 2022.¹³ The contract amount was for a total of up to \$15,410,000, including the renewal terms. During the term of that contract, Mr. Thomas was TimeZoneOne's Chief Executive Officer, and the contract and subsequent renewals were signed in Mr. Thomas's name on behalf of TimeZoneOne.

In June 2022, DCEO entered into a new contract with TimeZoneOne, similarly for developing public relations plans to promote Illinois as a business and leisure tourism destination. That contract was for the term July 1, 2022 through June 30, 2025, and the contract amount is up to \$14,062,500. When that contract was executed, Mr. Thomas was still TimeZoneOne's Chief Executive Officer, and it was signed in Mr. Thomas's name on behalf of TimeZoneOne.

2. TimeZoneOne as a Subcontractor to O'Keefe Reinhard and Paul

Meanwhile, DCEO also entered into a contract with advertising agency O'Keefe Reinhard and Paul (OKRP)¹⁴ for a term beginning in April 2019, for developing marketing and advertising plans designed to achieve the DCEO Tourism Office's objectives; that contract was renewed through June 30, 2024.¹⁵ The contract required OKRP to disclose any subcontractors hired to perform work covered by the contract with an annual value of \$50,000 or more. In the contract, OKRP identified TimeZoneOne as a subcontractor for website management, with estimated fees and expenses of \$75,000. DCEO's contract with OKRP required OKRP to submit certification and disclosure forms for any subcontractors identified. TimeZoneOne's forms were signed in Mr. Thomas's name on behalf of TimeZoneOne, dated March 31, 2022 and May 4, 2023.

D. Mr. Thomas's Hire At DCEO

DCEO records reflect that Mr. Thomas was hired as the Deputy Director of Tourism in the DCEO Tourism Office effective July 1, 2023.¹⁶ According to the position description, in this role Mr. Thomas is responsible for developing tourism markets in Illinois, representing DCEO concerning the mission of the Tourism Office, formulating policy and goals for the Tourism

¹³ In addition to the DCEO tourism contracts discussed in this section, TimeZoneOne also currently has a contract with Central Management Services, and has had a contract in the past with the Illinois Department of Public Health (IDPH). In a May 9, 2024 OEIG interview, [TimeZoneOne Employee 1] recalled an instance in which he discovered in January 2024 that TimeZoneOne invoices for \$609,000 and \$651,000 had both been billed to IDPH, when he believed there should have only been one invoice for \$651,000. He said he raised the issue to TimeZoneOne leadership, and that there subsequently were conversations between TimeZoneOne and IDPH about it; he said that [IDPH Employee 1] told him in March 2024 that it had been figured out and everything was fine.

¹⁴ In March 2024, OKRP merged with advertising agency Barkley to form BarkleyOKRP. <https://www.marketingdive.com/news/barkley-okrp-merger-big-indie-independent-agency-trend/709869/> (last visited Nov. 19, 2024). To avoid confusion, this report will refer to this company as OKRP.

¹⁵ Records reflect that DCEO subsequently entered into an emergency purchase contract with a company that had been an OKRP subcontractor, to supply the tourism marketing and creative services previously provided by OKRP; TimeZoneOne is listed as a subcontractor. The initial term of that contract was July 1, 2024 through September 28, 2024, and it subsequently was extended to June 30, 2025. In her OEIG interview, DCEO Chief of Staff [DCEO Employee 1] said DCEO is currently drafting a Request for Proposal for these services, but that it is not yet open for bids.

¹⁶ The DCEO position is an exempt position.

Office, allocating the Tourism Office's budget and expenditures, and traveling in the performance of his duties. DCEO's hiring records included Mr. Thomas's resume, which listed his experience as TimeZoneOne's Chief Executive Officer from 2013 to "Present," including advising DCEO's Tourism Office, a TimeZoneOne client.

OEIG investigators interviewed DCEO Chief of Staff [DCEO Employee 1] on October 30, 2024. [DCEO Employee 1] said she has been the Chief of Staff since March 2023, and that Mr. Thomas reports to her. [DCEO Employee 1] said that at the request of the DCEO Director, she ([DCEO Employee 1]) met with Mr. Thomas in approximately April or May 2023 to discuss the Deputy Director position, which had been vacant for about a year. She said the Director also met with Mr. Thomas. [DCEO Employee 1] said she was aware at that time that Mr. Thomas was employed by TimeZoneOne and that he previously had owned TimeZoneOne, but said she understood that he had not been the owner for about a year and said she was not aware that Mr. Thomas was receiving earnout payments from his sale of the company. [DCEO Employee 1] said she also was aware that TimeZoneOne had been responsible for developing some of the State's marketing. She said she told DCEO's Chief Legal Counsel that Mr. Thomas was a previous owner of TimeZoneOne and worked there, and asked if those circumstances would prohibit DCEO from hiring him. [DCEO Employee 1] said the Chief Legal Counsel may have asked her a clarifying question about whether Mr. Thomas still owned TimeZoneOne, and then he told her it would not be a problem to hire Mr. Thomas.

E. Mr. Thomas's DCEO Approval Of TimeZoneOne's Work Plans

Records reflect that on July 12, 2023 (shortly after he began working at DCEO), Mr. Thomas emailed "your fully approved Work Plan for FY24" to TimeZoneOne staff, adding, "[l]et's do this!" Attached were TimeZoneOne Work Plans for Fiscal Year (FY) 2024 (one for domestic work and one for international work), signed in Mr. Thomas's name on behalf of the DCEO Tourism Office.

F. TimeZoneOne's Payments To Mr. Thomas After His Hire At DCEO

As noted above, the Stock Purchase Agreement between Mr. Thomas and Schafer Condon Carter provided that Mr. Thomas was to be paid 2% of the revenue generated by TimeZoneOne and another company over successive one-year periods following the sale, with the third and final earnout payment to be 2% of the business revenue generated by TimeZoneOne and the other company between August 1, 2022 and July 31, 2023. Records reflect that OKRP made a \$50,000 payment to TimeZoneOne on July 14, 2023, for work done for DCEO relating to a Pride parade float.¹⁷

The OEIG subpoenaed records from Schafer Condon Carter. The records produced included emails between Mr. Thomas and [Schafer Condon Carter Employee 1] about a disagreement in September 2023 over the amount of the third earnout payment that was due to be paid to Mr. Thomas:

¹⁷ The documents reflect that the \$50,000 was billed on an invoice dated June 12, 2023. Undated documents provided by Schafer Condon Carter reflected various revenue amounts, some of which appeared to include revenue for July 2023 and some of which appeared not to do so.

September 12, 2023

[Schafer Condon Carter Employee 1] emailed Mr. Thomas:

I'm really having a hard time with this. We are playing it straight down the middle per the deal that was agreed to . . . not sure how you're looking at this so differently than the last two years . . . I'm hoping we can get together and come to a resolution on this

September 13, 2023

Mr. Thomas responded:

I have historically been paid on the full billing of \$250k per month on IOT [DCEO Tourism Office]. That practice has not changed and I know I have been paid on that full amount each month historically. I am not charging [sic] the game or approach here. I believe and know based on historical numbers, that [Schafer Condon Carter] is and [sic] not honoring the full income and revenue . . . I believe we are \$30k apart here . . . I'd like us to agree on \$117,456.43. . . I continue to be a true champion of TZO and its capabilities and this will always continue.

September 14, 2023

11:49 a.m.

[Schafer Condon Carter Employee 1] replied:

So yes, agreed. Life's too short, and I greatly value our relationship. So here's what I'd like to do. I'd like us to get together for a cocktail (or three) and I will bring you a check for 50% of the \$117,456.43 + 4 mos of the 10 installment payments of the other 50%. The check would add up to . . . \$82,219.51. We could also make it a transfer if that would be more to your liking. We will then do six more transfers starting on November 1 for \$5,872.23 each . . . I look forward to getting together as friends and continuing our partnership!

6:46 p.m.

Mr. Thomas: “

[T]hank you. I appreciate you and this approach. When shall we meet for those cocktails?

Emails exchanged on Saturday, September 16, 2023 reflect that [Schafer Condon Carter Employee 1] and Mr. Thomas discussed meeting the following Tuesday evening [September 19], in “the burbs.”

A September 18, 2023 internal Schafer Condon Carter email to [Schafer Condon Carter Employee 1] confirmed that an ACH payment of \$82,219.51 would be made to Mr. Thomas's account the following day; the email added, "I had \$81,600 budgeted for his earnout so this will result in an increase of \$36K." The OEIG subpoenaed Mr. Thomas's personal bank account records; the records for Mr. Thomas's individual checking account reflect an "ACH Pmt" of \$82,219.51 on September 19, 2023, with "Timezoneone Inc" in the description.

Along with the September 19, 2023 payment of \$82,219.51, Mr. Thomas's individual checking account records reflect the following payments made into the account after Mr. Thomas began working for DCEO on July 1, 2023, with either "Time Zone One IN Payroll" or "Timezoneone Inc ACH Pmt" in the description:

Date	TimeZoneOne Payment Amount
July 7, 2023	\$730.09
July 31, 2023	\$10,316.50 ¹⁸
Sept. 19, 2023	\$82,219.51
Nov. 1, 2023	\$5,872.82
Dec. 1, 2023	\$5,872.82
Dec. 29, 2023	\$5,872.82
Jan. 19, 2024	\$7,618.28 ¹⁹
Feb. 1, 2024	\$5,872.82
Feb. 8, 2024	\$162.73 ²⁰
March 1, 2024	\$5,872.82
April 1, 2024	\$5,872.82

Total TimeZoneOne Payments After July 1, 2023: \$136,284.03

G. Increase In TimeZoneOne's Billing Through OKRP

Records reflect that TimeZoneOne's billing under its subcontract with OKRP increased by approximately **\$636,541** in the fiscal year after Mr. Thomas began working at DCEO, as compared to the prior fiscal year.²¹ As discussed below, although TimeZoneOne's subcontract with OKRP was for managing the Tourism Office's website, TimeZoneOne increased its billing through OKRP in the year after Mr. Thomas began working for DCEO for work on at least two projects that were unrelated to the website management: Illinois Made and Brand USA.

¹⁸ The description for this July 31, 2023 payment of \$10,316.50 was "Time Zone One IN Payroll." The descriptions for the other payments were "Timezoneone Inc ACH Pmt."

¹⁹ The Schafer Condon Carter records included two "Personal Expense Reports" in Mr. Thomas's name. One listed a total expense amount of \$6,557.66 for Rose Bowl accommodation deposits dated December 1 and 6, 2023, and "India Sales Mission airfare" dated November 23, 2023. The second listed a total expense amount of \$1,060.62 for "Disney dinner" expenses dated November 16, 2024. The amounts listed on those two Personal Expense Reports total \$7,618.28.

²⁰ The records included a December 13, 2023 FedEx invoice for \$162.73 that was addressed to "ILLINOIS OFFICE OF TOURISM" and Mr. Thomas with the handwritten note, "Please Pay TZO."

²¹ This figure reflects amounts billed in FY 2023 as compared to amounts billed in FY 2024; in some cases an amount was billed in one fiscal year but paid in another.

1. Illinois Made Project

Illinois Made is a DCEO Tourism Office program to highlight Illinois small businesses and celebrate “makers, creators, and artisans who help craft Illinois by hand.”²²

Doubled Number of Videos for Illinois Made

A document listing TimeZoneOne’s approved work plan estimates for FY 2023 (the year *before* Mr. Thomas began working for DCEO) identified the production of 15 Illinois Made videos as a special project under its public relations contract directly with DCEO, for an estimated cost of \$120,000.

Mr. Thomas’s State email account reflects that on October 6, 2023, [DCEO Employee 2] emailed TimeZoneOne’s [Redacted] that “Daniel [Thomas] would like to explore adding another 30 videos to the plan (for a total of 45 in FY24).” There then were several exchanges between [DCEO Employee 2], Mr. Thomas, and the TimeZoneOne [Redacted] in which TimeZoneOne priced the total for the new videos at \$250,000 (reflecting an increase of \$1,000 per video), and Mr. Thomas responded that the increased price “will be a non-starter for us.” On October 17, 2023, [DCEO Employee 2] emailed Mr. Thomas asking if they should bid out the project, noting that they would likely find a vendor that could do the videos for less than \$250,000. Mr. Thomas responded on October 25, 2023:

I agree, as this will come out of OKRP’s production budget, we will need to have them bid it and include TZO [TimeZoneOne] in the process. The advantage of TZO continuing the work is they are a sub of OKRP but rules are rules.²³

In an October 26, 2023 email, [DCEO Employee 2] advised Mr. Thomas that she had connected with [OKRP Employee 1] about bidding out the 30 additional Illinois Made videos, and noted that he “will include TZO in the bid.”²⁴ The records reflect that three bidders submitted proposals for the Illinois Made video project, including TimeZoneOne and an OKRP production company. TimeZoneOne’s bid was the highest of the three, at \$268,550; the other two bids were \$264,493 and \$258,698.²⁵

Interview of [DCEO Employee 2]

OEIG investigators interviewed [DCEO Employee 2] on November 6, 2024. She said she has worked for DCEO’s Tourism Office since 2000 and has been the [Redacted] since April 2023. She said she is actively involved with TimeZoneOne’s public relations contract, and that before

²² <https://www.enjoyillinois.com/illinois-made/illinois-made-criteria/> (last visited Nov. 20, 2024).

²³ Under its contract with DCEO, OKRP was required to obtain at least 3 bids in writing for all jobs for which it contracted out, when such jobs were estimated to exceed \$20,000.

²⁴ In another email, Mr. Thomas rejected [DCEO Employee 2]’s suggestion that DCEO start working with TimeZoneOne in the meantime to compile a draft list of makers to cover in the next round, explaining that they could not expect TimeZoneOne to do the work at that point because the award might go to another vendor, adding, “If we are opening this up (which I understand/support) we need to play this down the line.”

²⁵ The OKRP production company’s estimate was the second highest.

Mr. Thomas began working at DCEO in July 2023, her duties included reviewing and approving vendor invoices. [DCEO Employee 2] said she has reported to Mr. Thomas since he became the Deputy Director of the Tourism Office, and that her duties no longer include approving invoices; she said [DCEO Employee 5] now initially reviews invoices and then Mr. Thomas approves them.

[DCEO Employee 2] confirmed that TimeZoneOne made videos for the Illinois Made project in the past, and said that when Mr. Thomas started working at DCEO he thought there were not enough videos and wanted TimeZoneOne to continue making them. She said Mr. Thomas had been negotiating about the videos with a TimeZoneOne employee, and that he (Mr. Thomas) was of the opinion that the project did not need to be triple bid because TimeZoneOne was already an OKRP subcontractor, even if the project was unrelated to TimeZoneOne's subcontract work. [DCEO Employee 2] said she felt it overstepped the scope of TimeZoneOne's subcontract with OKRP, and said Mr. Thomas was not happy that she proposed using a triple bid process to award the work.

[DCEO Employee 2] said that OKRP developed the specifications and conducted the triple bid process, and that TimeZoneOne, an OKRP production company, and a third company submitted bids. She said Mr. Thomas made the decision and informed OKRP that he wanted to select TimeZoneOne.

Interview of Former [OKRP Employee 1]

On July 24 and August 21, 2024, OEIG investigators interviewed former [OKRP Employee 1]. [OKRP Employee 1] said he was the OKRP [Redacted] from 2021 until approximately two to three weeks before his second OEIG interview. [OKRP Employee 1] said that from 2021 until Spring 2024, he exclusively managed OKRP's contract with the DCEO Tourism Office and frequently interacted with Mr. Thomas.

[OKRP Employee 1] said TimeZoneOne was a subcontractor under OKRP's contract with the DCEO Tourism Office, for providing website management services for the Tourism Office's Enjoy Illinois website. However, [OKRP Employee 1] said that at Mr. Thomas's direction, TimeZoneOne also did other projects in FY 2024 that were not related to the website management subcontract, and that were paid under OKRP's contract, including the Illinois Made video production project.

[OKRP Employee 1] said the Illinois Made video production project was not something that OKRP had originally planned for when it created its FY 2024 Work Plan, but that when Mr. Thomas started at the DCEO Tourism Office he told OKRP that it was going to come out of OKRP's budget. [OKRP Employee 1] recalled being on a call with Mr. Thomas and [DCEO Employee 2],²⁶ in which Mr. Thomas said he wanted to award the Illinois Made video work to TimeZoneOne, but [DCEO Employee 2] said the project needed to be bid out with three bids because the cost was going to be over \$200,000. [OKRP Employee 1] said Mr. Thomas instructed him to make sure that TimeZoneOne was invited to submit a proposal.

²⁶ [OKRP Employee 1] said Tourism Office contractual employee [DCEO Employee 3] also may have been on the call.

[OKRP Employee 1] said OKRP solicited bids for the Illinois Made project in approximately the Fall of 2023. He said that generally, OKRP invites companies that OKRP knows from the industry or has worked with in the past to bid on a project, and that OKRP would not have considered inviting TimeZoneOne to bid on this project absent Mr. Thomas's direction because TimeZoneOne is not a video production company.²⁷ [OKRP Employee 1] said OKRP received two or three other proposals in addition to TimeZoneOne's, and confirmed that TimeZoneOne's cost estimate was the highest of all the bids. [OKRP Employee 1] said OKRP recommended selecting one of those other companies, whose bid came in under budget and OKRP felt was the best fit.²⁸ [OKRP Employee 1] stated that after OKRP provided its recommendation, Mr. Thomas said he wanted to award the Illinois Made project to TimeZoneOne instead, but did not offer any justification for his decision. [OKRP Employee 1] said that OKRP's practice was always to defer to the Tourism Office since the Tourism Office was the client.²⁹

2. Brand USA Project

In addition to the increase in work awarded to TimeZoneOne for the Illinois Made project, records reflect that more work was awarded to TimeZoneOne related to Brand USA after Mr. Thomas began working for DCEO. According to its website, Brand USA is a public-private partnership that promotes the United States as an international travel destination.³⁰

Mr. Thomas's State email account reflects that on July 7, 2023, shortly after he began working at DCEO, he emailed the DCEO Tourism Office's [DCEO Employee 4] that "[TimeZoneOne Employee 2]" was "going to be more actively leading the marketing efforts under scope with OKRP." In a May 9, 2024 OEIG interview, [TimeZoneOne Employee 1] explained that Mr. Thomas wanted TimeZoneOne to be involved in international media placement efforts and Brand USA programming, using [TimeZoneOne Employee 2]'s travel trade experience. He described Mr. Thomas and [TimeZoneOne Employee 2] as "inseparable" and said that they have worked together for 15 years, and that Mr. Thomas had hired [TimeZoneOne Employee 2] at TimeZoneOne. [TimeZoneOne Employee 1] said that the Brand USA program management work that [TimeZoneOne Employee 2] did for DCEO was new to FY 2024.

In his interviews, former [OKRP Employee 1] said that management of DCEO's Brand

²⁷ [OKRP Employee 1] acknowledged that TimeZoneOne had done some Illinois Made videos prior to this bid, but said OKRP was not involved with that.

²⁸ [OKRP Employee 1] said he did not recall which of the other two companies OKRP recommended.

²⁹ [OKRP Employee 1] also said that on another occasion, after OKRP received bids for an audience segmentation project and recommended selecting [Company 1] (the highest scoring entity), Mr. Thomas directed OKRP to use both [Company 1] and another vendor, [Company 2]; he said that [Company 2]'s [Redacted], [Company 2 Employee 1], was a close friend of Mr. Thomas. The OEIG confirmed that in an August 28, 2023 email, Mr. Thomas wrote OKRP that the decision had been made to engage [Company 1], as well as to "test [Company 2] Terminal for domestic." An August 31, 2023 email from the [Company 2] [Redacted] to Mr. Thomas with the subject, "Follow Up from 08.29.23 call" stated that "[Company 2 Employee 1] will not be involved in executing or delivering the work." In his OEIG interview, Mr. Thomas confirmed that he has a personal relationship with [Company 2 Employee 1], but said he asked [Company 2]'s [Redacted] to exclude [Company 2 Employee 1] from the bidding process; he explained that the decision to award the work to both [Company 1] and [Company 2] was based on a desire to test out [Company 2]'s research approach that used more forward-looking data in addition to [Company 1]' more traditional approach. Mr. Thomas denied that his relationship with [Company 2 Employee 1] had any impact on the decision to use [Company 2] on the project.

In addition, [OKRP Employee 1] said Mr. Thomas instructed OKRP to use [Company 3] for one or two smaller photography projects; he said that [Company 3]'s owner, [Company 3 Owner], also is a friend of Mr. Thomas. Mr. Thomas confirmed in his interview that [Company 3 Owner] is a friend, but said he recommended that OKRP use [Company 3] because he knows the work [Company 3] does, rather than as a favor to [Company 3 Owner].

³⁰ <https://www.thebrandusa.com/about/whoweare> (last visited Nov. 20, 2024).

USA program was a new project that had not been earmarked in OKRP's FY 2024 Work Plan. However, he said Mr. Thomas informed OKRP that he wanted [TimeZoneOne Employee 2] to oversee the DCEO Tourism Office's Brand USA participation and efforts under OKRP's contract, as well as to assist OKRP in its international marketing strategy efforts. [OKRP Employee 1] said [TimeZoneOne Employee 2] had previously worked with Mr. Thomas at TimeZoneOne and was always Mr. Thomas's right-hand person, and [OKRP Employee 1] described them as being close.

[OKRP Employee 1] said there was a call in approximately August 2023 in which Mr. Thomas directed that TimeZoneOne was to do the Brand USA work, and that the fees and Scope of Work were discussed in a meeting in September 2023. [OKRP Employee 1] said the existing budgets did not change, and TimeZoneOne's management of the Brand USA project was reallocated from OKRP and another OKRP subcontractor's fees. [OKRP Employee 1] said OKRP pushed back on Mr. Thomas's idea because OKRP felt it fell under TimeZoneOne's own public relations contract with DCEO. He added that there also was confusion as to why the project was even needed when the DCEO Tourism Office had an employee who was responsible for international marketing. [OKRP Employee 1] also said that Mr. Thomas did not bring up anything about the requirement under the OKRP contract for getting three bids for subcontracted work that would cost over \$20,000 and was not sure anyone else brought it to Mr. Thomas's attention.

[OKRP Employee 1] said Mr. Thomas instructed OKRP to agree to a Brand USA Scope of Work in January 2024. The OEIG obtained that Scope of Work, which stated that TimeZoneOne was responsible for "a comprehensive approach to market research, program management, opportunity assessment and collaboration" for the DCEO Tourism Office, "with a specific focus on international markets and partnerships facilitated through Brand USA." The Scope of Work set a monthly rate of \$12,000 for a term of September 1, 2023 through June 30, 2024, and stated that "[a]ll hours will be tracked by individual."³¹ [OKRP Employee 1] said OKRP questioned TimeZoneOne on the pay rate and hours listed in the Scope of Work, but TimeZoneOne stated that they came up with the rate because it was what Mr. Thomas asked for. [OKRP Employee 1] said OKRP would not have entered into the Brand USA Scope of Work with TimeZoneOne had it not been for Mr. Thomas's instruction to do so.

[OKRP Employee 1] said he did not know if TimeZoneOne met its deliverables for the Brand USA project. He explained that on multiple occasions OKRP requested documentation reflecting the hours [TimeZoneOne Employee 2] had worked on the project, but TimeZoneOne never provided it or submitted supporting documentation with its invoices for the project. [OKRP Employee 1] said [TimeZoneOne Employee 2] did not show up to the weekly standing calls between OKRP, TimeZoneOne, and the Tourism Office, or to separate meetings specifically related to the Brand USA project, and that she did not respond to countless emails and calls. He added that [TimeZoneOne Employee 2] traveled to a lot of places for sales missions, but that she never provided the recaps he requested of how the sales missions had gone, and that he did not know if travel expenses related to the Brand USA Scope of Work were invoiced to OKRP because

³¹ [OKRP Employee 1] said he did not know why the Scope of Work was dated January 10, 2024, but listed a term beginning September 1, 2023. In his OEIG interview, [TimeZoneOne Employee 1] said that when he sent TimeZoneOne's first invoice for the Brand USA work, OKRP responded that they did not have a Scope of Work for the project. [TimeZoneOne Employee 1] said he then wrote up a Scope of Work.

TimeZoneOne never submitted supporting documentation with their invoices. He said [TimeZoneOne Employee 2]’s travel was one of the only things she did, and that Mr. Thomas accompanied her on most of her trips.

[OKRP Employee 1] said TimeZoneOne invoiced OKRP, and then OKRP invoiced DCEO for the same amount and paid TimeZoneOne. He said TimeZoneOne did not submit underlying documentation with its invoices, even when OKRP asked for it, and there was never any budget reconciliation done on the TimeZoneOne subcontract. [OKRP Employee 1] said that Mr. Thomas directed OKRP to make the payments to TimeZoneOne, and OKRP complied because Mr. Thomas had told them to do it.

3. Interview of DCEO Chief of Staff [DCEO Employee 1]

In her OEIG interview, [DCEO Employee 1] confirmed that Mr. Thomas managed TimeZoneOne’s contract following his hire at DCEO, and said she was not aware of him being asked to recuse himself from anything pertaining to TimeZoneOne, including approving TimeZoneOne’s budgets, work plans, and invoices. [DCEO Employee 1] said she did not have any concerns about Mr. Thomas’s ability to be objective in overseeing his former company. She added that there are times when an individual changes positions and is on the different side of an issue, and asserted that it is that individual’s responsibility to manage that.

H. TimeZoneOne’s Billing Documentation

Illinois Comptroller records reflect that in FY 2023, the State paid TimeZoneOne approximately **\$2.5 million** under the public relations contract between DCEO and TimeZoneOne. In FY 2024, the State paid TimeZoneOne approximately **\$3.5 million** under that contract.³²

The OEIG asked DCEO to produce documentation related to payments made to TimeZoneOne under the public relations contract it had directly with DCEO, for the time period July 1, 2022 through July 9, 2024, including:

- invoices
- work orders
- payment vouchers
- receipts
- staffing hours billed
- payment approval forms, and
- any other underlying or supporting payment documentation.

In response, DCEO produced TimeZoneOne monthly invoices – one each month for domestic projects, and one each month for international projects. Each monthly invoice generally billed the same amount:

- \$133,333.34/month for domestic projects, and
- \$116,666.66/month for international projects.

³² Payments made in one fiscal year may have been for work billed in the prior fiscal year.

The invoices did not list out any specific descriptions and listed only general categories of work such as:

- “International FY24 – PR/Tourism – Trade and PR Programming,” or
- “Domestic FY24 – PR/Tourism – Special Projects.”

The invoices did not itemize any expenditures, and DCEO did not produce any receipts or other supporting documentation for the amounts billed under the invoices. In addition, TimeZoneOne’s contract with DCEO requires TimeZoneOne to submit a reconciliation report to the Tourism Office within 30 days of the end of the term of each work plan,³³ setting forth, for each project:

total professional time spent (for professional time billed on an hourly basis), total professional fees billed on a non-hourly basis, and total expenses incurred and, with respect to fees, reconciling the amounts against the Total Base Monthly Fees paid to [TimeZoneOne] to determine if any additional amounts are due [TimeZoneOne] or if a credit is due [DCEO]

Accordingly, on May 22, 2024, the OEIG initially asked DCEO to produce any reconciliation reports or other documentation reporting TimeZoneOne’s professional time billed and total expenses incurred at the end of each work plan from FY 2023 on. In response, the DCEO Ethics Officer noted that he would need to seek any such documentation directly from the Tourism Office, specifically Mr. Thomas or DCEO contractual employee [DCEO Employee 3], and so the OEIG suspended its request at that point in the investigation.

The OEIG interviewed [DCEO Employee 3] on October 15, 2024. She said she has worked at DCEO for almost 40 years, and has worked there under a series of contracts since 2021 in various capacities, including as the [Redacted] of the Tourism Office and most recently as a [Redacted]. She said she has reported to Mr. Thomas since July 1, 2023. [DCEO Employee 3] said it is common to have a scope of work and then a reconciliation at the end, but that she did not know if DCEO had ever requested a reconciliation from TimeZoneOne. She recalled that OKRP’s contract also required OKRP to provide DCEO with a reconciliation, and that Mr. Thomas and/or the DCEO General Counsel requested detailed backup documentation to support OKRP’s fees, but OKRP did not provide it. [DCEO Employee 3] said that when OKRP’s contract was ending in June 2024, there were discussions about doing an emergency extension. She said DCEO provided OKRP quite a bit of time to produce the documentation, but OKRP never did so, and that caused the emergency extension to fall apart.

On November 7, 2024, after interviewing Mr. Thomas and [DCEO Employee 3], the OEIG renewed its request for DCEO to produce reconciliation reports or other documentation reporting TimeZoneOne’s professional time billed and expenses incurred, from FY 2021 to present. Initially, a response was forwarded to the OEIG from Mr. Thomas that said:

³³ TimeZoneOne’s contract with DCEO required TimeZoneOne to submit work plans annually for DCEO’s approval, and the TimeZoneOne work plans produced by DCEO in the investigation each ended on June 30 of the given fiscal year. For FY 2023, DCEO produced an undated “OOP” (Out of Pocket) document rather than a work plan; that document listed “Approved Work Plan Estimate” amounts for various “Work Plan Bucket” projects.

“Reconciliation is/was only per request. We can certainly go back and ask for annual reconciliations per transactions . . .”³⁴ In a November 22, 2024 email, the DCEO Ethics Officer wrote that DCEO did not have any reconciliation reports for FY 2021 to present.

I. TimeZoneOne’s Payment Of Travel And Dining Expenses

1. State Travel Rules and Gift Ban

Travel for State business is required to be “by the most economical mode of transportation available considering travel time, costs and work requirements.”³⁵ DCEO employees must obtain in-state travel approval by submitting a Travel Request Form prior to intended travel; all out-of-state travel, regardless of the estimated cost or the funding source, also requires approval from the Governor’s Office of Management and Budget.³⁶ Meals for an employee on travel status are reimbursable up to the applicable per diem meal rate, and alcohol is not reimbursable.³⁷ Requests for in-headquarters lodging expenses require written approval from the Governor’s Travel Control Board prior to submitting a claim to the Comptroller for payment.³⁸ Upon completion of travel, the employee is required to complete a Travel Voucher for approval.³⁹

The Ethics Act generally prohibits State employees from intentionally soliciting or accepting any gift from any prohibited source.⁴⁰ Although the Ethics Act makes an exception for “[t]ravel expenses for a meeting to discuss State business,”⁴¹ Executive Order 15-09 states that this exception does not apply to State employees other than that a prohibited source may pay for a State employee’s travel, lodging, or meals if the prohibited source arranges payment or reimbursement of such costs directly with the State agency, and the trip is approved in writing in advance by the

³⁴ In his May 9, 2024 OEIG interview, [TimeZoneOne Employee 1] said that to his knowledge, a reconciliation had not taken place in 2023, other than that a TimeZoneOne employee had sent an email to Mr. Thomas saying that TimeZoneOne had a \$180,000 balance of unspent funds in its budget. [TimeZoneOne Employee 1] said that reconciliation did not start happening until the end of 2023, when Mr. Thomas asked for TimeZoneOne’s report in his capacity as a State employee.

The OEIG obtained an email sent from TimeZoneOne to Mr. Thomas on November 6, 2023 (4 months after he began working at DCEO), which said that TimeZoneOne had finished “crunching the numbers” for its FY 2023 Out of Pockets, and determined that it was \$181,557.01 under budget. The TimeZoneOne individual wrote Mr. Thomas: “We are assuming we should handle this underage as TZO has in previous years, but please let us know.” In his OEIG interview, Mr. Thomas said that the underage described in the email ended up being reallocated. He explained that if there was an underage TimeZoneOne would have checked with the Tourism Office to see what they wanted to do with the extra money (such as doing additional marketing or pursuing projects that had been underfunded), or the Tourism Office could ask TimeZoneOne to cut a check back to the State.

³⁵ Travel Regulation Council Rules, 80 Ill. Admin. Code § 3000.300(a). DCEO policy directs employees to follow the *Travel Guide for State of Illinois Employees* prepared by the Governor’s Travel Control Board. DCEO Employee Policy Manual § 4.1; see <https://cms.illinois.gov/employees/travel.html> (last visited Nov. 19, 2024).

³⁶ DCEO Employee Policy Manual § 4.1.

³⁷ DCEO Employee Policy Manual § 4.2. In 2023, the *Travel Guide*’s per diem rate was \$23.00 for dinners in Cook County, Illinois, and was \$25.00 for dinners outside Illinois. <https://cms.illinois.gov/employees/travel/travelreimbursement.html> (last visited Nov. 19, 2024).

³⁸ <https://cms.illinois.gov/employees/travel/lodgingexceptions.html> (last visited Nov. 19, 2024).

³⁹ DCEO Employee Policy Manual § 4.1.

⁴⁰ 5 ILCS 430/10-10. A “prohibited source” includes any entity that does business, or seeks to do business with, a State agency, or has interests that may be substantially affected by the performance or non-performance of the employee’s official duties. *Id.*

⁴¹ 5 ILCS 430/10-15(5).

Executive Director of the Executive Ethics Commission.⁴² The travel expenses also must be approved by the agency’s Ethics Officer.⁴³

2. Travel Provisions in TimeZoneOne’s Contract and Work Plans with DCEO

The “**EXPENSES ALLOWED**” provision of TimeZoneOne’s contract with DCEO defines direct expenses as “authorized out-of-pocket expenses, exempt of taxes, *incurred by the Vendor on Agency’s behalf*, which are directly attributable to [the Tourism Office’s] work” (emphasis added), and provides that direct expenses include out-of-pocket travel expenses billed without markup. The contract further states that “[w]henever possible or appropriate, these charges will be included directly on individual program invoices,” and that they will be reimbursed according to State Travel Control Board regulations. The contract does not require TimeZoneOne to pay the costs of travel by DCEO employees, however, or list expenses for such travel as an allowable expense to be billed to DCEO. TimeZoneOne’s Work Plans for July 1, 2023 through June 30, 2024 listed tasks such as attending trade shows, executing sales missions, and Brand USA coordination and support, but also do not indicate that TimeZoneOne would pay the costs of travel by DCEO employees.

3. Travel Expenses Paid by TimeZoneOne

DCEO records reflect that Mr. Thomas received DCEO and/or Governor’s Office of Management and Budget approval to take various trips as part of his State job, including the following travel:

<u>Dates</u>	<u>Destination/Purpose</u>
Dec. 17-18, 2023	Pasadena, California Live television interview about DCEO’s Rose Bowl Parade float
Jan. 18-26, 2024	India Sales mission
Jan. 28-Feb. 3, 2024	Mexico Sales mission
April 6-9, 2024	Carbondale, Illinois Solar eclipse events
June 8-20, 2024	Germany and England Media roadshow

Some of the travel request forms indicated that TimeZoneOne would be paying for certain travel costs:

⁴² Executive Order 15-09 (eff. Jan. 13, 2015).

⁴³ 2 Ill. Admin. Code § 1620.700(b)(1)(D). The expenses also must be “for travel in a style and manner in character with the conduct of State business.” *Id.* § 1620.700(b)(1)(C).

- “TimeZoneOne, Office of Tourism’s public relations agency will be paying for the lodging from their budget.” (Pasadena)
- “Transportation throughout Germany and London, along with lodging, will be paid by TimeZoneOne via their contract with the Office of Tourism.” (Germany and England)

Mr. Thomas’s Governor’s Office of Management and Budget travel request forms reflect approvals by various DCEO managers, including DCEO’s Travel Coordinator, DCEO’s Chief Financial Officer, and DCEO Chief of Staff [DCEO Employee 1] or another individual on behalf of the DCEO Director. The request forms also reflect approvals by the Travel Coordinator for the Governor’s Office of Management and Budget.

Mr. Thomas’s travel voucher for the Mexico trip indicated that his airfare to Mexico and transportation from Mexico City to Guadalajara were provided by TimeZoneOne at “[n]o cost to State.” Mr. Thomas’s voucher for the Carbondale trip stated that lodging had been provided or paid by TimeZoneOne, via or per their contract or budget. His travel voucher for the Germany/England trip also indicated that his lodging and transportation in Germany and London had been “provided by TimeZoneOne (contract vendor).” The vouchers had approval signatures on behalf of the Division Head or DCEO Director.

As noted above, DCEO did not produce any supporting documentation for payments it made to TimeZoneOne under the public relations contract. The OEIG subpoenaed Schafer Condon Carter for documentation of any payments it and/or TimeZoneOne made for Mr. Thomas’s travel expenses after Mr. Thomas began working for DCEO. The documents reflect that Schafer Condon Carter/TimeZoneOne paid for or reimbursed at least some of Mr. Thomas’s expenses for the trips listed above, including:

- Business class and first class airfare for flights on the January/February 2024 Mexico trip;
- Airfare for the December 17-18, 2023 Pasadena trip, and dinner at a California steakhouse;
- Hotel charges in India in January 2024;⁴⁴
- Lodging in Carbondale in April 2024; and
- Hotels, transportation, and meals in Germany and England in June 2024.⁴⁵

⁴⁴ As noted above, the Schafer Condon Carter records included a “Personal Expense Report” in Mr. Thomas’s name that listed expenses for “India Sales Mission airfare,” and Mr. Thomas’s bank records reflect a payment from TimeZoneOne that appears to include reimbursement for some of those expenses. In an email to [TimeZoneOne Employee 2], Mr. Thomas indicated that he had paid for airline tickets for both of them on his personal credit card, and he asked her to process an expense report and issue a refund. In his OEIG interview, Mr. Thomas explained that it was easier for him to book both tickets because he had a profile with the airline, and said that TimeZoneOne was to reimburse him for the cost of [TimeZoneOne Employee 2]’s ticket.

⁴⁵ The records reflect that other companies initially paid the expenses for this Europe trip; Mr. Thomas confirmed in his OEIG interview that those companies were TimeZoneOne subcontractors, and said that if other vendors paid for his travel expenses, they would coordinate that with TimeZoneOne, and then would seek reimbursement from TimeZoneOne.

The records reflect that Schafer Condon Carter/TimeZoneOne also paid for or reimbursed other travel and dining expenses for Mr. Thomas, for which DCEO did *not* produce corresponding travel requests or vouchers, including:

- A “Disney dinner” at a Chicago steakhouse on November 16, 2023, including food and alcoholic beverages;⁴⁶
- Expenses relating to a stay at [Hotel 2] in Chicago on November 17- 19, 2023;⁴⁷ and
- Round-trip airfare for Mr. Thomas and his [relation 1] between Chicago and Los Angeles on December 27, 2023 and January 3, 2024, hotel expenses in Pasadena, California,⁴⁸ and a New Year’s Eve dinner for multiple people at a California steakhouse.⁴⁹

The records further reflected that Schafer Condon Carter/TimeZoneOne also paid for some travel expenses for DCEO contractual employee [DCEO Employee 3], including:

- Pasadena hotel and dining expenses in California; airfare from Los Angeles to Chicago on January 3, 2024; and
- Airfare for a trip to Germany, Italy, and France in June 2024; and hotel expenses for the trip.

DCEO did not produce any travel request forms or approvals for either of these trips for [DCEO Employee 3].

In a September 13, 2024 supplemental response to the subpoena that included the travel documentation, Schafer Condon Carter/TimeZoneOne stated, through counsel, that “all expenses were incurred at and in accordance with the direction, and with the permission of, Mr. Thomas, [DCEO Employee 3], and/or the Illinois Department of Commerce and Economic Opportunity.”

⁴⁶ Schafer Condon Carter produced two receipts for the November 16, 2023 dinner. One receipt was for \$138.43 for alcoholic beverages for five guests, timestamped 7:03 p.m., and the other was for \$922.19 for food and alcoholic beverages for 7 guests, timestamped 10:05 p.m. As noted above, Schafer Condon Carter also produced a “Personal Expense Report” in Mr. Thomas’s name that listed a total expense amount of \$1,060.62 for “Disney dinner” expenses on November 16, 2024, and Mr. Thomas’s bank records reflect a payment from TimeZoneOne that appears to include reimbursement for that amount.

⁴⁷ The hotel invoice, which was in Mr. Thomas’s name, included \$714.93 in charges for the lodging, parking, dinner at the hotel bar, and minibar charges for candy and non-alcoholic beverages. Schafer Condon Carter also produced an invoice in Mr. Thomas’s [relation 1]’s name, reflecting that TimeZoneOne was billed in the amount of \$714.93 for “Accommodation Reimbursables – 11/17 & 11/18”; the invoice listed a product/service of “Mascot/Big Lincoln Services.” “Big Lincoln” is Illinois’ mascot, whose costume features an oversized head of Abraham Lincoln. See <https://www.sj-r.com/story/news/state/2024/07/29/illinois-launches-new-ai-abraham-lincoln-bot-to-help-tourists/74282946007/> (last visited Nov. 20, 2024).

⁴⁸ As noted above, the Schafer Condon Carter records included a “Personal Expense Report” in Mr. Thomas’s name that listed expenses for Rose Bowl accommodation deposits, and Mr. Thomas’s bank records reflect a payment from TimeZoneOne that appears to include reimbursement for the amount of those expenses.

⁴⁹ The receipt did not indicate how many people were at the dinner, but did indicate that a gratuity had been added based on a party of 8 or more. The bill included charges for food such as steaks and lobster, but did not list any alcoholic beverages.

4. No Travel Exception Request Forms Submitted to Executive Ethics Commission

The OEIG asked the Executive Ethics Commission to produce any Executive Order 15-09 gift ban exception request forms submitted on Mr. Thomas's behalf between July 1, 2023 and September 24, 2024, and on [DCEO Employee 3]'s behalf between July 1, 2022 and September 24, 2024. Although request forms were submitted for payments made by other prohibited sources for Mr. Thomas's travel,⁵⁰ no request forms were submitted to the Executive Ethics Commission relating to TimeZoneOne's payments for Mr. Thomas's and [DCEO Employee 3]'s travel expenses described above.

5. Interview of DCEO Contractual Employee [DCEO Employee 3]

In her OEIG interview, [DCEO Employee 3] confirmed that she travels for her DCEO work, and said she submits her travel requests and travel vouchers to Mr. Thomas for approval.

[DCEO Employee 3] confirmed that she traveled to California in late December 2023, and explained that Mr. Thomas asked her to do so to assist with DCEO's Rose Bowl parade float. She said TimeZoneOne booked the travel for her and Mr. Thomas for that trip, and her return flight from Los Angeles was charged to [TimeZoneOne Employee 2]'s credit card. [DCEO Employee 3] said that when she went out to dinner with a group on the trip TimeZoneOne paid for it, including a New Year's Eve dinner at a restaurant with Mr. Thomas and others. [DCEO Employee 3] said she did not recall submitting a travel request form because the trip was last minute.

[DCEO Employee 3] said TimeZoneOne also paid her travel expenses for a trip she took to Europe in June 2024, which was a sales mission in which her role was to meet with travel agents and try to convince them to promote Illinois to tourists traveling to the United States. She said she flew business class for the trip to Europe, but that she paid for the business class upgrade herself. [DCEO Employee 3] said she did not submit a Governor's Office of Management and Budget travel request for the Europe trip because TimeZoneOne paid for it. She said she assumed TimeZoneOne invoiced DCEO for her travel expenses, but did not know if that had happened.

[DCEO Employee 3] said in her interview that she could not recall any vendors other than TimeZoneOne paying for DCEO staff travel the way TimeZoneOne has; however, in a follow up email after her interview, she said that OKRP had also covered travel costs before, including as early as 2021.⁵¹ She said they did not complete gift ban exception request forms for that travel.⁵²

⁵⁰ The other requests were for payment of Mr. Thomas's lodging by tourism bureaus for two trips within Illinois in May and June 2024, in which he was speaking at the bureaus' events; both requests for exception were approved.

⁵¹ [DCEO Employee 2] said that approximately a month and a half before her November 6, 2024 OEIG interview, the contractor who manages the Illinois tourism visitor information centers told her that he was tired of paying for hotels for Mr. Thomas and [TimeZoneOne Employee 2]. [DCEO Employee 2] said she did not ask the contractor what he meant.

⁵² During her interview, [DCEO Employee 3] recalled that Mr. Thomas told her that he had received approval from DCEO's Ethics Officer to accept meals and hotel expenses from vendors, when those expenses were related to their work duties. However, immediately following her interview, [DCEO Employee 3] forwarded to the OEIG a March 27, 2024 email from the DCEO Ethics Officer to Mr. Thomas with one of the Executive Ethics Commission gift ban exception approvals for payment of Mr. Thomas's lodging by a tourism bureau discussed above; [DCEO Employee 3] clarified that

6. Interview of DCEO Chief of Staff [DCEO Employee 1]

In her OEIG interview, [DCEO Employee 1] said she is responsible for reviewing and approving Mr. Thomas' travel requests, and that although other DCEO staff sometimes sign to approve his travel paperwork she is generally kept apprised of all his DCEO travel. [DCEO Employee 1] said Mr. Thomas travels a lot in his role as Deputy Director of the DCEO Tourism Office, and that he has the highest travel costs of any employee at DCEO.

[DCEO Employee 1] estimated that TimeZoneOne paid for 25% to 50% of Mr. Thomas's DCEO travel expenses. She said the expenses TimeZoneOne paid were generally associated with Mr. Thomas's international travel and with his trips relating to Brand USA. [DCEO Employee 1] said she did not recall if [DCEO Employee 3] traveled to Europe in June 2024 on State business, and that she did not recall seeing any travel documentation for such a trip. She said it was possible that [DCEO Employee 3] traveled to California for the Rose Bowl, but that she did not recall if [DCEO Employee 3] submitted a travel request or expense documentation for the trip, and that she did not know if TimeZoneOne paid for her travel expenses. [DCEO Employee 1] said the only time she recalled TimeZoneOne paying for the travel of a DCEO employee other than Mr. Thomas was one instance when TimeZoneOne paid some of the travel expenses when a DCEO Tourism Office employee who oversees Tourism Office grant programs and sports tourism initiatives attended a sports tourism event in Wisconsin or Michigan.

[DCEO Employee 1] said she did not recall how the issue of TimeZoneOne paying for the travel came up, or whether it had been done before she or Mr. Thomas started working at DCEO in 2023. When asked why TimeZoneOne paid the travel expenses of DCEO employees, instead of the State paying for it, [DCEO Employee 1] said her understanding was that it was because TimeZoneOne was involved in coordinating and planning the logistics of the employees' travel for DCEO's participation in events. [DCEO Employee 1] said that her understanding is that such travel is funded as a component of TimeZoneOne's work plan, and is funded by the State. [DCEO Employee 1] said she may have briefly mentioned to DCEO's Director in the spring of 2024 that she had observed that TimeZoneOne was paying travel expenses, but she said she did not recall the Director's response to that information.

[DCEO Employee 1] said it is her understanding that TimeZoneOne submits invoices to DCEO for the reimbursement of costs. She said she has not seen a TimeZoneOne invoice, but that she assumed the travel costs would be included on the invoices. [DCEO Employee 1] also said she would not personally see supporting documentation for travel expenses, such as airline receipts showing the cost and how it was paid, but that she would expect that whoever manages the process within the DCEO Tourism Office would receive that kind of supporting documentation. She said she did not know who in the Tourism Office would receive that documentation, or whether it would be Mr. Thomas or someone else.

[DCEO Employee 1] confirmed that DCEO employee travel is required to comply with State travel rules, and that she would expect the travel rules to be followed even if TimeZoneOne

the discussion with the Ethics Officer she referenced in her interview related to this approval, which was for a payment by a grantee.

was paying for the travel costs of DCEO employees, because the State ultimately was covering those costs under the work plan. [DCEO Employee 1] said that upgrading to a business class flight would not be reimbursable, meal expenses are not reimbursable above the per diem rate, and that alcoholic beverages also are not reimbursable expenses. [DCEO Employee 1] said DCEO would see if travel costs paid by TimeZoneOne were allowable expenses through the invoices TimeZoneOne submits; however, she also said she did not know if TimeZoneOne's invoices included specific details for the travel.

As discussed above, TimeZoneOne's invoices did *not* itemize any expenditures, and TimeZoneOne and DCEO did not otherwise produce documentation showing that the travel expenses were billed to the State.

J. Mr. Thomas And His [Relation 1]'s Discounted Stay At [Hotel 1]

1. [Hotel 1]

[Hotel 1] describes itself as a five-star luxury hotel, and is located in Chicago's shopping district known as the "Magnificent Mile."⁵³ Published lodging rates at [Hotel 1] run from \$475 to \$2,050 per night.⁵⁴

2. August 2023 Promotional Interview at [Hotel 1]

Documents reflect that beginning in at least August 2023, [Hotel 1] was featured in various DCEO Tourism Office promotional interviews and other marketing. For example, following email discussions with [Hotel 1 Employee 1], Mr. Thomas indicated in an August 18, 2023 email that he had secured [Hotel 1]'s rooftop bar as the location for live television interviews with a travel influencer, as part of a media tour to promote Chicago and Illinois as travel destinations. The OEIG obtained videos of the influencer's interviews that ran on multiple television stations; for example, one showed the influencer saying, "I'm actually at the [Bar 1] terrace here at the beautiful [Hotel 1]"

3. November 2023 Discussions about "Luxe" Campaign

In a November 6 and 8, 2023 email exchange, Mr. Thomas and [Hotel 1 Employee 1] discussed setting up a meeting to discuss luxury travel. Mr. Thomas included an OKRP employee on one of the emails so that she could schedule the discussion, and the emails reflect that the OKRP employee scheduled a Tourism Office "Luxury Discussion" video conference for November 8, 2023.

In his OEIG interviews, [OKRP Employee 1] recalled that Mr. Thomas had come up with an idea for a new winter marketing campaign called "Luxe," which would feature luxury hotels, spas, dining, and theater. He said Mr. Thomas instructed OKRP staff to meet with [Hotel 1 Employee 1] to discuss the campaign, and that Mr. Thomas organized a call between the

⁵³ [https://www.\[hotel 1\].com/en/chicago/5-star-luxury-hotel-downtown-chicago](https://www.[hotel 1].com/en/chicago/5-star-luxury-hotel-downtown-chicago) (last visited Nov. 20, 2024).

⁵⁴ [https://www.\[hotel 1\].com/en/chicago/luxury-hotel-room-suite-types](https://www.[hotel 1].com/en/chicago/luxury-hotel-room-suite-types) (last visited Nov. 20, 2024).

Tourism Office, OKRP, and [Hotel 1 Employee 1]. [OKRP Employee 1] said [Hotel 1 Employee 1] was involved with meetings and communications, and reviewed the campaign materials to give her feedback.

In an August 13, 2024 OEIG interview, [OKRP Employee 2] said Mr. Thomas introduced OKRP staff to [Hotel 1 Employee 1] via email, and wanted [OKRP Employee 2] and other OKRP staff to meet with her so that she could tell them what kind of strategy to use in a luxury campaign. [OKRP Employee 2] said that in a video conference meeting he attended, Mr. Thomas asked [Hotel 1 Employee 1] questions such as what she wanted to see in the campaign, and said it seemed as though Mr. Thomas wanted to build the campaign around things [Hotel 1] offered. [OKRP Employee 2] said [Hotel 1] was featured in the campaign, which included videos that ran on television and in social media posts.

Records reflect that on November 15, 2023, a TimeZoneOne employee emailed [Hotel 1 Employee 1] that the DCEO Tourism Office was coordinating a television interview with Mr. Thomas to promote outdoor winter adventures around Illinois, and asked permission to film the interview at [Hotel 1] on November 22, 2023 with its skating rink in the background.⁵⁵ The OEIG obtained a video of the interview, which showed Mr. Thomas in front of a skating rink. A December 30, 2023 email from a TimeZoneOne employee to [Hotel 1 Employee 1] included a link to a clip of the interview and said: “Unfortunately, they spliced up Daniel’s interview quite a bit and did not include Daniel’s soundbite about a staycation at [Hotel 1] . . . we wish they would have included all that was discussed.”

The OEIG also identified three videos posted on the DCEO Tourism Office’s website in January 2024 that featured [Hotel 1]: the videos all showed scenes from the hotel, and included content such as, “IMMERSE YOURSELF IN THE MIDDLE OF LUXURY,” “EXQUISITE FINDS & TIME TO UNWIND,” and “Winter time in the Middle,” with captions showing the hotel’s name.⁵⁶ In addition, a January 16, 2024 post on a Tourism Office social media page said, “Discover the best places to take a cozy, cold-weather getaway,” and tagged [Hotel 1] along with other Illinois destinations. An article published February 13, 2024 about a Tourism Office city guide that included [Hotel 1] featured a photo of the hotel and quoted Mr. Thomas as saying, “A visitor can . . . base themselves in The Magnificent Mile district which houses the luxury epicenter of it all – from the world’s top-rated and favorite hotels like [Hotel 1] Chicago”⁵⁷

4. November 2023 Discounted Lodging for Mr. Thomas and His [Relation 1] at [Hotel 1]

A November 24, 2023 social media post by Mr. Thomas⁵⁸ showed photos of two dogs sitting on cushions, with the caption: “We [heart emoji] staying at [Hotel 1] . . . #hotel #[hotel 1] #[hotel 1] . . . Thank you [Hotel 1 Employee 1].”

⁵⁵ In the winter, a [Hotel 1] terrace is converted into an ice skating rink called the [Amenity 1]. [https://www.timeout.com/chicago/things-to-do/\[hotel 1\]-\[Amenity 1\]](https://www.timeout.com/chicago/things-to-do/[hotel 1]-[Amenity 1]) (last visited Nov. 20, 2024).

⁵⁶ The videos also included scenes from other luxury hotels, as well as other Chicago locations.

⁵⁷ The quotation also listed other Chicago luxury hotels.

⁵⁸ Mr. Thomas confirmed in his OEIG interview that he made the post.

Records subpoenaed from [Hotel 1] reflected that Mr. Thomas stayed at the hotel over the 2023 Thanksgiving holiday, from November 22 through 24, 2023. Emails between [Hotel 1 Employee 1], [Hotel 1 Employee 2], and other [Hotel 1] employees on November 21 and 22, 2023, included the following exchanges:

From [Hotel 1 Employee 1] to [Hotel 1 Employee 2]:

I just heard from Daniel Thomas (he is now the Deputy Tourism Director for the State of Illinois)—he will be here tomorrow conducting an interview with FOX TV Chicago in front of [Amenity 1] about great outdoor activities between 11 am and 1 pm). He asked if we can extend a special rate for him for the next two nights (Wed and Thurs). We have availability. What would you like to do?

From [Hotel 1 Employee 2] to [Hotel 1 Employee 1]:

325

From [Hotel 1 Employee 1] to Reservation [Hotel 1]:

Please make a reservation for Mr. Daniel Thomas and his [relation 1], arrival today (time TBD), departure on Friday (time TBD), they will have two dogs weighing 25 lbs each. [Hotel 1 Employee 2] agreed to a \$325 rate. Can we upgrade to an CS1 or an ES1 (if we have it)? What is the pet fee? Please note that Daniel Thomas is the Deputy Director of Tourism for the State of Illinois. He is an important person to the hotel to help promote tourism (He is doing the interview from [Hotel 1] today for FOX 32 News today). I will send an amenity.

From Reservation [Hotel 1] to [Hotel 1 Employee 1]:

The reservation is in. There is an existing profile under the same name but connected to TIME ZONE ONE (a tourism strategist/agency) if it's the same person. I booked it as CS1 but depends on [Hotel 1 Employee 3] if she wants to upgrade to ES1. Pet fee is charged per pet once during their visit: \$150.00 for pets weighing 30 lbs or below and \$350.00 for over 30 lbs.

From [Hotel 1 Employee 1] to Reservation [Hotel 1]:

Yes, he used to be the head of Time Zone One, now he works for the Governor[.]

From Reservation [Hotel 1] to [Hotel 1 Employee 1]:

I went ahead in upgrading him to ES1 & blocked in room 803 as that's the only pet floor available.

An invoice in Mr. Thomas's name reflected a stay from November 22 through November 24, 2023, at the rate of \$325 per night (identified as a "CHMGT" rate), and that payment was made by credit card. The invoice does not indicate that any pet fee was charged. An email from a

[Hotel 1] Assistant Manager explained that during the time Mr. Thomas stayed at the hotel, the rate for the type of room Mr. Thomas occupied was generally \$575.⁵⁹

5. Interview of [Hotel 1 Employee 2]

On June 28, 2024, OEIG investigators interviewed [Hotel 1 Employee 2]. [Hotel 1 Employee 2] said [Hotel 1] offers discounts to individuals who are friends, family members, or associates of a hotel employee, or someone who is in the industry. [Hotel 1 Employee 2] said [Hotel 1] does not offer a government rate.

[Hotel 1 Employee 2] confirmed that she approved a discount for Mr. Thomas, which she said [Hotel 1 Employee 1] requested. She said she did not recall what [Hotel 1 Employee 1] told her, other than that she asked for a rate for Mr. Thomas. [Hotel 1 Employee 2] said the “CHMGT” rate is the individual discount for friends, family, or associates, and she confirmed that Mr. Thomas received a rate of \$325 per night. [Hotel 1 Employee 2] said she had known Mr. Thomas in a professional capacity for about ten years, and maintained that she approved the discount for him because she used to know him in the industry, and not in return for anything he did for [Hotel 1] in his government capacity. [Hotel 1 Employee 2] confirmed that in order for an individual to receive a discount, they would have to have a connection to someone who works at the hotel, and that it is not something that anyone could get.

K. Interview Of Daniel Thomas

OEIG investigators interviewed Mr. Thomas on October 15, 2024. He described himself as the face of Illinois tourism, and said his duties as the Deputy Director of DCEO’s Tourism Office include overseeing DCEO’s tourism strategy for Illinois, attending public engagements, working with media, handling budgetary responsibilities, and supervising Tourism Office staff. Mr. Thomas said this role involves overseeing vendors that perform work for the Tourism Office.

1. Hire at DCEO after Managing TimeZoneOne

Mr. Thomas confirmed that he previously owned TimeZoneOne, and said that he served as its Chief Executive Officer until the Friday before he started working at DCEO. He further confirmed that he signed the contract with DCEO on TimeZoneOne’s behalf, and that he also signed certifications and disclosures for TimeZoneOne’s subcontract with OKRP under OKRP’s contract with DCEO. Mr. Thomas said that when he was at TimeZoneOne, DCEO was one of TimeZoneOne’s largest clients.

Mr. Thomas said that after the new DCEO Director was appointed,⁶⁰ he reached out to her to introduce himself as being with TimeZoneOne, and met with her in approximately April or May 2023. He said they discussed the Tourism Office Deputy Director position, which had been vacant

⁵⁹ In her OEIG interview, [Hotel 1 Employee 2] estimated that the going rate for a room before Thanksgiving would have been between \$395 and \$425, and would have been a lot more after Thanksgiving, but said she would need to pull records to confirm what the going rate was for the time of Mr. Thomas’s stay.

⁶⁰ The DCEO Director’s appointment was announced in January 2023. See <https://dceo.illinois.gov/news/press-release.25910.html> (last visited Nov. 20, 2024).

for approximately nine months, and then he later interviewed for the position with Chief of Staff [DCEO Employee 1] and a DCEO Human Resources representative.⁶¹ Mr. Thomas said that during the hiring process he talked about his TimeZoneOne employment and told someone that he had an earnout agreement, but that he did not go into detail or say that he was still receiving payments from TimeZoneOne; Mr. Thomas said he did not recall who he talked to. He said he did not recall any concerns that came up that made him think he needed to provide additional information.

Mr. Thomas said that after he took the Deputy Director role, he spoke with [DCEO Employee 1] and DCEO's Office of Accountability and Legal teams, and then he recused himself from procurements for one year, and is still recused from reviewing statewide grants that the Tourism Office gives out. However, he confirmed that in his role at DCEO, he has been involved with overseeing TimeZoneOne and making decisions about what projects to give them, and that he was not recused from reviewing and approving TimeZoneOne invoices. He added that because TimeZoneOne does 50 to 60% of the work that involves him, it would be difficult to perform his Deputy Director role if he was not involved in that work. Mr. Thomas said he also disclosed his earnings from TimeZoneOne on his March 23, 2024 Statement of Economic Interests form.⁶²

2. Payments from TimeZoneOne after Hire at DCEO

Mr. Thomas confirmed that he had the September 2023 email exchange with [Schafer Condon Carter Employee 1] detailed above about his third earnout payment. Mr. Thomas explained that there were discrepancies between what Schafer Condon Carter was reporting and what he believed he was owed, and that he took the position that the payment should be based on gross revenue. Mr. Thomas confirmed that they ultimately settled on the amount of \$117,456.43, because [Schafer Condon Carter Employee 1] agreed to Mr. Thomas's way of thinking. Mr. Thomas said he received a wire payment of the \$82,219.51 first installment of the third earnout payment, and that he received the remaining six installments of \$5,872.82 each between November 1, 2023 and April 1, 2024. Mr. Thomas said he did not recall receiving any other payments from TimeZoneOne after April 1, 2024.

Mr. Thomas said the July 7, 2023 TimeZoneOne payment of \$730.09 listed in his bank records probably was a payment for his last expense report from when he worked at TimeZoneOne, and that the July 31, 2023 payment of \$10,316.50 described as "Time Zone One IN Payroll" in his bank records was probably his TimeZoneOne pay for work done in June 2023. He said he had no idea what the January 19, 2024 TimeZoneOne payment of \$7,618.28 listed in his bank records was for, but that it could have been a reimbursement for payments he made for lodging for the Rose Bowl parade and the November 16, 2023 "Disney dinner."

When asked whether the third earnout amount included revenue that TimeZoneOne had received from DCEO, Mr. Thomas said it was inclusive and had been over the three years. Mr.

⁶¹ Mr. Thomas said he did not speak with anyone from the Governor's Office during the hiring process.

⁶² The Illinois Governmental Ethics Act requires certain State employees to file annual Statements of Economic Interests regarding assets and income related to non-State business. 5 ILCS 420/4A-101(f). OEIG obtained Mr. Thomas's March 2024 form, which stated in response to a question regarding assets worth more than \$10,000: "Disclosed at time of employment (and out of an abundance of caution), my previously owned business, TimeZoneOne, Inc was sold by me on July 1, 2020. I received approx. \$75k in CY23 for sale as a pre negotiated payment plan through Apr 24."

Thomas maintained that it did not include DCEO revenue from July 2023, and claimed that the earnout period had been amended to be a month shorter because he was going to work for the State. However, he then clarified that he had talked about that with [Schafer Condon Carter Employee 1] but that there was nothing in writing and the contract was not amended. Mr. Thomas denied taking any action to steer DCEO business to TimeZoneOne in July 2023 to increase his earnout payment.

Although the emails exchanged on Saturday, September 16, 2023 (after they reached an agreement about the third earnout amount) state that [Schafer Condon Carter Employee 1] and Mr. Thomas agreed to meet the following Tuesday evening in “the burbs” for drinks, Mr. Thomas said they did not end up meeting. Mr. Thomas denied having discussions with [Schafer Condon Carter Employee 1] around this time about future projects that TimeZoneOne might be able to do with the DCEO Tourism Office. When asked what he meant when he wrote in his September 13, 2023 email to [Schafer Condon Carter Employee 1], “I continue to be a true champion of TZO and its capabilities and this will always continue,” Mr. Thomas said it was just a positive way of finishing off an email.

3. Involvement in Awards of Work to TimeZoneOne

Mr. Thomas confirmed that in his role as DCEO Tourism Office Deputy Director, he oversaw DCEO’s contracts with TimeZoneOne and OKRP. He said he was involved with the TimeZoneOne contract to the same extent as any other contract, including interacting with TimeZoneOne staff, and approving TimeZoneOne invoices that came through to him.

Mr. Thomas confirmed that TimeZoneOne produced 15 Illinois Made videos for DCEO in FY 2023, and said he recalled the email exchanges in October 2023 about the possibility of doubling the number of videos TimeZoneOne would produce in FY 2024. Mr. Thomas said he agreed with [DCEO Employee 2] that there needed to be a triple bid, and he claimed that he made the comment in his email that “rules are rules” because [DCEO Employee 2] and [DCEO Employee 3] had a lot of affection for TimeZoneOne, and he wanted to remind them that they needed to follow the rules even if it meant that TimeZoneOne might not win. Mr. Thomas said that [OKRP Employee 1] had called to ask if TimeZoneOne could be included in the bid process, as well as whether OKRP’s production company could bid on the project. When asked whether he instructed [OKRP Employee 1] and [OKRP Employee 3] to include TimeZoneOne in the bidding process, Mr. Thomas said that [DCEO Employee 2] would have done that.

Mr. Thomas confirmed that TimeZoneOne was one of the bidders on the project, and said he reviewed the proposals. He said that [DCEO Employee 2] and [DCEO Employee 3] both said that they saw no reason to move to a different company and that they wanted to proceed with TimeZoneOne. Mr. Thomas said he supported that, and that was the decision he communicated to OKRP. He denied that TimeZoneOne was selected because of his connection to the company.

Mr. Thomas said that the DCEO Tourism Office had a longstanding involvement with Brand USA, and that TimeZoneOne previously did work on Brand USA as a subcontractor for a different DCEO vendor than OKRP beginning in 2017. However, he said that during the pandemic the international offices were closed down and TimeZoneOne did not do work on Brand USA for at least two years. Mr. Thomas said OKRP struggled to deliver international work because it had a domestic focus, and the FY 2024 Scope of Work with TimeZoneOne for Brand USA was done

to deliver those international and trade services on OKRP's behalf. He added that TimeZoneOne had international and trade marketing experience that OKRP did not have. Mr. Thomas said that [OKRP Employee 3] was trying to hire people from TimeZoneOne to deliver the international work, and that it was not solely his (Mr. Thomas's) decision to have TimeZoneOne focus on the Brand USA work.

Mr. Thomas said he had no idea whether [TimeZoneOne Employee 2] was the "individual" referenced in the Scope of Work for the Brand USA project.⁶³ He confirmed that he and [TimeZoneOne Employee 2] travel together often for Brand USA events, and explained that he predominantly focuses on public relations when he travels for the State and [TimeZoneOne Employee 2] focuses on travel trade. Mr. Thomas said that he has worked alongside [TimeZoneOne Employee 2] for approximately 18 years and confirmed that in addition to their professional relationship she is a friend.

4. TimeZoneOne's Payment of Travel Expenses

Mr. Thomas confirmed that since he began working at DCEO, TimeZoneOne has paid for some of his travel expenses. He said he did not know how many other Tourism Office staff also have had their travel paid for by TimeZoneOne; he added that he and [DCEO Employee 3] are mostly the ones who travel, and that [DCEO Employee 2] also occasionally travels for campaign shoots.⁶⁴ Mr. Thomas said that the Tourism Office's [DCEO Employee 5] completes all his travel paperwork for him, based on information he and/or the vendor provides her. Mr. Thomas said that while he was at TimeZoneOne, there were many times that they paid for the Tourism Office Director to travel, and that it has been a common practice for travel for Tourism Office staff to be paid out of TimeZoneOne's contract budget. Mr. Thomas said that TimeZoneOne's contract has a travel budget that could be used either for its own employees or for State employees.

Mr. Thomas confirmed that TimeZoneOne paid for his airfare for the trip to Mexico January 28-February 2, 2024, and that he flew business class from Mexico City to Guadalajara. He said he could not recall whether he also flew business class from Chicago to Mexico City and from Guadalajara to Houston, or whether he flew first class from Houston to Chicago on that trip. Mr. Thomas claimed that for the flight from Mexico City to Guadalajara, it was cheaper to buy a business class ticket than an economy ticket because he was traveling with three bags. He said he thought that it might have been cheaper to fly business class than economy for the other flights as well. When asked how that was possible, Mr. Thomas said that it sometimes works that way through supply and demand.

Mr. Thomas said he paid for the November 16, 2023 "Disney dinner" at the Chicago restaurant on November 16, 2023, and then sought reimbursement for it from TimeZoneOne. He said he attended the dinner on the Tourism Office's behalf with sponsors of the Magnificent Mile Lights Festival parade. When asked why there were two receipts for the dinner – one listing mostly food, and the other alcoholic beverages – Mr. Thomas explained that was "standard practice"

⁶³ As noted above, the Scope of Work stated that "[a]ll hours will be tracked by individual."

⁶⁴ When asked whether TimeZoneOne paid for [DCEO Employee 2]'s travel, Mr. Thomas replied that he could not say whether it was TimeZoneOne or OKRP. In her OEIG interview, [DCEO Employee 2] said that there have been times when she has gone on a production shoot for advertising and a vendor booked everything for her.

because he knew alcohol could not be billed to the State. Mr. Thomas said that TimeZoneOne generally will pay the cost of the alcohol as a “cost of doing business.”

Mr. Thomas also confirmed that TimeZoneOne/[TimeZoneOne Employee 2] paid for or reimbursed him for various other dining and travel expenses after he started working at DCEO, including:

- Mr. Thomas’s hotel expenses for the December 17-18, 2023 trip to Pasadena, California;
- His and his [relation 1]’s airfare for travel between Chicago and Los Angeles on December 27, 2023 and January 3, 2024; his hotel in California on the trip; and a meal at the California steakhouse;
- Lodging for his April 2024 trip to Carbondale; and
- His travel and hotel expenses within Germany and England in June 2024 (Mr. Thomas clarified that TimeZoneOne subcontractors paid some of these expenses, and would have sought reimbursement from TimeZoneOne).

Mr. Thomas also said that he earned personal awards points or frequent flyer miles for at least some of this travel.

Regarding the trip to California from December 27, 2023 to January 3, 2024, Mr. Thomas said he traveled to California for the Rose Bowl parade, along with his [relation 1], [TimeZoneOne Employee 2], [DCEO Employee 3], and members of the public relations and social teams. He explained that DCEO had a float in the parade as part of the Tourism Office’s marketing and advertising efforts, and that he was working on the trip. He said his [relation 1] went on the trip in his official capacity as the State mascot “Big Lincoln,” and explained that TimeZoneOne has hired his [relation 1] occasionally as an independent contractor, to perform as Big Lincoln.⁶⁵ Mr. Thomas said that because there was a limit on the number of rooms that could be booked at once, he booked three rooms with his personal credit card and [TimeZoneOne Employee 2] booked rooms as well. He said that his personal card was supposed to be swapped out at check in, but that the hotel had already charged it so he submitted screenshots of the transactions to TimeZoneOne and received reimbursement.

Mr. Thomas also confirmed that he stayed at [Hotel 2] in Chicago from November 17-19, 2023, and said he stayed there with his [relation 1], who was working as “Big Lincoln” at the Magnificent Mile Lights Festival parade on November 18, 2023. Mr. Thomas said that he (Mr. Thomas) was on standby at the parade for any media interviews, and that he had been invited to walk in the parade. Mr. Thomas said his DCEO headquarters is Chicago.

Mr. Thomas claimed he has discussed with [DCEO Employee 1] that TimeZoneOne paid for his travel, because she sees his travel requests, and that he also has had conversations with [DCEO Employee 5] about it. He said he has never sought any guidance from the DCEO Ethics Officer about whether it was permissible for TimeZoneOne to pay for his travel. Mr. Thomas said no one at DCEO ever brought up to him that there could be a potential conflict of interest with TimeZoneOne paying for his travel expenses. Mr. Thomas said he understood that when a State

⁶⁵ Documents subpoenaed from Schafer Condon Carter included invoices to TimeZoneOne and/or a TimeZoneOne subcontractor in the name of Mr. Thomas’s [relation 1], for jobs on various dates after July 1, 2023, including an invoice for \$3,000 for services relating to the 2024 Rose Bowl parade.

grantee wanted to pay for something for a State employee, there was a process for disclosing it, and recalled that he had filled out Executive Ethics Commission travel exception request forms on two occasions. However, he said he had not gone through that process for the travel paid by TimeZoneOne, and that he was “floored” that he would need to seek approval through that process for standard travel in order for him to do his job.

5. [Hotel 1] Stay

Mr. Thomas recalled introducing [Hotel 1 Employee 1] to the TimeZoneOne team relating to the influencer interview at [Hotel 1] in August 2023, and he confirmed that [Hotel 1] was featured in the Tourism Office’s luxury tourism marketing campaign in the winter of 2023/2024, along with other hotels. He said [Hotel 1] had been a longstanding partner of the Tourism Office, dating back to before he began working at DCEO, and noted that the hotel also had been featured in a Tourism Office magazine. Mr. Thomas said that for the luxury campaign, [Hotel 1] provided still photography and video at no charge, and he filmed an interview there on November 22, 2023. Mr. Thomas said he had served on boards with [Hotel 1 Employee 1], and considered her a friend. Mr. Thomas said that following the luxury campaign, [Hotel 1 Employee 1] reported to him that the hotel had seen an increase in business that correlated with the campaign.

Mr. Thomas confirmed that he, his [relation 1], and their two dogs stayed at [Hotel 1] from November 22 to 24, 2023. He said he assumed that [Hotel 1 Employee 1] made the reservation for him, and noted that she had always made his reservations there before. Mr. Thomas said there was a welcome card in the room from either [Hotel 1 Employee 1] or [Hotel 1 Employee 4], along with a bottle of wine, a cheese platter, and dog treats. He confirmed that he paid the amount shown on the receipt discussed above, and said that he did not recall being charged a fee for the dogs. Mr. Thomas denied asking for a discount for the stay, said [Hotel 1 Employee 1] did not tell him she was going to give him a special rate, and claimed that he did not know if he received a discounted rate.

6. Billing Documentation and Reconciliation

Mr. Thomas said that prior to his employment at DCEO, TimeZoneOne used to submit receipts in support of its expenses, but that DCEO switched to a different system and during the pandemic the then-DCEO travel director directed TimeZoneOne to just bill one-twelfth of the full contracted amount each month without submitting supporting documentation. Accordingly, Mr. Thomas said that TimeZoneOne invoices the State and is paid in fixed amounts over the period of the contract, and does not itemize its expenses on the invoices. He said DCEO would only see itemized expenses at the end of each fiscal year, when TimeZoneOne goes through an annual reconciliation process and reports its labor hours against what was billed, and what the expenses were compared to the budget. Mr. Thomas said that the reconciliation process is DCEO’s opportunity to challenge anything that should not have been charged to the State, and provides “full transparency.” Mr. Thomas added that DCEO has “trust and confidence” that the vendors are “managing it.”

Mr. Thomas said the reconciliation process is a standard process across all contracts. However, he said there have been times since he has been at DCEO that reconciliation reports have

not been completed in a timely manner, and so DCEO has had to request them. For example, Mr. Thomas said he submitted formal requests to OKRP for their reconciliation reports, per the OKRP/DCEO contract. He also recalled an instance when the Tourism Office disputed the amount of monthly billing OKRP was doing, and said he sent OKRP a letter explaining that the Tourism Office did not believe OKRP was actually performing the services they said they were and that the Tourism Office was paying for. Mr. Thomas said he tried to make sure that OKRP was following the process, and that he was involved in the decision to move away from working with OKRP, but that the final decision on that was above his pay grade and not his to make.

Mr. Thomas said he did not recall if TimeZoneOne provided a reconciliation report to DCEO for FY 2023 (a year when he was still at TimeZoneOne), but maintained that he provided reconciliation reports as requested when he was working for TimeZoneOne, and tracked labor and expenses as a matter of good practice. Mr. Thomas said that the Tourism Office approves a very detailed work plan and budget, and trusts that the vendor is working within the parameters of the budget. Mr. Thomas said that TimeZoneOne has not provided any reconciliation information to the Tourism Office since he began working for DCEO.

L. OEIG Request For TimeZoneOne Reconciliation Reports

As noted above, in his OEIG interview Mr. Thomas said that while TimeZoneOne does not identify its expenses on its invoices, the reconciliation process provides DCEO an opportunity to challenge anything that should not have been charged to the State, and provides “full transparency.” TimeZoneOne’s contract with DCEO requires TimeZoneOne to submit a reconciliation report to the Tourism Office within 30 days of the end of the term of each work plan.

After it produced some documentation relating to Mr. Thomas’s travel expenses in response to the OEIG’s July 10, 2024 subpoena, in a September 13, 2024 letter counsel for Schafer Condon Carter/TimeZoneOne stated that “we intend to produce additional documents, which will consist of the reconciliation statements,” and that “[w]e will produce these documents as soon as we are able.” Although Schafer Condon Carter subsequently produced heavily redacted TimeZoneOne “Corporate Credit Card Reconciliation” documents listing some travel expenses, to date Schafer Condon Carter/TimeZoneOne has produced no reconciliation reports to the OEIG.

DCEO also advised the OEIG that DCEO does not have any TimeZoneOne reconciliation reports for FY 2021 to present.

III. ANALYSIS

As a DCEO employee, Mr. Thomas is required to give DCEO his primary professional loyalty, and avoid any situation that might in appearance or in fact cause him to place his own interest over his obligation to DCEO, such as assisting a business in which Mr. Thomas has a financial or personal interest.⁶⁶ In addition, Mr. Thomas is prohibited from accepting gifts from any prohibited source, including the payment of travel expenses from vendors without prior written

⁶⁶ See DCEO Employee Policy Manual 1.5; *see also* State of Illinois Code of Personal Conduct.

approval by the Executive Director of the Executive Ethics Commission.⁶⁷ Contrary to these requirements, Mr. Thomas's actions relating to TimeZoneOne and [Hotel 1] created a conflict of interest and violated the Ethics Act's gift ban provisions. In addition, DCEO committed mismanagement by continuing to do business with TimeZoneOne without ensuring that TimeZoneOne was providing supporting information for its expenditures, allowing Mr. Thomas to oversee TimeZoneOne's work despite his conflict of interest, and allowing TimeZoneOne to pay for DCEO employees' travel expenses without ensuring that: 1) payment of such travel was allowable under the contract; 2) the travel comported with State travel rules; and 3) was properly approved.

Mr. Thomas was a longtime owner and Chief Executive Officer of TimeZoneOne who continued to have a close and ongoing financial relationship with TimeZoneOne after he went to work for DCEO, raising serious questions regarding his ability to be independent and objective in his dealings with TimeZoneOne in his DCEO position. After he began working at DCEO, Mr. Thomas continued to receive \$117,456 in earnout payments from his sale of TimeZoneOne, and he said he had no idea what a January 2024 TimeZoneOne payment of \$7,618 was for, although he said it may have been reimbursements he received directly from TimeZoneOne for travel expenses. In total, Mr. Thomas received over **\$136,000** in payments from TimeZoneOne after he began working at DCEO.

Just over two months after he began working for DCEO, and while he was actively involved in overseeing TimeZoneOne's work in his new DCEO role, Mr. Thomas also was actively negotiating with [Schafer Condon Carter Employee 1] about the amount of his earnout payment. Mr. Thomas argued to [Schafer Condon Carter Employee 1] that he had "historically been paid on the full billing of \$250k per month" on the Tourism Office. Ultimately, Mr. Thomas received the amount he demanded from TimeZoneOne. The communications during these negotiations suggested that Mr. Thomas would not be objective where TimeZoneOne was concerned: [Schafer Condon Carter Employee 1] explained that he was agreeing to Mr. Thomas's proposed amount because he "greatly value[d] [their] relationship," and Mr. Thomas said that he continued to be a "true champion of TZO."

Despite his ongoing financial relationship with TimeZoneOne, Mr. Thomas took no steps to recuse himself from DCEO's work with TimeZoneOne.⁶⁸ To the contrary, he approved TimeZoneOne's FY 2024 Work Plans less than two weeks after he began working for DCEO, and immediately took steps to increase TimeZoneOne's business with DCEO. For example, shortly after he started working at DCEO, Mr. Thomas increased TimeZoneOne's involvement in DCEO's Brand USA project, at the rate of \$12,000 per month. In addition, beginning approximately three weeks after [Schafer Condon Carter Employee 1] agreed to pay the earnout amount Mr. Thomas had demanded, Mr. Thomas worked to double the number of Illinois Made videos to be produced by TimeZoneOne. In total, TimeZoneOne's billing under its subcontract with OKRP increased by over \$600,000 in the year after Mr. Thomas began working for DCEO. Although Mr. Thomas denied in his OEIG interview that he increased DCEO's business with TimeZoneOne based on his relationship with TimeZoneOne, his actions created a conflict of interest.

⁶⁷ See 5 ILCS 430/10-10; Executive Order 15-09 (eff. Jan. 13, 2015).

⁶⁸ In addition, as noted above, Mr. Thomas's [relation 1] also performed work for TimeZoneOne, and Mr. Thomas also acknowledged that [TimeZoneOne Employee 2] is a friend.

TimeZoneOne's payment of Mr. Thomas's and his subordinates' travel expenses further added to the conflict. Neither TimeZoneOne's contract with DCEO nor its work plans specified that TimeZoneOne was to pay the travel expenses of DCEO employees. Nevertheless, the investigation revealed that TimeZoneOne regularly paid for Mr. Thomas's expenses, including airfare and other transportation, lodging, and dining expenses, as well as paying for travel expenses for [DCEO Employee 3] and possibly occasionally for other Tourism Office employees. Moreover, at least some of the expenses TimeZoneOne paid raise red flags under the State travel rules, such as business class and first class flights on Mr. Thomas's trip to Mexico in late January/early February 2024, his November 2023 stay at [Hotel 2] in Chicago (his headquarters), and meals that exceeded the per diem amount and included alcoholic beverages. Using TimeZoneOne to pay for DCEO employees' travel for their State work at the same time that those employees were making decisions about increasing the amount of DCEO work awarded to TimeZoneOne created a conflict of interest.⁶⁹

TimeZoneOne's payment of DCEO employees' travel expenses also violated the Ethics Act's gift ban. As an entity that does business with DCEO, and that has interests that may be substantially affected by Mr. Thomas's performance or non-performance of his State duties, TimeZoneOne is a prohibited source under the Ethics Act.⁷⁰ However, Mr. Thomas did not obtain advance written approval from the Executive Director of the Executive Ethics Commission for a prohibited source to pay the travel costs, as required under Executive Order 15-09.⁷¹ Applicable administrative rules also require employees to obtain the approval of the agency Ethics Officer for a prohibited source to pay for travel expenses, but Mr. Thomas admitted that he never discussed TimeZoneOne's payment for his travel expenses with the DCEO Ethics Officer.⁷²

In addition, although Executive Order 15-09 also requires the prohibited source to arrange payment or reimbursement of such costs directly with the agency,⁷³ the OEIG found no evidence that occurred. While Mr. Thomas maintained that the expenses were paid from TimeZoneOne's budget for DCEO work, and [DCEO Employee 1] also said it was her understanding that the travel was funded as a component of TimeZoneOne's work plans, the contract with TimeZoneOne does not provide for travel payments for DCEO employees. More importantly, neither DCEO nor TimeZoneOne produced any documentation to the OEIG supporting that TimeZoneOne billed DCEO for these expenses. In addition, Mr. Thomas confirmed that in at least some instances (his Rose Bowl accommodations and the Disney dinner), he paid the expenses with his personal credit card and then sought and received reimbursement directly from TimeZoneOne, rather than from the State.⁷⁴

⁶⁹ Moreover, [DCEO Employee 3] confirmed that she did not even submit travel requests to DCEO or the Governor's Office of Management and Budget for the trips TimeZoneOne paid for, and DCEO also was unable to produce any forms for Mr. Thomas for the December 2023/January 2024 trip to Pasadena.

⁷⁰ See 5 ILCS 430/1-5.

⁷¹ See Executive Order 15-09 (eff. Jan. 13, 2015).

⁷² 2 Ill. Admin. Code § 1620.700(b)(1)(D). The expenses also must be "for travel in a style and manner in character with the conduct of State business." *Id.* § 1620.700(b)(1)(C).

⁷³ Executive Order 15-09 (eff. Jan. 13, 2015).

⁷⁴ In at least the case of the Disney dinner, the documentation reflected expenses that clearly went beyond what the State would have paid, such as expenses for alcoholic beverages.

Mr. Thomas also had a conflict of interest and violated the Ethics Act's gift ban when he accepted discounted lodging at [Hotel 1]. It is clear from the internal [Hotel 1] emails that the hotel extended a discounted rate to Mr. Thomas not because he was a friend of [Hotel 1 Employee 1]'s, but because of his position with the Tourism Office; as [Hotel 1 Employee 1] wrote to another hotel employee, Mr. Thomas was "an important person to the hotel to help promote tourism." [Hotel 1] was featured in DCEO's winter luxury tourism marketing campaign, including in a November 22, 2023 interview with Mr. Thomas filmed at the hotel, and [Hotel 1 Employee 1] subsequently reported to Mr. Thomas that the hotel had seen an increase in business that correlated with the campaign. Therefore, the hotel had interests that may be substantially affected by Mr. Thomas's performance or non-performance of his official duties, and as such was a prohibited source.

[Hotel 1 Employee 1] emailed [Hotel 1 Employee 2] that Mr. Thomas had asked her to extend a special rate on November 22 and 23, 2024, and Mr. Thomas's November 24, 2023 social media post thanked [Hotel 1 Employee 1]. The hotel charged Mr. Thomas \$325 per night for a room that generally had a rate of \$575 per night, and did not charge a per-pet fee of \$150, and [Hotel 1 Employee 2] confirmed in her OEIG interview that the discounted rate was not a government rate or a rate that regular members of the public could get. Although Mr. Thomas denied in his interview that he requested a discount, he confirmed that he stayed in the hotel from November 22 through 24, 2023 with his [relation 1] and two dogs at the rate of \$325 per night without a pet fee, that he assumed [Hotel 1 Employee 1] made the reservation for him, and that he also received a free bottle of wine and a cheese platter in his room. Because Mr. Thomas was doing business with [Hotel 1] on behalf of DCEO at the same time that he received a personal benefit there, he had a conflict of interest, and he accepted a gift from a prohibited source in violation of the gift ban.

Finally, and of greatest concern, DCEO has been paying significant amounts of State funds to TimeZoneOne for years (both before and after Mr. Thomas began working for DCEO), in the approximate amounts of \$3.5 million for FY 2024 and \$2.5 million for FY 2023, by way of example.⁷⁵ These amounts have been paid without supporting documentation or reconciliation of TimeZoneOne's expenses. TimeZoneOne's monthly invoices contain only vague descriptions such as "International FY24 – PR/Tourism – Trade and PR Programming" without any detailing of hours worked or expenses incurred. Although its contract with DCEO requires TimeZoneOne to provide reconciliation information to DCEO within 30 days of the end of each work plan term, Mr. Thomas acknowledged that TimeZoneOne has not provided any reconciliation information to the Tourism Office since he began working for DCEO. DCEO confirmed that it does not have any TimeZoneOne reconciliation reports for the entire time Mr. Thomas has been managing the Tourism Office (more than a year), or even any dating back at least through FY 2021, when Mr. Thomas was the Chief Executive Officer of TimeZoneOne. OKRP's former [Redacted] similarly observed that TimeZoneOne did not submit supporting documentation to OKRP for work done under the subcontract, despite OKRP's requests that it do so. Although Mr. Thomas recognized that the reconciliation process provides the necessary transparency and gives DCEO an opportunity to identify and challenge any improper expenses, Mr. Thomas said DCEO has "trust and confidence" that vendors are managing matters appropriately. This lack of transparency and accountability is no way to ensure that the State funds paid to TimeZoneOne were appropriate, and is all the more

⁷⁵ These amounts do not include the significant amounts TimeZoneOne was also paid for subcontracting work on DCEO contracts with OKRP.

disconcerting when the person in charge of overseeing such payments has personal and/or financial interests.

DCEO placed Mr. Thomas in charge of the Tourism Office, including its budget and expenditures, and gave him the responsibility of overseeing the TimeZoneOne contract even though upper management was aware of Mr. Thomas's prior relationship with TimeZoneOne. Despite knowing about this relationship, DCEO did not take reasonable steps to determine if there was an actual or perceived conflict, to put measures in place, such as assigning someone without a conflict to review TimeZoneOne's work, or to otherwise ensure that TimeZoneOne was providing an accounting to DCEO of its spending of State funds. In addition, although it was clear to DCEO management that TimeZoneOne was paying for at least some of Mr. Thomas's and his subordinates' travel, no action was taken to ensure such payments were appropriate and that the travel rules were followed. The failure to take such action amounts to mismanagement by DCEO.

Based on the evidence, there is reasonable cause to believe that Mr. Thomas failed to ensure the proper reconciliation of State funds provided to TimeZoneOne, participated in decisions relating to TimeZoneOne in violation of DCEO's conflict of interest policy, accepted gifts of travel from TimeZoneOne in violation of the conflict of interest policy and the Ethics Act, and accepted the gift of discounted lodging from [Hotel 1] in violation of the conflict of interest policy and the Ethics Act. In addition, there is reasonable cause to believe that DCEO failed to take appropriate action to ensure that Mr. Thomas did not have a conflict of interest or appearance of a conflict, ensure that TimeZoneOne was providing an accounting to DCEO of how it was spending State funds, and ensure that applicable rules were followed regarding payment of employee travel expenses by a prohibited source.

IV. [REDACTED] AND RECOMMENDATIONS

Based on the evidence detailed above, the OEIG has determined **THERE IS REASONABLE CAUSE TO BELIEVE THE FOLLOWING:**

- **[REDACTED]** – DCEO Deputy Director Daniel Thomas failed to ensure an appropriate reconciliation of State funds paid to TimeZoneOne.
- **[REDACTED]** – DCEO Deputy Director Daniel Thomas participated in decisions involving TimeZoneOne, in violation of DCEO's conflict of interest policy.
- **[REDACTED]** – DCEO Deputy Director Daniel Thomas accepted gifts of transportation, lodging, and dining from TimeZoneOne, in violation of DCEO's conflict of interest policy, the Ethics Act, and Executive Order 15-09.
- **[REDACTED]** – DCEO Deputy Director Daniel Thomas accepted gifts of discounted lodging, wine, and food from [Hotel 1], in violation of DCEO's conflict of interest policy and the Ethics Act.
- **[REDACTED]** – DCEO committed mismanagement by failing to take appropriate action to ensure that Mr. Thomas did not have a conflict of interest or appearance of a conflict, ensuring that TimeZoneOne was providing an accounting to DCEO of how it was spending

State funds, and ensuring that applicable rules were followed regarding payment of employee travel expenses by a prohibited source.

The OEIG recommends that DCEO remove Mr. Thomas from managing the Tourism Office. The OEIG highly recommends that DCEO ensure that any current vendors that are paid on a scheduled basis such as in the TimeZoneOne contract, are required to, and actually do, provide reconciliation reports to determine the appropriate funding amount and that the amounts are fully supported. OEIG also recommends that DCEO take whatever action it deems necessary with regard to other Tourism Office employees who have not followed travel/gift ban rules and policies, including any disciplinary action, procedural changes, and training. In addition, the OEIG recommends that DCEO cease allowing contractual vendors to pay for travel expenses for State employees.

The OEIG also recommends that the Office of the Governor work with DCEO to ensure that an audit is conducted to determine whether TimeZoneOne's previous billings were proper, and take appropriate action to ensure that TimeZoneOne accounts for the hours and expenses for which it bills the State, if DCEO continues doing business with TimeZoneOne. The OEIG further recommends that the Office of the Governor work with DCEO to help ensure DCEO properly identifies and handles conflicts of interest, evaluates statements of economic interest, and reviews and approves travel vouchers. The OEIG also recommends that the Office of the Governor work with DCEO and its other agencies to reduce contractual vendors paying for travel expenses for State employees. Vendors paying for these costs risks the appearance of a conflict of interest and gift ban violations, reduces the transparency of how State funds are being used, and allows for reimbursements not permissible under the State travel rules. If DCEO, or any other agency under the Office of the Governor, believes such travel payments need to be paid by a vendor, the agency must take steps to ensure: (1) the contract clearly states the vendor's obligations for paying such expenses and requires the Executive Order 15-09 restrictions to be met, and applicable administrative rules and State travel regulations to be followed; (2) the vendor is required to provide all supporting documentation and accounts for the billing of such itemized expenses to the agency; and (3) there is a process in place to ensure the expenses are fully documented, accounted for, and approved by personnel other than the employee who is traveling.

Date: December 3, 2024

Office of Executive Inspector General
for the Agencies of the Illinois Governor
69 W. Washington Street, Ste. 3400
Chicago, IL 60602

By: Angela Luning
Deputy Inspector General and Acting Chief

Francesca Lynn
Investigator #102

Matt Bonini
Investigator #132



**Illinois
Department of Commerce
& Economic Opportunity**

JB Pritzker, Governor

December 23, 2024

U.S. ELECTRONIC MAIL

Ms. Fallon Opperman
Deputy Inspector General and Chief of Chicago Office
Office of Executive Inspector General
for the Agencies of the Illinois Governor
69 West Washington Street, Suite 3400
Chicago, IL 60602

Re: Initial Response to OEIG Report No. 24-00353

Dear Ms. Opperman:

The Illinois Department of Commerce & Economic Opportunity (“DCEO” or the “Department”) provides this response to the Final Summary Report (the “Final Report”) issued by the Office of the Executive Inspector General (“OEIG”) in the above-captioned matter. The Department appreciates the thorough investigation conducted by the OEIG and its recommendations for actions to address the [REDACTED].

Upon receipt of the Final Report, the Department terminated Daniel Thomas and ended its contract with [REDACTED]. The Department also instituted additional oversight procedures with respect to vendor management, including for the Department’s Illinois Office of Tourism (“IOT”). While further processes are developed, DCEO’s Director’s Office has instructed staff who manage vendors and contracts to discuss all significant contract management decisions with the Director’s Office to ensure all decisions are made in accordance with the conflicts of interest policy and the Ethics Act. We have notified vendors that invoices must contain proper documentation and requested reconciliation reports.

We have been in close contact with the Governor’s Office regarding the best methods to implement the recommendations set forth in the Final Report. We will provide a further response by January 31, 2025, that provides additional detail regarding the additional steps we have taken and will take to address the Report’s [REDACTED] and recommendations.

Please feel free to contact me with any questions.

Sincerely,

[REDACTED]

Kristin Richards
Director

CC: Ann Spillane, General Counsel, Office of the Governor
Whitney Rosen, Deputy General Counsel, Office of the Governor
Scott Lerner, Deputy General Counsel, Office of the Governor



OFFICE OF THE GOVERNOR

207 STATE HOUSE
SPRINGFIELD, ILLINOIS 62706

JB PRITZKER
GOVERNOR

December 23, 2024

Fallon Opperman
Deputy Inspector General and Chief of Chicago Office
Office of Executive Inspector General
69 W. Washington Street, Suite 3400
Chicago, Illinois 60602

Via Electronic Mail

Re: OEIG Case No. 24-00353 – Ultimate Jurisdictional Authority (UJA) Initial Response to
Final Summary Report

Dear Ms. Opperman:

This letter provides the Governor's Office's initial response to Final Report 24-00353. The Governor's Office appreciates the OEIG's thorough investigation and recommendations. The Governor's Office agrees with the OEIG's recommendations. We have requested that DCEO immediately begin to take action to address the personnel, contract management and policy changes required based on the OEIG's [REDACTED]. We request additional time to work with DCEO to ensure thorough and specific responses and descriptions of the agency's remedial plans. We will provide a further response by January 31, 2025.

Sincerely,

[REDACTED]

Scott Lerner
Deputy General Counsel

From: [Lerner, Scott](#)
To: [Haling, Susan](#); [Opperman, Fallon](#); [Yang, Debbie](#)
Cc: [Spillane, Ann](#); [Rosen, Whitney](#); [Simmons, Francine](#); [Carter, Garrett](#)
Subject: Responses - OEIG Report 24-00353
Date: Friday, January 31, 2025 4:17:13 PM

Dear Susan,

The Governor's Office and DCEO have been working on written responses and remedial steps in response to Final Report 24-00353. We had listed today as the date that we would provide an update, but require a bit more time to finalize our written responses. We are requesting two additional weeks to submit what will be our final responses. Please let me know if you have any questions or concerns about this timeline.

Thank you,
Scott

Scott Lerner

Deputy General Counsel | Office of Illinois Governor JB Pritzker

 [@illinois.gov](mailto:scott.lerner@illinois.gov) | he/him

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Illinois Department of Commerce & Economic Opportunity

JB Pritzker, Governor

February 14, 2025

U.S. ELECTRONIC MAIL

Ms. Fallon Opperman
Deputy Inspector General and Chief of Chicago Office
Office of Executive Inspector General
for the Agencies of the Illinois Governor
69 West Washington Street, Suite 3400
Chicago, IL 60602

Re: Final Response to OEIG Case No. 24-00353

Dear Ms. Opperman:

The Illinois Department of Commerce & Economic Opportunity ("DCEO" or the "Department") provides this response to the Final Summary Report (the "Final Report") issued by the Office of the Executive Inspector General ("OEIG") in the above-captioned matter. The Department appreciates the thorough investigation conducted by the OEIG and the detailed recommendations. As described below, DCEO will implement the recommendations. The Final Report identified several issues and practices at DCEO that required both immediate and longer-term actions. Our responses to specific recommendations are below, but the following are some of the key steps we have taken and intend to take:

- **Disciplinary actions and personnel changes.** The Final Report contained several [REDACTED] against Deputy Director Daniel Thomas. After receiving the Final Report, DCEO promptly terminated Mr. Thomas. It also ended a contract with another person whose conduct was called into question by the Final Report.
- **Overhaul and oversight of billing practices.** DCEO is ending any vendor billing practices that do not include monthly supporting documentation and/or thorough reconciliation reports. Additionally, DCEO is performing an audit of TimeZoneOne's previous billings.
- **Rigorous review and pre-approval of travel expenses.** DCEO has strengthened its policies and procedures regarding travel expenses to ensure active oversight of all expenses paid by vendors. DCEO has developed and issued very specific policies for any travel request that would involve a vendor paying for an employee's travel, to ensure that any such instance would follow the Ethics Act, Travel Control Board Rules, and Executive Order 15-09.

Responses to OEIG Recommendations

Recommendation No. 1: “The OEIG recommends that DCEO remove Mr. Thomas from managing the Tourism Office.”

DCEO Response: DCEO received the Final Summary Report the afternoon of December 3 and terminated Mr. Thomas on December 4.

Recommendation No. 2: “The OEIG highly recommends that DCEO ensure that any current vendors that are paid on a scheduled basis such as in the TimeZoneOne contract, are required to, and actually do, provide reconciliation reports to determine the appropriate funding amount and that the amounts are fully supported.”

DCEO Response: DCEO is in the process of assessing the payment structure for each of its vendor contracts. As part of this review, DCEO is taking steps to ensure that any contracts paid on a scheduled basis are accompanied with detailed documentation and a thorough reconciliation is conducted. DCEO also will ensure that it is enforcing contract terms that require vendors to maintain and produce reconciliation reports.

DCEO started with its vendors managed by the Illinois Office of Tourism (IOT). On December 16, 2024, the Department notified TimeZoneOne that it will no longer approve invoices that do not include, at a minimum, supporting documentation for each expense as well as breakdown of time billed for each employee during the invoice period. The Department provided a similar notification to another IOT vendor on December 23, 2024. Each invoice will be reviewed by DCEO legal and Director’s Office personnel prior to approval.

Recommendation No. 3: “OEIG also recommends that DCEO take whatever action it deems necessary with regard to other Tourism Office employees who have not followed travel/gift ban rules and policies, including any disciplinary action, procedural changes, and training. In addition, the OEIG recommends that DCEO cease allowing contractual vendors to pay for travel expenses for State employees.”

DCEO Response: The Final Report described conduct indicating that [REDACTED] violated the travel/gift ban policy. DCEO terminated [REDACTED] personal service contract on December 4, 2024.

The Department has updated its employee manual, which includes the travel policy. The updated travel policy ensures compliance with the Ethics Act, Travel Control Board Rules, and Executive Order 15-09. Specifically, the updated travel policy states that if a prohibited source is paying for any travel related expense, the employee must first contact the ethics officer to submit a gift ban exception to the Executive Ethics Commission. The updated policy also states that even if the EEC provides a gift ban exception, the employee cannot seek reimbursement from the prohibited source as required in Executive Order 15-09. DCEO disseminated the travel policy to employees on January 21, 2025.

Recommendation No. 4: “The OEIG also recommends that the Office of the Governor work with DCEO to ensure that an audit is conducted to determine whether TimeZoneOne’s previous billings were proper, and take appropriate action to ensure that TimeZoneOne accounts for the hours and expenses for which it bills the State, if DCEO continues doing business with TimeZoneOne.”

DCEO Response: After receiving the Final Report, DCEO advised TimeZoneOne that all future invoices will require additional detail of the services provided along with supporting documentation before any invoices are paid. TimeZoneOne submitted an invoice based on this directive, which the Department is in the process of reviewing.

The Department has required TimeZoneOne submit reconciliation for Fiscal Years 22-25 as well as supporting documentation for invoices submitted in that time period. TimeZoneOne provided supporting documentation for services rendered for FY25 and has committed to provide documentation for FY23-24 by the end of February. The Department’s internal auditor will review those reports to ensure that TimeZoneOne properly billed for the hours and expenses incurred. The Department will provide the outcome of this audit to the Governor’s Office, which will work with DCEO to determine if additional actions are required.

Recommendation No. 5: “The OEIG further recommends that the Office of the Governor work with DCEO to help ensure DCEO properly identifies and handles conflicts of interest, evaluates statements of economic interest, and reviews and approves travel vouchers.”

DCEO Response: The Department is working with the Governor’s Office to address these matters. Specifically, the Department is updating its conflicts of interest policy as well as adding a conflicts of interest disclosure form to its onboarding process.

With respect to approving travel vouchers, the Department added an addendum to its travel request form requiring employees to identify whether a prohibited source, such as a vendor or grantee, is paying for any portion of the travel expense. If so, the travel request must include a Gift Ban Exception from the Executive Ethics Commission.

Recommendation No. 6: “The OEIG also recommends that the Office of the Governor work with DCEO and its other agencies to reduce contractual vendors paying for travel expenses for State employees.”

DCEO Response: DCEO agrees that it should be rare for contractual vendors to pay for travel expenses for State employees, and that there should be a strong rationale and transparency whenever that occurs. As described above, DCEO’s new travel policy and its travel request form now require that if a prohibited source is paying for any travel related expense, the employee must first contact the ethics officer to submit a gift ban exception request to the Executive Ethics Commission. The new policy also states that even if the EEC approves a gift ban exception, the employee cannot seek reimbursement from the prohibited source. The prohibited source must either make the payment directly on the employee’s behalf and seek reimbursement from DCEO pursuant to its contract/grants, or

if the employee makes payment, the prohibited source can send the funds to DCEO, who can then reimburse the employee through the travel voucher process. The process aligns with Executive Order 15-09.

The Department provided DCEO employees with the updated employee manual on January 21, 2025. DCEO's ethics officer will provide a separate memo of the updated travel policy to DCEO Staff and will provide training on the policy in the near future.

We hope our implementation of your recommendations will bring a conclusion to this matter. Thank you for the opportunity to respond, and please contact me with any questions.

Sincerely,

Kristin Richards
Director

CC: Ann Spillane, General Counsel, Office of the Governor
Whitney Rosen, Deputy General Counsel, Office of the Governor
Scott Lerner, Deputy General Counsel, Office of the Governor



OFFICE OF THE GOVERNOR

207 STATE HOUSE
SPRINGFIELD, ILLINOIS 62706

JB PRITZKER
GOVERNOR

February 14, 2025

Fallon Opperman
Deputy Inspector General and Chief of Chicago Office
Office of Executive Inspector General
69 W. Washington Street, Suite 3400
Chicago, Illinois 60602

Via Electronic Mail

Re: OEIG Case No. 24-00353 – Ultimate Jurisdictional Authority (UJA) Response to Final Summary Report

Dear Ms. Opperman:

This letter provides the Governor's Office's final response to Final Report 24-00353, which is being submitted in concert with a final response from the Department of Commerce and Economic Opportunity (DCEO). We want to reiterate our appreciation for the thorough report and recommendations, which have allowed the Governor's Office and DCEO to direct attention to the deficiencies identified in the Report.

The Governor's Office has taken several steps to address the Report's recommendations, and we will continue to do so, as described in more detail below.

Recommendation: Work with DCEO on TimeZoneOne audit for past invoices and new billing practices for future invoices.

The Governor's Office is working with DCEO to ensure that it conducts a thorough audit to determine whether TimeZoneOne's previous billings were sufficiently documented and appropriate. DCEO has committed to keep the Governor's Office updated as its audit is completed. DCEO has changed what is required for TimeZoneOne's ongoing billing practices, such that moving forward DCEO will have adequate information with each invoice to understand the details of the work performed and assess whether the billing is appropriate.

In order to avoid similar issues at other agencies, the Governor's Office has directed the Governor's Office of Management and Budget (GOMB) to develop training for agency fiscal

offices that includes guidance relating to the level of documentation that should be required for all vendor payments, and how to ensure regular and thorough reconciliation occurs for any vendor payments that are paid on a scheduled basis. This training will be part of the GOMB State Agency Fiscal Unit training site that has been developed to help build out the knowledge, skills, and abilities of fiscal unit staff and leadership.

Recommendation: Work with DCEO to help ensure DCEO properly identifies and handles conflicts of interest, evaluates statements of economic interest, and reviews and approves travel vouchers.

The Governor's Office has met with DCEO leadership to discuss ways to strengthen its practices in these areas. With respect to conflicts of interest, DCEO is updating its conflicts of interest policy and adding a conflicts of interest disclosure form to its onboarding process. For travel vouchers, as further described below and in DCEO's response, DCEO is adding required disclosures and additional checkpoints to ensure that pre-approval occurs before travel commences, and that the payment method for all travel is documented and approved in advance.

Recommendation: Work with DCEO and other agencies to reduce contractual vendors paying for travel expenses for State employees, and ensure that whenever vendors do pay for travel expenses, appropriate steps are followed.

As reflected in DCEO's response, its leadership has worked to develop new processes to identify when a vendor or outside party is paying travel expenses for State employees. The Governor's Office will provide agencies with similar guidance for travel expenses, including reiterating that:

- If the outside entity is a prohibited source and is paying for the travel, the travel request must also include a gift ban exception from the Executive Ethics Commission (EEC).
- If the agency will reimburse the prohibited source for the travel, this must be noted on the travel request, but seeking a gift ban exception from the EEC is not required.
- Employees may not be directly reimbursed by a prohibited source for travel expenses; any reimbursement must run through the agency so that it has visibility and oversight of all travel payments made by any prohibited source.

The Governor's Office is also taking additional steps for all out-of-state agency travel, over which the Travel Control Board and GOMB have oversight. The travel request will require identifying whether an outside party is paying for the travel. If the answer is yes, the travel request will require agency ethics officer approval.

If you have any questions about this response or any additional suggestions for steps that the Governor's Office should consider to address the issues identified in the Final Report, please let me know. Thank you again for your work to uncover deficiencies in State processes and your recommendations for how to improve them.

Sincerely,

A solid black rectangular box used to redact the signature of Scott Lerner.

Scott Lerner
Deputy General Counsel

April 8, 2025

VIA EMAIL

Honorable Members of the Executive Ethics Commission
Nathan Rice, Executive Director 401 S. Spring Street 513 Stratton Building
Springfield, Illinois 62706

@illinois.gov

@illinois.gov

@illinois.gov

Re: OEIG Case# 24-00353

Dear Honorable Commissioners and Executive Director Rice:

We represent the Respondent, Daniel Thomas ("Daniel"), in the above-captioned matter. We appreciate this opportunity to provide context and discuss the numerous errors and issues with the report. We are deeply concerned that, rather than conducting a full and fair investigation, the Office of the Executive Inspector General ("OEIG") misused and manipulated facts in its Final Summary Report ("Report") to corroborate its predetermined and biased conclusions regarding Thomas.

Thomas unequivocally disagrees with the conclusions of the OEIG. The Report acknowledges that Thomas, in every case, discussed and got approval from his superiors and/or ethics advisors at the Department of Commerce and Economic Opportunity ("DCEO") and, in some cases, the Governor's office. This is not an impartial investigative report so much as it is a defamatory and confusing narrative about Thomas, who followed DCEO's longstanding policies and approved practices.

Given the shortcomings of the OEIG's investigation, the Commission should use its discretion and not publish the Report and related documents. The Report is biased and sets a bad precedent by attacking one individual for a broader dispute between DCEO and OEIG. In other cases, the Report misapplies Illinois law.

If the Commission decides to publish the Report, we ask that no documents be redacted and that this response, including all attachments and exhibits, be made public.

Introduction

The Report fails to provide key facts, and some conclusions completely ignore the law and are in error. The OEIG should have drafted a report exclusively on the actions and omissions of the DCEO agency. Instead, the OEIG focused its attack on one individual. The Executive Ethics Commission ("EEC") should not allow this Report to be made public for the following reasons:

- **Publishing this Report could interfere with an active investigation.** The Ethics Act provides that the EEC “may withhold publication of the report or response if the Executive Inspector General or Attorney General certifies that releasing the report to the public will interfere with an ongoing investigation.” 5 ILCS 430/20-52(c). Because the conduct the OEIG determined to be wrongful was sanctioned by and practiced by Thomas’s superiors and other state employees, the EEC must assume and demand that the OEIG investigate many other DCEO staff and the Governor’s office. The OEIG and DCEO both confirmed that other staff followed the same protocol regarding travel and contract oversight. The EEC cannot allow the OEIG to target only one individual when many other employees committed the same act.
 - When Thomas was hired, the DCEO Director, the DCEO HR Officer, the GC and Ethics officer, and the Governor’s office all knew of Thomas’s prior employment and what his role would be.
 - Regarding the conciliation of funds paid to TZO, this began in 2017. The multiple DCEO Directors, the DCEO Procurement staff and all the DCEO GC’s and previous heads of the Tourism Office must also be held accountable.
 - Other DCEO staff, including the director, used State contracts to pay for travel. This practice began in 2017, so again, the multiple DCEO Directors, the DCEO Procurement staff, all the DCEO GCs, and previous heads of the Tourism Office must also be held accountable.
- Thomas was the previous owner of TZO. TZO is a global creative communications agency. When he was hired, the Director of DCEO, the DCEO General Counsel and Ethics Officer, and the Governor’s office all knew of Thomas’s relationship with TZO. The State knew Thomas had sold the company and was still receiving earn-out payments. Upon being hired, Thomas disclosed all of his payments from TZO to the ethics board. All key State employees knew Thomas was hired to oversee the TZO contract. However, 18 months after beginning work, the OEIG determined that, regardless of all the other ethics officers’ decisions and the Governor’s office’s blessing, the hiring of Thomas was improper.
- There is an apparent disagreement between DCEO, the Governor’s Office, and OEIG. This was Thomas’s first government job. Thomas filled out all reports and disclosed all his potential conflicts and DCEO and the Governor’s office approved his hiring. Eighteen (18) months later, the OEIG has now caused Thomas to be fired and seeks to publish a report that will tarnish his good name. Making this Report public would leave State employees wondering why they should ever go to their GC or Ethics Officer when, at any time, the OEIG can come in with a different interpretation of the law, and then suddenly and arbitrarily, you are fired and publicly shamed.
- Publishing this Report will not help any state agency or its employees gain greater knowledge about the Ethics Act. If made public, it could discourage employees from going to their respective ethics officers, as it confirms that doing so provides no greater protection than remaining silent.
- The OEIG’s discussion of the Gift Act is wrong. The Report suggests that an employee can be guilty of accepting a discount even when the employee is never made aware of the discount. How does EEC expect state employees to verify that

- every item they pay for with personal funds does not include a discount?
- The Report is the product of an incomplete investigation that did not consider the previous ethics officers' approvals. This process failed to provide Thomas with the most basic due process protections. The OEIG did not afford Thomas those rights that every other DCEO employee enjoys and which are specifically protected in Section 20-70 of the Ethics Act. 5 ILCS 430/20-70.
 - **The OEIG should not involve itself when, in this case, DCEO's Ethics Officer, procurement specialist, budget specialist, and others have all provided Thomas with contradicting directions.** This investigation failed to include an interview with the key DCEO staff, including the ethics officer. The agency's handling of its own internal policy matters should be given deference, consistent with Court decisions deferring to agency determinations of policy matters. See, e.g., *Chisem v. McCarthy*, 2014 IL App (1st) 132389, 21, which provides, "Because the Board [the DCEO in our case, the Chicago Police Department in *Chisem*] is in the best position to determine the effect of an officer's conduct on the department's operations, its determination of cause is given considerable deference. [Citation omitted.] Thus, we may not consider whether we would have imposed a more lenient sentence."
 - The OEIG and DCEO have differing interpretations of the law. The OEIG is asking the Commission to effectively void the conclusions of the DCEO and the Governor's Office and punish Thomas for following the advice of his superiors. The termination of Thomas is not the way to resolve this agency dispute. If the EEC wants to resolve the conflict between the DCEO and the OEIG, the Ethics Act (5 ILCS 420/20-70) provides various procedural methods for doing so, including vesting the EEC with authority to conduct administrative hearings and rule on matters brought before it by the OEIG (5 ILCS 430/20-15(2)) and to appoint a special Executive Inspector General to investigate matters where conflicts of interest or other issues arise (5 ILCS 430/20-15(8); 5 ILCS 430/20-21) to ensure impartiality in the investigative process.

Thomas, The Person

Daniel Thomas is a loving husband, dog dad, and avid world traveler with a passion for storytelling and a commitment to helping tourism destinations reach their full potential. He has over 25 years of experience driving growth and profitability in competitive global markets, including the worldwide tourism and aviation industries. A native Kiwi, Thomas left New Zealand for Chicago in 2007 to become the GM of the John Hancock Observatory. In this role, he spearheaded the development of the world's tallest synthetic skating rink and brought Chicago's beloved, iconic "TILT" concept to the new owners at the 360 Chicago Observation Deck.

Before his employment at DCEO, Thomas was the CEO of global creative communications agency TimeZoneOne ("TZO"). Under his leadership, the agency received numerous accolades for its work, including two Telly awards for videos produced for the Chicago Wolves hockey team, three coveted Golden Trumpet awards, and four PRSA Skyline

awards for excellence in PR planning, creativity, and execution. The agency's work to rebrand the Chicagoland Chamber of Commerce also won gold at the global Communicator Awards. TZO also received an Emmy Award for best TV commercial for the Illinois Department of Public Health.

Thomas became the State Tourism Director for Illinois in July 2023. He served as the State of Illinois' internal and external advocate for travel and became the face of Illinois tourism and a key advisor to the administration. Thomas made monumental improvements in Illinois' tourism industry and significantly increased its revenue. Among his many other accomplishments as State Tourism Director, Thomas:

- In only 18 months, he guided the Tourism marketing and other efforts, resulting in an all-time high in hotel tax revenue figures in FY24, totaling \$322 million — a 4.5% increase over the previous record set in FY23;
- Created and implemented an inaugural Meetings & Incentive Program for Illinois to bring conventions from other cities back to Illinois. Thomas strategically managed \$15M of competitive grants to drive business travel to Illinois through 2029;
- Decreased DCEO's agency costs by \$2.5M while also using efficient and targeted marketing campaigns to get better results while still ensuring contractors were delivering the best product.
- Introduced several new campaigns based on data, including the "Middle of Everything" campaign, which was transformed to target luxury in Illinois; the "Route 66 Electrical Vehicle Campaign) highlighted the installation of EV charging stations along Route 66; the LGBTQIA Everyone is Welcome campaign after Florida and other states turned away this target market; and finally, the Illinois Made campaign, which encouraged visitors to explore the products produced in Illinois.

In addition to the above, Thomas previously served on the board of The Magnificent Mile Association and the Chicago Police Foundation and is President of the Australian New Zealand American Chamber of Commerce (ANZACC) Midwest Board of Directors. He is the former co-chair of the Illinois Governor's Conference on Travel & Tourism and former Executive Director for The World Federation of Great Towers, a non-profit organization of the world's most iconic towers, representing 52 members and over 50 million visitors.

Lack Of Due Process and Fundamental Fairness

Constitutional due process and fundamental fairness demand that a person in Thomas's position be notified of specific allegations against him at the outset and be allowed to review and comment on the evidence. In this case, the OEIG demanded that Thomas participate in an interview but refused to give him any information on the meeting topic.

The OEIG investigation is shockingly incomplete. It failed to investigate how long some of the practices had occurred at DCEO and failed to interview any ethics officers or counsels who are key witnesses.

It is believed that a disgruntled Contractor, [REDACTED] at O'Keefe, Reinhard, and Paul ("OKRP"), is the source of this OEIG investigation. OKRP hoped to renew its contract with DCEO, and Thomas, working with the DCEO Director and General Counsel, decided that the firm's practices and billing irregularities were unacceptable to the state. OKRP was constantly missing deadlines, and while they were supposed to dedicate roughly 27 people full-time to the contract, Thomas believed it was less than half that number. OKRP also continuously fought with DCEO as they thought their marketing strategy was better than their clients. The OEIG should not be used by disgruntled contractors to target staff who oversee state contracts. The OEIG failed to protect Thomas's federal and Illinois rights and protections in contravention of the Ethics Act (5 ILCS 420/20-70), was unable to consider the credibility and bias of the complaining witness(es), and failed to consider the findings of the ethics officers' opinions.

Thomas was not allowed to question the disgraced contractor directly. Instead, he could only respond to the questions posed by the OEIG investigators. The [REDACTED] violate procedural due process, including lack of notice of the charges, lack of opportunity to confront witnesses, and other safeguards. The statute that created the OEIG specifically states that "[n]othing in this Section limits or alters a person's existing rights or protections under State or federal law." 5 ILCS 430/20-70. Therefore, an employee's rights to due process are not diminished by the Ethics Act. In this case, the OEIG violated Thomas's rights.

1) The first [REDACTED] is that Thomas failed to ensure an appropriate reconciliation of State funds were paid to TZO.

While ostensibly addressing Thomas, this first [REDACTED] concerns a DCEO policy regarding TZO that began in 2017, five years before Thomas began employment with the State. The OEIG concludes that the monthly fixed-fee billing that DCEO utilized was improper, and instead, DCEO should have insisted on detailed hourly invoices. Why should Thomas be punished for a decision made by a previous administration and which the current administration continued?

TZO won the marketing contract in 2017. Originally, TZO began billing separately for the fee and out-of-pocket expenses and utilized the Market Tracking System (MTS) as directed by the former DCEO administration, including [REDACTED], the Chief of Staff, and DCEO Director [REDACTED].

While Thomas was still leading TZO, two DCEO employees, [REDACTED] and [REDACTED], called to notify him that the Pritzker administration approved an annual work plan. The new DCEO staff informed Thomas that they wanted TZO to provide only one bill, which included out-of-pocket expenses and the monthly fixed fee. DCEO informed Thomas that "MTS was going away and that he should bill \$250,000 per month per the 'equal 12 amounts' defined in the contract." Thomas had no reason to question the State's decision while he was at TZO or DCEO.

All DCEO management knew Thomas was the previous owner of TZO, and key senior staff knew that he had prior financial interest in TZO. Thomas was hired, and part of his role was to oversee the TZO contract. Thomas did not unquestioningly allow TZO to submit invoices; instead, when Thomas noticed that the [REDACTED] was not checking the invoices against any work plans and/or contracts, he raised his concerns with Chief of Staff [REDACTED]. Thomas advised [REDACTED] that he wanted to implement more stringent oversight in the approval process to ensure the invoices aligned with the work plan and/or contract. DCEO appreciated Thomas's huge undertaking to update and increase the oversight of the TZO contract and all other contracts under his department.

The OEIG spent a significant amount of time on DCEO's decision to pay for additional videos and the procurement process. The Illinois-Made videos were developed and produced by TZO from 2017-2018. TZO won the contract through a competitive triple bid process. When Thomas began working at DCEO, he and other state officials realized there was a lack of "content" for marketing. They began discussions with TZO about increasing from the normal 10-15 videos they produced yearly. While initially, DCEO thought this could be accomplished through their existing budget, it became apparent that TZO did not have the budget needed. Thomas followed DCEO's staff's advice and bid out the project. During the procurement process, Thomas played no role, took all possible steps to avoid conflicts of interest, and allowed other staff to review the bids. The DCEO staff did pick TZO, as Thomas learned, because the staff was happy with their work, and the price was not dramatically different from other vendors.

The DCEO Chief of Staff is quoted in the report as saying that she "did not have any concerns about Mr. Thomas's ability to be objective in overseeing his former company." The Chief of Staff also confirmed that the DCEO never told Thomas to recuse himself from TZO projects, including budgeting and invoicing.

The OEIG's report clearly states that they do not approve of the billing process, but placing all the blame on Thomas is outrageous. Targeting one employee for years of procurement and invoicing practices is wrong and should not be tolerated.

2) The second [REDACTED] is that Thomas participated in decisions involving TZO, violating DCEO's conflict of interest policy.

The DCEO oversees the conflict-of-interest policy. Thomas met with DCEO Director [REDACTED] in April 2023. During the meeting, Thomas told the Director that he was the previous owner of TZO and that while he had sold the company three years prior, he was still running the business. Shortly after, the Director offered Thomas the job of running the Tourism department, one of the responsibilities of which was to oversee the TZO contract.

Thomas has never hidden his connections to TZO; in fact, the DCEO hired him partly because of his quality work with TZO. The DCEO's director and senior staff all knew about

Thomas's relationship with TZO. The OEIG may want to quarrel with the DCEO in its interpretation of the conflict-of-interest policy, but Thomas should not be disparaged or have his reputation tarnished because of the OEIG's overzealous desire to fight with the DCEO.

Upon beginning work with the State, Thomas was required to attend ethics training. During the training, he was told that he would have to disclose any personal information/relationships to ensure compliance with the Ethics Guidelines. Thomas followed the instructions and completed the annual Ethics Disclosure Forms and an online questionnaire. Thomas filled out the ethics documents with complete transparency, disclosing current payments from TZO and those from the last three years. The OEIG knows of this but hid this information in Footnote 62, which discusses that Thomas had filled out his Statement of Economic Interest and put down the fact that he previously owned TZO and wrote, "TZO was sold by me on July 1, 2020. I received approx. \$75K in CY23 for sale as a pre-negotiated payment plan through Apr 24."

While the OEIG and the DCEO may dispute DCEO's conflict of interest policy, the EEC must recognize several things.

- The DCEO is in a better place than OEIG to interpret its own policies.
- The OEIG is not tasked with challenging the opinion of the DCEO ethics officer.
- Thomas did everything requested of him and should not have been fired, and he should not be further embarrassed by this report being made public.

3) The third [REDACTED] is that Thomas accepted gifts of transportation, lodging, and dining from TZO, which violated the DCEO's Conflict of Interest policy and the Ethics Act.

The OEIG is correct that DCEO employees who deal with the marketing, trade, and PR aspects of the Tourism division have, since at least 2017, all had expenses, including travel, transportation, and dining, paid for out of the marketing contractors' budget. While we will not discuss whether this policy violates Illinois rules or law, it is clear that DCEO has been practicing this for more than eight years; targeting Thomas is wrong.

The excessive discussion of Thomas's travel is an apparent attempt to smear his name and make it appear that he was traveling in luxury and without reason. Thomas traveled extensively, and the Chief of Staff was aware of this. In his eighteen months of working at the DCEO, he traveled at least 58 times domestically and internationally to promote tourism in Illinois.

The OEIG confirmed that DCEO records show that Thomas received the DCEO's and/or the Governor's Office of Management and Budget's ("GOMB") approval to take various trips. The travel request forms also specifically stated that TZO would pay for the travel. The OEIG confirmed that various DCEO managers, including the DCEO Travel Coordinator, the DCEO Chief of Staff, and the GOMB Travel Coordinator approved Daniel's travel forms. If

the OEIG is correct, why aren't all of these other staff being investigated and/or written up by the OEIG? Why is Thomas, who was so transparent and thorough, being targeted and attacked?

While there may be questions of law and implementation that the OEIG, DCEO, and GOMB need to discuss, there is no benefit to publishing this OEIG opinion as it will confuse other state employees. We urge the EEC to get these agencies to talk and come to an agreement on the correct policy, but firing Thomas and publishing this report will not fix anything.

4) The fourth [REDACTED] is that Thomas accepted gifts of discounted lodging, wine, and food from Company 1 in violation of the DCEO's Conflict of Interest policy and the Ethics Act.

The OEIG focused much of its extensive report on a two-night stay at a downtown hotel where Thomas and his [REDACTED] stayed with their two dogs. The allegation is that they were provided a discounted hotel rate and a waiver of a pet fee and that Thomas was given some goodies that were left in the room.

The OEIG found a message in which Employee 1, who worked at the hotel, told Employee 2 that Thomas requested a discount. When interviewed, Employee 2 could not remember what Employee 1 said Thomas requested. The OEIG did not interview Employee 1, who is the key staffer in this matter and who reportedly discussed a discount with Thomas. Thomas unequivocally stated he did not ask for a discount.

The OEIG confirms that the invoice did not show a discount. In its conclusion, the OEIG states that the hotel "extended a discounted rate." The OEIG provides no information showing that Thomas requested or knew about any discount or that he knew of a pet fee.

When Thomas and his [REDACTED] arrived at the hotel, a bottle of wine, cheese, and dog treats were in the room. Thomas did not ask for any of these "gifts." This hotel had been doing business with Thomas for more than 10 years and gave these gifts not to get more state business but to thank a long-time friend.

The OEIG never suggests that the hotel is a prohibited source/vendor. Even if the hotel was a prohibited source, several exceptions allow gifts to be accepted if they fall under one of the following exceptions (of which there are many):

- **Gifts are available to the public under the same conditions.** This hotel targets high-end travelers. Leaving wine and cheese and dog treats, while not done in every room, is routinely offered to the public or many of their hotel guests;
- **Food or refreshments not exceeding \$75 per day.** The OEIG does not suggest that the wine, cheese, and dog treats exceed \$75, and
- **Gifts from one prohibited source with a cumulative value of less than \$100 during any calendar year.** There is no evidence, nor has Thomas received any other gifts from this hotel during the calendar years.

Thomas was well aware of the Gift Ban Act. He traveled the state and world on behalf of Illinois, and businesses often tried to present him with gifts or discounts, which he always declined. Thomas even devised a strategy to avoid offending people, which included telling those individuals and businesses that, while he appreciated the offer, he would prefer to buy only Illinois-made products.

The OEIG failed to note in its analysis that Thomas paid for this hotel with his personal credit card. In addition, there are further problems with the OEIG analysis, including:

- 1) The Gift Ban Act (5 ILCS 430/10-10) states that a “state employee shall not **intentionally** solicit or accept any gift from any prohibited source or in violation of any federal or State statute, rule, or regulation.” There is absolutely no discussion or proof that Thomas ever asked or even knew a discount was placed on the room. How can State officials ensure compliance with this Act if they don’t realize they are being given a gift? There was no “intent” in this case.
- 2) The wine, cheese, and dog biscuits were a gift, but as discussed above, they fit within the exceptions, are often used as a practice for regulars, are under the amount thresholds, and so on. The OEIG fails to discuss why these exceptions don’t apply.

The OEIG report is so poorly documented that making this available to the public will not assist the state in its ethical priorities and will instead lead only to confusion.

- 5) **The fifth and last [REDACTED] is against the DCEO: “DCEO committed mismanagement by failing to take appropriation action to ensure that Mr. Thomas did not have a conflict of interest or appearance of a conflict, ensuring that TZO was providing an accounting to DCEO of how it was spending State funds, and ensuring that applicable rules were followed regarding payment of employee travel expenses by a prohibited source.”**

While only one of their five [REDACTED] targets DCEO, the entire report should be about the DCEO; Thomas is clearly a scapegoat. Shockingly, DCEO, rather than standing by an employee who followed their rules and did such an outstanding job, decided to capitulate to the OEIG by immediately terminating Thomas once they received this report.

Dozens of DCEO, GOMB, and Governor’s office staff knew about one or more of these issues, but the OEIG targeted only Thomas. Allowing this report to be made public will defame Thomas’s name and provide no benefit to the State other than a clear warning to staff that the agencies will not stand by their employees when the OEIG threatens to make a report like this public.

Conclusion

Justice is not served by publishing a vengeful report drafted with apparent disregard for fundamental fairness and the truth. This case is the equivalent of two parents fighting, and only the innocent child is punished. Publication would irreparably damage Thomas's professional reputation and personal relationships. We respectfully request this Commission not publish the Report and related documents.

However, if the Commission decides to publish the allegations about Thomas, we would ask that no redactions, including those made by this Commission, be made in any documents and that this letter, including all attachments and exhibits, be made public without redaction so that the public is made aware of the many faults with this process, at the expense of a dedicated employee who followed protocols and procedures in place.

Sincerely,

A black rectangular redaction box covering the signature of Jordan Matyas.

Jordan Matyas