



City of Chicago  
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Board of Ethics

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Room 303  
320 North Clark Street  
Chicago, Illinois 60610  
(312) 744-9660

October 9, 1991

CONFIDENTIAL

[REDACTED]  
[REDACTED]  
[REDACTED]

RE: 91087.A  
Interest in City Business  
ADVISORY OPINION

Dear [REDACTED]

On August 27, 1991, you telephoned this office inquiring about the provisions of the Governmental Ethics Ordinance. You stated that the tenants in a building that you own want to apply for assistance from the [REDACTED] B [REDACTED] program, which is sponsored by the City's Department of X [REDACTED]. The Department of X [REDACTED] wants assurance that the assistance to your tenants, if given, is not prohibited by the Ethics Ordinance. The Board appreciates your willingness to comply with the ethical standards embodied in the Governmental Ethics Ordinance. After reviewing the facts presented, the Board determines that the interest you would receive from the [REDACTED] aid to your tenants' living units by the City Department of X [REDACTED] is not prohibited by the Governmental Ethics Ordinance. The Board provides its analysis below.

FACTS: You stated that you are employed in the X [REDACTED] Department's [REDACTED] division, working in the [REDACTED] B [REDACTED] program. You also own a two-unit rental building. Each of your tenants wants to apply for assistance from the Department of X's [REDACTED] B [REDACTED] program. This program is designed to help [REDACTED] low-income tenants by [REDACTED] their living units. Under the program, the tenant of the building applies for the assistance. You stated that the maximum assistance available through the program to each of your tenants is \$1,500.

[REDACTED], the Director of the [REDACTED] B [REDACTED] Program, explained that the [REDACTED] A Office of the [REDACTED] X [REDACTED] Department reviews the applications and determines whether an applicant is qualified to participate in the program. According to [REDACTED] of the Department of X [REDACTED], assistance is given based upon two



criteria: income level and the number of people living in the unit. Qualified applicants are then referred to the [REDACTED] B [REDACTED] unit, which sends its personnel out to inspect the property and determine what work needs to be done. The Department of X [REDACTED] then contracts with a non-City entity to perform the necessary work. When the work is complete, the B [REDACTED] unit sends out inspectors to verify that the work was done as ordered.

You stated that your job in the Department of X [REDACTED] involves visiting sites that qualify for [REDACTED] assistance and assessing the particular needs of that property. You stated that the Department will not assign you to make assessments or inspections or to perform any work on your own property. In addition, consistent with [REDACTED] statement, you stated that you do not have the ability to decide whether your tenants, or any other applicant, can participate in the program.

**LAW AND ANALYSIS:** There are three provisions of the Ordinance that apply to this situation. The first is section 2-156-110, entitled "Interest in City Business." It states:

No elected official or employee shall have a financial interest in his own name or in the name of any other person in any contract, work or business of the City or in the sale of any article, whenever the expense, price or consideration of the contract, work, business or sale is paid with funds belonging to or administered by the City, or is authorized by ordinance.

Under this section, an employee may have an interest in a City contract, work, or business as long as the interest does not constitute a "financial interest." The term "financial interest" is defined in relevant part as "(ii) any interest with a cost or present value of \$5,000 or more."

If your tenants receive assistance through the B [REDACTED] program, you will have an interest in a contract, work, or business of the City. Although the City B [REDACTED] program is designed to assist low-income tenants, and the tenants must qualify for the assistance, the tenants' participation in the program benefits the owner of the property that is improved. Thus, you, as the owner, would have an interest in the City's contract with the tenant for the work on the property.

In order for your interest to be prohibited under this provision, the [REDACTED] assistance to your property

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must have "a cost or present value of \$5,000 or more." As you reported, the maximum assistance that each of your tenants could receive, which would benefit your property, would be \$1,500, bringing the total to \$3,000. Since this is less than the \$5,000 allowable under this section, the Board determines that this provision of the Ordinance does not prohibit your interest in the City's contracts with your tenants for their participation in the B [REDACTED] program. If the amount of assistance was \$5,000 or more, the Ordinance would prohibit such.

The other two applicable sections of the Ordinance are section 2-156-030, entitled "Improper Influence," and section 2-156-080, entitled "Conflicts of Interest." These state, in relevant part:

No official or employee shall make, participate in making or in any way attempt to use his position to influence any City governmental decision or action in which he knows or has reason to know that he has any economic interest distinguishable from its effect on the public generally. (§ 2-156-030)

No official or employee shall make or participate in the making of any governmental decision with respect to any matter in which he has any economic interest distinguishable from that of the general public. (§ 2-156-080(a))

These sections prohibit you, as an employee of the X [REDACTED] Department, from influencing or participating in any governmental decision in which you have an economic interest. The term "economic interest" is defined in the Ordinance as "any interest valued or capable of valuation in monetary terms . . . ." (§ 2-156-010(i)) In the present case, you are prohibited from influencing or making any decisions regarding your tenants' participation in the program including, but not limited to, (1) attempting to influence or make any decisions that could affect the tenants' application for [REDACTED] aid to [REDACTED] the building you own; (2) attempting to influence or be involved in the inspection of that building on behalf of the department; or (3) attempting to influence or make any decisions affecting the actual [REDACTED] work to be done on the building.

The facts show that in your City job, you are assigned by your supervisor to visit particular property sites to assess them for [REDACTED] needs. However, you stated that you will not be called upon by your department to make any

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assessments of your own property or to inspect or perform any work on that property. In addition, you are not involved in the X [redacted] Department's application or qualification process for the [redacted] B [redacted] program. Therefore, given these facts, the Board determines that these two sections of the Ordinance do not prohibit your interest in the assistance that the tenants of your building are seeking from the [redacted] X [redacted] Department.

**CONCLUSION:** In conclusion, the Board determines that the Governmental Ethics Ordinance would not prohibit your interest that would result if your tenants receive \$1,500 each in assistance through the City's [redacted] B [redacted] program. Our determination in this case is based on the application of the City's Governmental Ethics Ordinance to the facts stated in this opinion.<sup>1</sup> Please be advised that there may be other rules or laws that may apply to this situation. We note that a City department may adopt restrictions that are more stringent than those restrictions in this Ordinance.

Again, the Board appreciates your willingness to comply with the ethical standards embodied in the Governmental Ethics Ordinance. We enclose the Board's procedural rules that apply after it renders a decision. If you have any further questions, please do not hesitate to contact us.

Sincerely,

  
Al Hofeld  
Chairman

enclosure

cc: Kelly Welsh, Corporation Counsel  
[redacted]

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<sup>1</sup> If the facts presented in this opinion are incorrect or incomplete, please notify the Board immediately, as any change in the facts may alter our opinion.

## NOTICE OF RECONSIDERATION AND RELIANCE

Reconsideration: This advisory opinion is based on the facts outlined in this opinion. If there are additional material facts or circumstances that were not available to the Board when it considered this case, you may request reconsideration of the opinion. A request for reconsideration must (1) be submitted in writing, (2) explain the material facts or circumstances that are the basis of the request, and (3) be received by the Board of Ethics within fifteen days of the date of this opinion.

Reliance: This advisory opinion may be relied upon by (1) any person involved in the specific transaction or activity with respect to which this opinion is rendered and (2) any person involved in any specific transaction or activity that is indistinguishable in all its material aspects from the transaction or activity with respect to which the opinion is rendered.