

MEH



March 9, 1988

City of Chicago
Eugene Sawyer, Acting Mayor



Board of Ethics
Harriet McCullough
Executive Director

CASE NUMBER 87073.A

Sol Brandzel
Chair

Mary Milano
Vice Chair

Rev. Don Benedict
Margaret Carter
Angeles Eames
Rev. A. Patterson Jackson
Marlene Rankin

Suite 1320
205 West Randolph Street
Chicago, Illinois 60606
(312) 744-9660

Dear [Redacted]

The Board of Ethics has reviewed [Redacted] request for an advisory opinion concerning your status under the lobbyist registration and disclosure provisions of the Governmental Ethics Ordinance (Chapter 26.2 of the Municipal Code of Chicago). [Redacted] letter of August 10, 1987, stated that you are the owner and president of [Redacted] a public relations and political consulting business, and you occasionally appear before City Council members and/or department heads regarding your clients' concerns. Depending on the intent of your communications with City officials, you may be required to report these communications to the Board of Ethics on the Lobbyist Registration and Disclosure Forms (enclosed).

Section 26.2-21 of the Ordinance requires each lobbyist whose lobbying related compensation or expenditures aggregate \$5,000 or more in the preceding or current calendar year to register and file disclosure reports with the Board of Ethics. As defined by Section 26.2-1(o) of the Ordinance a "lobbyist" is any person:

- (i) who for compensation or on behalf of any person other than himself undertakes to influence any legislative or administrative action; or (ii) any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative actions.

Thus, any individual who earns \$5,000 in one year for attempting to influence either legislative or administrative City action will be required to register with the Board of Ethics as a "lobbyist".



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Generally speaking, any attempt to influence a matter pending or proposed in the City Council or any City Council committee or subcommittee will constitute legislative lobbying.^{1/} Similarly, attempts to influence the decisions of an employee or official of an executive department^{2/} are classified as administrative lobbying.^{3/} Thus, if you anticipate that you will earn \$5,000 during this year or if you earned \$5,000 during the preceding calendar year for engaging in administrative and/or legislative lobbying, you will be required to file a Lobbyist Registration Form (Form 23) and Lobbyist Disclosure Reports (Form 25).

The Board has noted that you represent clients pursuant to retainer agreements which do not stipulate an hourly wage for lobbying City officials. Please be advised that in order to determine whether you must register as a lobbyist you must determine whether your compensation for lobbying aggregates \$5,000 or more. In making this determination, you will be required to make a "good faith" estimate of the amount of compensation you receive for lobbying-related activities. This means that you must determine what portion of your total retainer fee is attributable to lobbying. When pro-rating your fee, you should consider the hours spent in discussions with City officials, as well as all preparatory activities such as research and consultations that are directly related to influencing City actions as part of your lobbying-related compensation.

Please note that although the dollar amount of compensation is not required to be reported on the Lobbyist Registration Form, the Lobbyist Disclosure Report (Form 25) requires you to estimate to the nearest \$5,000, the amount of compensation you receive from each client for lobbying related activities. If the amount of compensation you receive from a client is less than \$5,000, you should indicate in Column 4 of Section E that the compensation you receive from that client was "less than \$5,000".

In addition to making a "good faith" estimate of the amount of compensation you will receive for lobbying-related activities, you

^{1/} See definition of "legislative action" contained in Section 26.2-1(n); attached.

^{2/} See attached list of "Executive Departments".


^{3/} See definition of "administrative action" contained in Section 26.2-1(a); attached.


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will also be required to provide a "good faith" estimate of the amount of money you expend on behalf of your clients. This estimate must be provided in Section C of Form 25 (the Lobbyist Disclosure Report). If the numbers you provide in this Section are estimates, you must print the following statement on your form: "The numbers provided in this Section are estimates".

We hope that the analysis we have provided addresses your concerns regarding the Lobbyist Registration and Disclosure provisions of the Ethics Ordinance. We would appreciate it if you would submit a written response to the Board stating whether you earned \$5,000 for lobbying executive departments and/or City Council staff during the current or preceding calendar year; and if you answer the preceding question in the affirmative, you must also submit a completed Lobbyist Registration Form to the Board of Ethics within five days of engaging in any other lobbying activities (See Section 26.2-23; attached). If you have any questions, please do not hesitate to contact the Board of Ethics at 744-9660.

Sincerely,


S. Brandzel
Chairman

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