

Continuing Ethics Education Series

City of Chicago
Richard M. Daley, Mayor



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A City of Chicago Board of Ethics Publication

SUBJECT: EMPLOYMENT OF RELATIVES

7TH ISSUE (September 2003)

Executive Director's Column

In private business, people can hire their brother, sister or any other relative, and it's usually not a problem. In government, the rules on hiring a relative are different. The City of Chicago's rules on the employment of relatives say that an employee or official cannot hire, advocate the hiring of, or supervise any relative in any agency in which the employee or official serves. In this edition, we summarize a number of actual employment of relative situations and their resolutions under City law. I hope you find this issue helpful and informative.

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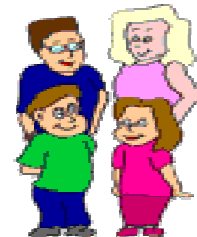
Puzzle **New!**

Ethics Classes

Dorothy J. Eng



Ethics Rules On **Employment of Relatives***



Under City law, employees and officials **CANNOT**:

- ◆ Hire, advocate hiring, or exercise employment authority over their relatives in the City agency where the employee or official serves. This rule applies to City Council Committee staff, but not to personal staff of Council members.
- ◆ Hire or advocate hiring any person for a job in the City agency where they are employed in exchange for having their relative hired by any other City official or employee.
- ◆ Supervise, manage or oversee a City contract if the person with that contract employs or has a contract with the City employee or official's relative.
- ◆ Use, or permit the use of their position, to assist any relative in securing employment or contracts with persons whose City work they supervise, manage or oversee.

* See page 4 for the meaning of the term "relative" under City law.

Opinions on Employment of Relatives

The situations summarized below are examples of issues involving employment of relatives that have been addressed by the Board. Anyone who would like an opinion should contact the Board at (312) 744-9660. Please note that only persons involved in the specific cases or in situations not materially different from them can rely on Board opinions.

Case Nos. 01022.A and 98045.A

A City employee is due for a promotion in her City department from supervisor to a director level position. However, she has a sister and a son who both work in her department, and wants to know if that prevents her from being promoted.

In Case Nos. 01022.A and 98045.A, the Board held that the Ordinance does not prohibit the appointment or promotion of a person to any position within City employment. However, it does prohibit a City employee, like this one, from “employing” any relative (such as a sister or a son) in a department in which the employee serves or exercises control. “Employing” a relative has broad meaning. It means not only hiring a relative for City employment, but also exercising “ongoing supervision” as to a relative’s City employment. This includes conducting, taking part in, signing documents relating to, or approving or trying to influence decisions as to the relative’s performance evaluations, promotions, salary increases, sick or vacation leave administration, and daily work assignments. The prohibition exists whether the relatives would be in a direct (e.g. boss/subordinate) reporting relationship, or an indirect one (where more than one supervisory level exists between the supervising employee and the relative).

Case No. 00021.A

A City employee’s daughter is employed by a consultancy firm in which she has a 10% ownership interest. Her firm has agreed to serve as a consultant to a company on one of the company’s non-City contracts. This company, not the daughter’s firm, also has City contracts. In his City job, this employee supervises the performance of two of this company’s City contracts, in which his daughter’s firm has no involvement. Can the employee continue to do this work in his City position?

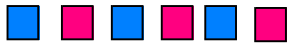
In Case No. 00021.A, the Board determined that this City employee would not be prohibited from exercising contract management authority over this company’s City contracts, provided, of course, that his daughter’s firm continues to do no work on the City contracts. The Ordinance would prohibit this employee from exercising management authority over City work if the company “employed” or “contracted with” his daughter. However, the Board reasoned, the company doing City work did not “employ” or “contract with” his daughter, because: 1) the consultancy firm, *not the daughter*, entered into the consulting contract with the company; 2) the daughter is only a 10% owner of the consultancy firm, and this is not sufficient for the Board to conclude that she controls the firm to the extent that a contract with the firm would, in effect, be a contract with her; and 3) her legal obligations are to her consultancy firm, not to the company contracting with it.

Case No. 00006.A

A City employee serves on a committee evaluating responses to a Request for Proposals (RFP) the City issued. He has learned that the owner of one of the responding companies is related to him: his great-grandmother and the owner’s grandfather were sister and brother. Can he continue to serve on the committee? If the contract is awarded to the owner’s company, can he negotiate the contract or supervise the company’s performance under it?

In Case No. 00006.A, the Board, first noting that the company owner and this City employee were second cousins once-removed, then determined that this second cousin once-removed relationship is not included in the Ordinance’s definition of “relative.” Thus, the Ordinance’s prohibitions with respect to exercising contract management authority over work on City contracts performed by persons employing or contracting with a relative do not apply here. This employee is not prohibited from serving and voting on the contract selection committee, or from otherwise exercising contract management authority over the contract if it is awarded to this company.

Test Your Knowledge



. . . of the Rules on Employment of Relatives



Answer the following questions with either a **YES** or a **NO**, then check your answers.

Yes **No**

1. My duties as a City employee include supervising the performance of King Kong Construction on a City contract. My daughter has applied to King Kong for a job as a structural engineer. Through my City job, I have become acquainted with one of the owners of the company. May I utilize that contact to assist my daughter in her job search?

Answer: No City official or employee may use, or permit the use of, his City position to assist any relative in securing employment or contracts with persons over whom the employee or official exercises contract management authority. Because you supervise the performance of King Kong Construction, you have contract management authority over the company. Therefore, the answer to your question is "NO," you may not use, or permit the use of, your City position to assist your daughter in securing employment with that company.

2. My daughter just called and told me that she has been hired [without any assistance—direct or indirect—from me] to work in King Kong's suburban office on non-City projects. May I continue to supervise King Kong's City work, provided my daughter isn't working on any City project?

Answer: No City official or employee may exercise contract management authority over any person doing City work, if that person employs or contracts with any relative of the City official or employee. King Kong is doing City work and employs your daughter. Therefore, the answer to your question is "No," you may not supervise King Kong's City work so long as King Kong employs your daughter. The fact that she is working exclusively on non-City projects does not alter the result.

**Extra
Credit**

3. Does it make a difference that my daughter is neither a minor nor a member of my household?

Answer: The prohibition against a City official or employee exercising contract management authority over someone who employs or contracts with any relative of the City official or employee does not "turn" on the age of the relative or whether the relative is a member of the City official or employee's household. Therefore, the answer to your question is "NO," the fact that your daughter is neither a minor nor a member of your household does not alter the result.

PLEASE NOTE

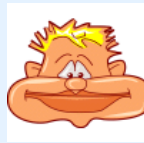
The opinions and answers as stated in this publication are for general information only and are NOT intended to provide specific advice for any individual. For specific advice, contact the Board office at (312) 744-9660.

DEFINITION OF "RELATIVE"

Under the Ethics Ordinance, the term "relative" means:

- | | | | | |
|----------|--------------|------------------|---------------|---------------|
| Spouse | Aunt* | Grandchild* | Stepfather* | Stepsister* |
| Parent* | Uncle* | Father-in-law* | Stepmother* | Half-brother* |
| Child* | Niece* | Mother-in-law* | Stepson* | Half-sister* |
| Brother* | Nephew* | Son-in-law* | Stepdaughter* | |
| Sister* | Grandparent* | Daughter-in-law* | Stepbrother* | |

*Whether by blood or adoption



PUZZLE

Find all 23 "relatives" named above in the puzzle.

The words may be arranged vertically, horizontally or diagonally. Good luck!

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| C | R | O | A | H | P | I | R | C | O | G | U | O | O | I | S | G | L |
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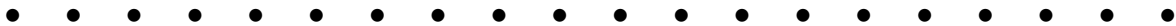
Upcoming Ethics Training Classes

Regularly Scheduled Ethics Training Class Dates

September 3 and 17, October 1 and 15
9 AM - 10:30 AM
740 North Sedgwick, Suite 500

If you have any questions or need additional information, you can contact us at:

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