



**CITY OF CHICAGO
BOARD OF ETHICS**
740 North Sedgwick Street, Suite 500
Chicago, Illinois 60654-8488

To: All City Council, Chiefs of Staff and Department Heads

From: Board of Ethics *SRB*

Date: April 24, 2018

Re: Independent Contractors to Aldermen and Prohibited Financial Interests in City Business

The Board of Ethics recently issued the attached Letter of Admonishment (redacted) to a full-time City employee who also worked part-time as an independent contractor to an aldermanic office and received payment by the City through that independent contract, in violation of the Governmental Ethics Ordinance's Interest in City Business provision. The Ordinance, §2-156-110, limits a City employee's ownership interest in a City contract (or any combination of City contracts) to no more than \$1,000 per calendar year. In other words, a City employee cannot work as a contractor for the City (on top of his or her full or part-time City position) if the contract(s) is (are, together) worth more than \$1,000 per calendar year.

The Board directed its staff to issue this Memorandum as a reminder of this restriction because this employee had worked both jobs for three (3) years before the matter and violation were brought to the Board's attention. Moreover, the evidence in this case showed that: (i) the aldermanic office knew or should have known that its independent contractor was also a full-time City employee but yet twice executed written contracts providing for more than \$1,000 in compensation per year; and (ii) the employee received two (2) written approvals in separate years from the head of the City Department for which the employee worked to engage in this outside employment. The employee clearly disclosed on the outside employment forms that the secondary employment would be pursuant to an independent contract with an aldermanic office, with enough work hours to indicate that payment would likely exceed \$1,000 a year.

Please ensure that departments and/or aldermanic offices who engage the services of City employees do not place these employees in violation of the Governmental Ethics Ordinance, and monitor whether their independent contractors are City employees to be paid with City funds. Please contact our legal staff if you have any questions.