



City of Chicago
Eugene Sawyer, Acting Mayor

June 1, 1988

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

[REDACTED]

Case No. 88069.A

Dear [REDACTED]

Person Q [REDACTED] has requested the Board of Ethics to determine whether your company, [REDACTED] Inc., is permitted by the Ethics Ordinance to receive a loan of \$25,000 from the City. [REDACTED] Inc. has applied for the loan in connection with its plans to open a [REDACTED] franchise [REDACTED].

In her letter to the Board, person Q [REDACTED] indicated that 1) you are the 100% owner of [REDACTED] Inc., 2) your husband, [REDACTED] is employed by another [REDACTED] Department, 3) you have stated that your husband will not be an employee of [REDACTED] Inc. or draw any salary from the company and 4) although your husband does not intend to be an employee of the company, he is participating in the franchisor's training program so that he can be prepared to help cover any emergencies.

In a subsequent conversation with the staff of the Board of Ethics, you stated that:

- 1) You were the only person authorized to sign on [REDACTED] Inc.'s bank account;
- 2) You were the only signor on the franchise agreement [REDACTED];
- 3) You were the only signor on [REDACTED] Inc.'s sublease of space [REDACTED] and [REDACTED].



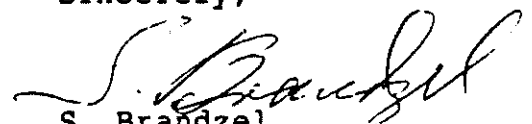
- 4) Your husband, [REDACTED] does not and will not hold any office or position in [REDACTED] Inc.

Section 26.2-11 of the Ethics Ordinance (Interest in City Business) prohibits City employees from having a financial interest in their own name or "in the name of any other person" in any City business. However, the Ordinance also states that a financial interest shall not include "any interest of the spouse of an official or employee which interest is related to the spouse's independent occupation, profession or employment" (Section 26.2-1(k)(a)).

On the basis of the facts presented by you and [REDACTED] (cited above), the Board of Ethics concludes that your husband, [REDACTED] has no financial or legal control over [REDACTED] Inc. So long as he continues to have no such control, his irregular involvement in the operation of [REDACTED] Inc. will not prevent classification of the business as your "independent" occupation for purposes of the Ethics Ordinance. Therefore, [REDACTED] Inc. falls within the spousal exemption in Section 26.2-1(k)(a) and the proposed loan of \$25,000 from the City [REDACTED] is permitted by the Ethics Ordinance.

Should you have any questions, please contact the Board of Ethics at 744-9660.

Sincerely,


S. Brandzel
Chairman

cc: [REDACTED]
[REDACTED]