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Letter was sent on July 12, 1988
July 8, 1988

[REDACTED]

Case Number 88088.A

CONFIDENTIAL

Dear [REDACTED]

On June 15, 1988 the Board of Ethics issued an advisory opinion regarding your client, [REDACTED]

[REDACTED]. *Your client represents a specific church within the City.*

He is also employed by the City of Chicago in the [REDACTED] Department [REDACTED]. As a City employee he is subject to Section 26.2-11 of the Ethics Ordinance which states:

No 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, ... whenever the expense, price or consideration of the contract, work or business is paid with funds belonging to or administered by the City.

This individual is currently signator on two contracts with the City. These contracts secure federal funds for [REDACTED]

One program pays rent for the use of *this specific Church's* facilities. In addition program fees and miscellaneous funds are paid to the Church. Therefore all monies received for the programs are co-mingled with the Church's general funds.

Your client receives a salary paid from the general funds. The failure to separate the Church funds creates a financial interest in a City contract on behalf of *this individual*. As long as your client is employed by the City, the following actions must be taken to ensure that no conflicts of interest exist.

Avoid co-mingling any revenue received from the City contracts with the general funds of the Church. *This individual* should maintain no interest in any contracts between the Church and



the City. Because *this individual remains in his position at the church* any contracts between the *church* and the City of Chicago, even without *this individual's* signature, violate the Governmental Ethics Ordinance. To comply with the Ordinance the Church must create a separate community foundation. This entity should be the contractor on all renewed or new contracts with the City. *This individual* is not to be included as a member of this new entity and the entity is to have its own accounts separate in every way from the Church accounts.

The [REDACTED] center contract has already been renewed by *this church. This individual* is not a signator on this contract but he remains *in his position at the church.* Therefore he has a financial interest in the contract and is in violation of the Ethics Ordinance. The contracts for the [REDACTED] center food program and youth outreach program do not expire until [REDACTED] and [REDACTED], respectively. Before these contracts are to be renewed, sufficient time exists to develop a new entity.

If the Church agrees to perform according to the Board's stated guidelines on all future contracts, no sanctions will be incurred for the present technical violation. This recommendation amends the Board's previous opinion. The Board of Ethics seeks to encourage behavior in conformance with the Governmental Ethics Ordinance without punitive sanctions when possible. This amended decision allows more efficient compliance with the Ordinance regulations.

Thank you very much for your attention to the Ethics Ordinance. If you have further questions on this or any other case please do not hesitate to call our office.

Sincerely yours,


Ertharin Cousin
Deputy Director

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