

MEH



June 15, 1989

CONFIDENTIAL

City of Chicago
Richard M. Daley, Mayor

[REDACTED]

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Suite 530
205 West Randolph Street
Chicago, Illinois 60606
(312) 744-9660

RE: [REDACTED]

Case No. 89109.A

Dear [REDACTED]

You submitted a request to the Board of Ethics for an advisory opinion whether the Governmental Ethics Ordinance prohibits the participation of a City employee in the Facade Rebate Program. The Board considered your question at its June meeting and determined that the Governmental Ethics Ordinance does not prohibit a City employee from receiving a grant from the Facade Rebate Program which does not exceed \$5,000.¹

This advisory opinion is based on the facts outlined in this letter. If there are additional material facts or circumstances that were not available to the Board when it considered your case, you may request reconsideration of the opinion. A request for reconsideration must (1) be submitted in writing, (2) explain the material facts or circumstances which are the basis of the request, and (3) be received by the Board of Ethics within fifteen days of the date of this letter.

FACTS: The Facade Rebate Program is a HUD community development block grant program. *individual B*, the tenant in a building owned by *individual A*, a City employee, applied to participate in the program. *Individual A* was listed as the owner on all documents submitted to

¹ This opinion is consistent with that rendered in Case No. 87035.A, June 12, 1987, under Executive Order 86-1. That case concerned [REDACTED] a City employee who wanted to apply for participation in the Facade Rebate Program.



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the Department of Economic Development ("DED"), and his status as a City employee was known to DED employees. During final review of documents before payment of the rebate, DED staff found evidence that indicated that *individual A*, not *individual B*, had actually paid for all improvements on the building. Therefore, it is likely that the rebate of approximately \$5300 will actually be paid to *individual A*, although the check will be made out to *individual B*, the applicant.

APPLICABLE LAW: Section 26.2-11 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...."

A "financial interest" is defined as "(i) any interest as a result of which the owner currently receives or is entitled to receive in the future more than \$2,500 per year; [or] (ii) any interest with a cost or present value of \$5,000 or more...."

DISCUSSION: A facade rebate is paid out of funds administered by the City. Therefore, a financial interest in such a rebate, even if it is in *individual B's* name and not *individual A's*, would fall within the restrictions of Section 26.2-11. The expected rebate is a one-time payment of approximately \$5,300. The Board has expressed the opinion that, in determining whether a one-time grant payment constitutes a "financial interest," \$5,000 is the proper measure. See Case No. 87029A., June 30, 1987. Thus, *individual A's* indirect receipt of any amount exceeding \$5,000 from the Facade Rebate Program would constitute a prohibited financial interest in City business under Section 26.2-11. However, the Governmental Ethics Ordinance does not prohibit his receipt of a grant not exceeding \$5,000.

The Board of Ethics hopes that this opinion answers your inquiry. If you have any questions regarding this matter, please do not hesitate to call the Board at 744-9660.

Sincerely,


S. Brandzel
Chair

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