Executive Director’s Column

We hope you enjoyed the 1st issue of this new educational series. If you didn’t receive the 1st issue or if you wish to view it again, go to our website at www.cityofchicago.org/Ethics.

With the holiday season approaching, we’ve chosen gifts as the subject of this issue. We hope it answers most employees’ and officials’ questions on gifts. We’ve included several new sections in this issue. One article identifies some of the gifts that are, by law, acceptable, as well as gifts that are unacceptable. There is also an article that offers guidance on how to dispose of a gift that, if retained, could create an appearance of impropriety.

We continue to work to make this publication not only informative and educational, but also interesting and relevant to the persons in the public services of the City of Chicago. As always, we welcome your questions, suggestions and comments. Best wishes for the holiday season.

Dorothy J. Eng

Ethics Rules On GIFTS

The City’s rules on gifts became law in 1987. These rules only establish guidelines for us. They do not and cannot eliminate appearance problems that may be associated with the acceptance of any gift from a City vendor or contractor. A general summary of the rules follows. The summary identifies the gifts that cannot be accepted by employees, officials, their spouses, and their minor children. It also identifies some of the gifts that are not prohibited under the law. However, before accepting any gift, employees and officials should consider not only whether a gift is permissible under the law, but whether acceptance might create the perception that their independent City judgment is being compromised. To eliminate the negative appearances that may be associated with
a gift from a person with an interest in City business, such as a vendor or a contractor, do not accept the gift. The general summary of the gift rules is as follows:

**Unacceptable Gifts**

The rules prohibit City employees and officials, their spouses, and their minor children from accepting:

- ✔ Any anonymous or cash gift.
- ✔ A gift based on a mutual understanding that the gift will influence City decisions.
- ✔ Any item or service valued at $50 or more from someone who can gain or lose by actions they take in their City job.
- ✔ A gift, money, or a thing of value in exchange for advice or assistance concerning City business.

**Acceptable Gifts**

Exceptions in the gift rules include:

- ✦ An occasional, non-monetary gift worth less than $50.
- ✦ A gift received on behalf of the City. The person accepting a gift on behalf of the City is required to promptly report receipt of the gift to the Board and to the Comptroller, who will add it to the inventory of City property.
- ✦ Honoraria (a gift or money for participating in speaking engagements, lectures, debates or discussion forums) received in the course of employment. Any City employee or official who receives an honorarium is required to report it to the Board within 5 business days.
- ✦ An unsolicited discount (i.e., a bona fide sales promotion) that is widely available.
- ✦ An award or honorary degree.
- ✦ Compensation for reasonable travel and entertainment expenses are acceptable but only if three criteria can be met: 1) the expenses are incurred in connection with a public event; 2) the event is related to official City business; and 3) the person providing these expenses is the sponsor of the event.
Protocol on Gifts For City Personnel

Here are some tips on what to do with gifts you might receive.

<table>
<thead>
<tr>
<th>You Don’t Know Whether You Can Accept the Gift</th>
<th>You Know the Gift Is Prohibited</th>
<th>You Are Uncomfortable Accepting the Gift</th>
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</table>
| If you don’t know whether you can accept the gift you are offered or sent, you should as soon as possible:  
1) Contact the Board office at (312) 744-9660 for confidential guidance. | If you are offered or sent a gift that you know is prohibited, you should, as soon as possible:  
1) Return the gift to the giver, together with a letter that:  
a) describes the gift; and  
b) informs the giver that you are returning the gift because you are prohibited by law from accepting it.  
Keep a copy of the letter for your records, and if you wish, send a copy to the Board of Ethics. | If you are offered or sent a gift you feel uncomfortable accepting because it could create an appearance problem, you should, as soon as possible:  
1) Return the gift to the giver, together with a letter that:  
a) describes the gift; and  
b) informs the giver that, although you appreciate the gesture, you are returning the gift because you feel that your acceptance of it would create an appearance that would detract from the integrity of the giver’s relationship with your City agency/the City.  
Keep a copy of the letter for your records, and if you wish, send a copy to the Board of Ethics. |
| OR  
2) Follow the procedures set forth under “You Are Uncomfortable Accepting the Gift.” | OR  
2) If returning the gift is not possible (e.g., an anonymous gift or a perishable gift), you should forward the item to a charitable organization, together with a letter that:  
a) describes the gift; and  
b) asks the organization to accept the gift because you are prohibited by law from accepting it; and  
c) identifies the giver, by name and address, as the donor.  
Keep a copy of the letter for your records, send a copy to the giver (if known), and if you wish, send a copy to the Board of Ethics. | OR  
2) Forward the item to a charitable organization, together with a letter that:  
a) describes the gift;  
b) explains the gift is being forwarded because you feel that your acceptance of the gift would create an appearance that would detract from the integrity of the giver’s relationship with your City agency/the City; and  
c) identifies the giver, by name and address, as the donor.  
Keep a copy of the letter for your records, send a copy to the giver, and if you wish, send a copy to the Board of Ethics. |
Test Your Knowledge

Answer the following questions with either a YES (the activity is permitted) or a NO (it is not permitted), then check your answers.

<table>
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<tr>
<th>Yes</th>
<th>No</th>
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| ☐   | ☐  | 1. In my position as a City employee, I am responsible for choosing which outside service vendors will perform work for my department. One of the vendors offered to give my 14-year-old son 2 tickets to a Bulls game. The tickets have a face value of $65 each. May my son accept the tickets?

Answer: The value of the tickets exceeds the allowable value of a gift that this vendor can give to either you, your spouse or your minor children. Therefore, the answer to Question #1 is NO, your son may not accept the tickets.

| ☐   | ☐  | 2. A City department head receives a box of holiday chocolates from a vendor who has a contract with the department. The chocolates are worth $30. May the department head accept the candy?

Answer: Although this gift is from a vendor, it is nominal in value (worth less than $50), and occasional (a holiday gift). Therefore, the answer to Question #2 is YES, under the law, the department head may accept the candy.

| ☐   | ☐  | 3. A City employee asks whether she can accept an offer to attend a fund-raising dinner for a delegate agency of her department—but she is to pay for her own ticket. May she attend the dinner?

Answer: The Ethics Ordinance defines a gift as anything of value given without compensation or expectation of return. Because the invitation this employee received has no value—she is to pay for her own ticket—the offer is not considered a gift or favor under the Ordinance. The employee is not prohibited from accepting the invitation and attending the dinner. Therefore, the answer to Question #3 is YES, she may attend the dinner.

Extra Credit 4. What can City employees do to help erase the negative perception associated with the receipt of gifts from their department vendors or contractors?

Answer: The easiest way to eliminate the negative perception associated with the receipt of gifts from department vendors or contractors is to NOT accept such gifts.

PLEASE NOTE

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

The situations summarized below are examples of gifts issues 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 that are not materially different from them can rely on Board opinions.

<table>
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<tr>
<th>Case Number</th>
<th>Issue</th>
<th>Summary of Opinion</th>
</tr>
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<tr>
<td>93015.A</td>
<td>Are sales promotions the same as gifts?</td>
<td>In Case No. 93015.A, a local bank had extended an offer of free checking services to all personnel of two City departments. The bank had no contracts with either City department. The Board was asked whether the Ethics Ordinance prohibited the employees from accepting the bank’s offer. The Board concluded that the employees could accept the offer because it was a sales promotion, not a gift. In its decision, the Board noted that a gift is any thing of value given without consideration or the expectation of return; whereas, a sales promotion typically is an offer extended to the public or a market of similar people, made with the expectation of a return—usually increased business. The conclusion in this case that the offer was a true sales promotion was strengthened by the fact that the employees in question appeared to have no ability to influence City decisions relating to the bank.</td>
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<tr>
<td>94018.Q</td>
<td>May a City contractor pay the costs of a golf outing for a City employee who supervises the contractor’s City work?</td>
<td>In Case No. 94018.Q, a City contractor wished to invite a City employee to play in a golf tournament. In his City job, the employee was responsible for supervising the services that the contractor provided to the employee’s department. The company estimated the cost of the outing, including greens fees and meals, at $90. Board staff advised the contractor that it was prohibited, under the Ordinance’s gift provisions, from paying for the City employee’s greens fees and meals because: 1) the contractor had an economic interest in its City contract with the employee’s department; 2) the employee was in a position to make decisions that could substantially affect the contractor’s City business; and 3) the value of the gift exceeded $50.</td>
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<td>02002.02 and 02002.05</td>
<td>A vendor’s representative offers to treat you to lunch to “talk business.” You believe that your lunch will cost no more that $25.00.</td>
<td>In Case Nos. 02002.02 and 02002.05, two registered lobbyists reported gifts of lunch for less than $50.00 to City employees. The employees who were identified as having accepted the gifts were advised by the Board that, among other things, before accepting any gift, to consider not only whether the gift is permissible under the law, but whether acceptance might create the perception that their independent City judgment is being compromised. By law, lobbyists registered with the City must disclose every gift given to any official or employee of the City.</td>
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Required Disclosures Involving Gifts

In addition to gifts accepted on behalf of the City and honoraria, the Ethics Ordinance also requires that other gifts be disclosed to the Board.

City Employees and Officials Required to File Statements of Financial Interests
All City employees and officials required to file Statements of Financial Interests with the Board must disclose the names of persons from whom the filer received, in the previous calendar year, one or more gifts with a total value exceeding $500.

Registered Lobbyists
Registered lobbyists twice yearly are required to disclose all gifts they have given to employees and/or officials of the City of Chicago.

Upcoming Ethics Training Classes

Regularly Scheduled Ethics Training Class Dates

November 6 and 20, December 4 and 18
9 AM - 740 North Sedgwick, Suite 500

To enroll, call (312) 744-9660

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

City of Chicago Board of Ethics
740 North Sedgwick, Suite 500
Chicago, IL 60610
Tel. No. (312) 744-9660
TTY No. (312) 744-5996
FAX No. (312) 744-2793

www.cityofchicago.org/Ethics

To see past issues of Continuing Ethics Education Series, see the webpage(s) listed below:

<table>
<thead>
<tr>
<th>Issue</th>
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