



a financial interest in his own name or in the name of any other person in any contract, work or business of the City or in the sale of any article, whenever the expense, price or consideration of the contract, work, business or sale is paid with funds belonging to or administered by the City, or is authorized by ordinance....

The relevant Ordinance provision is § 2-156-110. It states, in pertinent part, that no City employee shall have:

Our opinion is based on the facts we were presented. A City employee in the Department is co-owner of a security company, Security. Security has a fifty-percent interest in a joint venture that has been chosen to provide service at [redacted]. The proposed contract would be for approximately [redacted] hours a month for [redacted] years, to be paid at an hourly rate of \$ [redacted] for actual hours worked. The value of the contract is therefore approximately four million dollars.

This letter confirms this agency's opinion with regard to the proposed contract for a [redacted] service at [redacted]. As indicated to [redacted], the contract in question should not be entered into as long as one of the co-owners is a City employee.

Dear [redacted]:  
 Re: Case No. 96029.Q  
 Financial Interest in City Business

[Large redacted block]

C O N F I D E N T I A L

City of Chicago  
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"Financial interest" is defined in relevant part in § 2-156-010(1) of the Ethics Ordinance 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 a year; [or] (ii) any interest with a cost or present value of \$5,000 or more . . .

Under the proposed contract terms, the employee's interest in the contract amounts to a sum far greater than allowable under the Ordinance, and is a prohibited "financial interest" in a City contract. Moreover, that interest vests when the parties enter into the contract. Therefore, unless the employee has resigned and terminated City employment by the time the contract is executed, it is a violation of § 2-156-110. For purposes of the Ethics Ordinance, individuals on leave of absence are considered employees of the City.

Please note that the Board staff's conclusion is based solely on the application of the City's Ethics Ordinance to the facts stated in this letter. If the facts are incomplete or incorrect, please notify us, as a change in the facts may alter our conclusion.

Very truly yours,

*Ellen M. Sewell*  
 Ellen M. Sewell  
 Legal Counsel

Approved:

*Dorothy J. Eng*  
 Dorothy J. Eng  
 Executive Director

E.M.S.