

MEH



City of Chicago  
Richard M. Daley, Mayor

June 15, 1989

**CONFIDENTIAL**

[REDACTED]

Board of Ethics  
Harriet McCullough  
Executive Director  
  
Sol Brandzel  
Chair  
  
Mary Milano  
Vice Chair  
  
Margaret Carter  
Angeles Eames  
Russell Hardin  
Rev. A. Patterson Jackson  
Marlene O. Rankin  
  
Suite 530  
205 West Randolph Street  
Chicago, Illinois 60606  
(312) 744-9660

RE: Case No. 89102.A,  
[REDACTED]

Dear [REDACTED]

You requested an advisory opinion from the Board of Ethics regarding the application of the Governmental Ethics Ordinance to your joining the Board of Directors of a bank in Illinois. After considering your question at its May meeting and receiving additional information, the Board determined that your service as a director would not violate the Governmental Ethics Ordinance, as long as you observe the provisos set out below.

This advisory opinion is based on and assumes the accuracy and completeness of the information provided to the Board. This information, the discussion and opinion are outlined below.

**FACTS:** You are an employee of the City of Chicago. You have been invited to serve on the board of directors of a bank in Illinois. According to the bank's bylaws, the board of directors is vested with the control and management of the business and affairs of the bank. You have an account at the bank, but own no capital stock in the bank.<sup>1</sup> You believe that a

<sup>1</sup> It is the Board's understanding that the bylaws of this bank and state law require a director to own capital stock in the bank. However, if all other information and circumstances upon which the Board bases this opinion remain unchanged, your ownership of



director receives \$300 for each monthly board meeting.

You said that, to your knowledge, the bank is not involved in any transactions with the City, is not financing any transaction between a bank customer and the City, and is not contemplating participation in any such transactions.

"Transactions with the City" includes a broad range of activities. Besides City accounts with the bank, it includes any exchange or combination of exchanges between the bank and the City or any of its agencies of goods, property, privileges or services for compensation.

At your request, <sup>the</sup> president of the bank, provided confirmation that "...the <sup>Bank</sup> holds no accounts under the name, City of Chicago - O'Hare" and that "the City of Chicago and <sup>the bank</sup> have no account relationship whatsoever, either direct or indirect, in connection with bank financing, etc." You stated that you understand <sup>the</sup> president's letters to mean that the City of Chicago in no way has business with <sup>the bank</sup>.

Most of your work for the <sup>City of Chicago</sup> involves the operation of <sup>an area of</sup> ~~the city~~. At times you do some work related to <sup>that area's</sup> expansion.

You stated that you believe your work as a director of the bank would be completely separate from and unrelated to your work for the City. At this time, you cannot identify even an indirect connection between your City duties and responsibilities and those of a director of <sup>this bank</sup>.

**DISCUSSION:** From the facts outlined above, the Board concluded that you would have a direct economic and financial interest in your service as a director of the bank. (Governmental Ethics Ordinance, Section 26.2-1[i] and 26.2-1[l]) However, based on the information provided, no direct or indirect relationship of any sort presently exists between any agency of the City of Chicago and <sup>this bank</sup>, nor is any such relationship contemplated. Therefore, the Board determined that you would not violate the Governmental Ethics Ordinance by serving as a director of <sup>this bank</sup>, provided that, in relation to your position as director,

(1) you do not make, participate in making or in any way attempt to use your governmental position to influence any City

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capital stock would not change the Board's opinion.

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governmental action or decision in which you know or have reason to know that you have an economic interest distinguishable from that of the general public. (Governmental Ethics Ordinance, Section 26.2-3, "Improper Influence;" Section 26.2-8[a], "Conflicts of Interest"); and

(2) you do not give or offer to give to any official, employee, or City contractor or to the spouse or minor child of any of them, and you, your spouse or minor child do not accept, anything of value based upon any implicit or explicit mutual understanding that your votes, official actions, decisions or judgments or those of any other official, employee or City contractor concerning the business of the City would be influenced thereby (Governmental Ethics Ordinance, Section 26.2-4[b]); and

(3) you, your spouse and your minor children do not accept any gift or cash from any person who has an economic interest in a specific City business, service or regulatory transaction if your decision or action as a City employee may substantially affect such transaction (Governmental Ethics Ordinance; Section 26.2-4[c]); and

(4) you do not solicit or accept any money or other thing of value, including gifts, favors, services or promises of future employment, in return for advice or assistance on matters concerning the operation or business of the City, unless you are rendering services which are wholly unrelated to your City duties and responsibilities (Governmental Ethics Ordinance; Section 26.2-5); and

(5) you do not represent or have an economic interest in the representation of any person other than the City in any proceeding or transaction before any City agency (Governmental Ethics Ordinance, Section 26.2-9[a]); and

(6) you do not acquire a financial interest in your 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, when 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 (Governmental Ethics Ordinance, Section 26.2-11); and


(7) you do not use or disclose confidential information gained in the course of or by reason of your position with the City. (Governmental Ethics Ordinance, Section 26.2-7).

The Board hopes that this advisory opinion answers your inquiry. If any of the circumstances or information from you upon which this opinion is based change, then the opinion of the Board

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regarding the permissibility of your service as a director may also change. In case of altered circumstances or information, the Board urges you to consult us on the continuing validity of this opinion. A copy of the Governmental Ethics Ordinance is enclosed for your reference. If you have any questions regarding this opinion or the Ordinance, please do not hesitate to call the Board at 744-9660.

Sincerely,

*S. Brandzel* 

S. Brandzel  
Chair