

FIS

CONFIDENTIAL

May 2, 2007

[John Smith]

Chicago, IL 606

Re: Case No. 07020.Q

Dear [Mr. Smith],

You are [title]. On April 30, you asked whether the City's Governmental Ethics Ordinance requires you to disclose, on your 2007 Statement of Financial Interests, travel expenses you received from non-profit organizations for two trips you took in 2006 in your [official City] capacity. This letter summarizes the advice Board staff gave you by telephone on April 30.

You explained that, in September 2006, the [Organization A] hosted you, along with 7 others who are Illinois [public servants] and employees (one other City official was invited but could not go) on a trip to China. The trip, sponsored by [A], involved meetings with Chinese public officials and promoted leadership development. Your second trip, [redacted], was to Israel, at the joint invitation and sponsorship of the [Organization B]. You were part of a group (including two other Chicago [public servants] [redacted] of [redacted] policy-makers from around the U.S. This trip's purpose was cultural and educational, and included meetings with Israeli public officials. You said that on neither trip were you offered any gifts, honoraria or other benefits or items beyond necessary travel expenses.

As you are aware, § 2-156-160(e) of the Ordinance requires all persons who file an annual Statement of Financial Interests (such as you, as an alderman) to disclose "the name of any person from whom [you] received during the preceding calendar year one or more gifts or honoraria having an aggregate value in excess of \$500.00, but not including gifts from relatives or domestic partners." A line of previous Board cases has established that, pursuant to § 2-156-040(d) (iv), travel expenses, such as these, offered to elected City officials (or City employees) for cultural and educational trips, are not prohibited by the Ordinance provided that, as in this case, they are furnished in connection with a public event or ceremony, related to official City business, furnished by the sponsor of the event, and reasonable. See Case Nos. 88134.A; 90017.A; 89105.Q; 92017.Q. In Case No. 88134.A, the Board recognized that reasonable hosting expenses, including travel

expenses, that
meet the conditions set forth in § 2-156-040(d), like these, are not "gifts"
(these

expenses, however, are still subject to the prohibitions contained in §§ -040 (a) and (b), namely, that they cannot be accepted from an anonymous donor or based on a mutual understanding that the recipient's City judgments or decisions would be influenced thereby). Hosting and travel expenses that do not meet these conditions, the Board recognized, would be "gifts," with all the applicable restrictions and requirements.

It is Board staff's conclusion that, because, under this line of Board cases, the travel expenses you have asked about are not "gifts," there is no requirement that you report them on your 2007 Statement of Financial Interests pursuant to § 2-156-160(e).

Board staff's conclusions and advice are based solely on the application of the City's Governmental Ethics Ordinance to the facts summarized in this letter. If these facts are incorrect or incomplete, please notify our office immediately, as any change may alter our conclusions. Please also note that neither this letter nor the advice you were given orally address any reporting requirements to which you may be subject under the Illinois Governmental Ethics Act (5 ILCS 420/4A-101 et seq.) or the Statement of Economic Interests filed pursuant to that Act. We advise you to seek independent legal advice as to how that law may affect you.

Our office sincerely appreciates the opportunity to advise you, your bringing this matter to our attention, and your concern to abide by the standards embodied in the City's Governmental Ethics Ordinance (a copy of which is enclosed). If you have further questions about this or any other matter, please contact me.

Yours very truly,

Steven I. Berlin,
Acting Executive Director

enclosure