



"The temporary employee will not be entitled to City of Chicago employee benefits (e.g. vacation, sick leave, pension, etc...

The "Letter of Understanding" that you and a representative from Dept. A signed on April 11, 1995 (you said you signed no other contract documents), summarizes "the compensation and benefits" you will have "while in the temporary employ of the City of Chicago." The letter states that you are paid by the hour for services rendered to the City. You said that you work about [redacted] hours per week, and are paid [redacted] per hour. The contract continues, in relevant part:

On March 13 and 20, you provided staff with copies of your City contract and paycheck stub, and asked that staff contact employees of Dept. A and Office B and Office C. Staff has reviewed the relevant documents, and the statements made by employees in these City departments. Our conclusions follow.

You currently work part-time for the City as a [redacted] in the [redacted] (position). On February 28, 1996 you called the Board of Ethics and asked whether the City's Governmental Ethics Ordinance prohibits you from applying for and receiving more than \$5,000 from a loan program administered by the Dept. C. Staff explained that Section 2-156-110 of the Ordinance prohibits City employees from having a "financial interest" in any City business, and thus from receiving \$5,000 or more in loans or grants paid with funds belonging to or administered by the City. You said that you believe you are not a City employee, but an independent contractor, and staff asked you to provide further information.

Re: Case No. 96018.0
Financial Interest in City Business
Dear Mr. X:

[Redacted signature block]

March 29, 1996

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

EMUS



City of Chicago
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"If at any time during the term of this contract the employee is appointed to a City position, the contract is rendered null and void."

According to your Letter of Understanding then, you are not entitled to City benefits, and are not appointed to a City position, as such an appointment would terminate your contract.

Mr. Z [redacted] (title) [redacted] in Dept. A [redacted] told staff that (position) [redacted] such as you, receive no City benefits, are not eligible for continuous City service credit, have no City title created by the Commissioner of Personnel, have not been appointed to any City position, and are paid from the Department of Revenue's budget line item for contractual services. He confirmed that the City has only recently begun to withhold money for federal and state income taxes, Social Security, and Medicare from the paychecks of people in your position. [redacted] in the [redacted] program do not file an employment application with the Department of Personnel.

The Board discussed the criteria for distinguishing City employees from certain City contractors in Case Nos. 90056.A and 94024.A. Applying those criteria to the facts presented in this letter, staff concludes that, for purposes of the City's Governmental Ethics Ordinance, you are not currently a City employee, but are, rather, a City contractor. As long as this remains true, you are not subject to the prohibition imposed on City employees in §2-156-110 of the Ordinance, and thus nothing in the Ordinance would prohibit you from applying for and receiving the loan you described. If your contract is terminated and your status changes so that you do occupy a City position and become eligible for City benefits, we urge you to contact our office, because you would be subject to those restrictions the Ethics Ordinances imposes on City employees.

However, you currently are, for purposes of the Ethics and Campaign Financing Ordinances, a City contractor, as that term is defined in §2-156-010(e) of the Ethics Ordinance. Moreover, because you have a contract with a City agency from which you have received more than \$10,000 from the City in a consecutive twelve month period, you are also, for purposes of these Ordinances, considered a person "doing business with the City" as that term is defined in §2-156-010(h) of the Ethics Ordinance. Thus, you are subject to certain provisions of both Ordinances that apply to City contractors and persons who do business with the City, including those governing the offer and receipt of gifts (§2-156-040) and the making of campaign contributions (§2-164-020, -030, and -040). For your

convenience, we enclose a copy of both Ordinances, and a brochure guide entitled "The Law Governing Gifts, Favors, and Political Contributions: A General Guide." If you have any further questions about your obligations under these Ordinances, please do not hesitate to contact us.

Our conclusion in this case is based upon application of the City's Governmental Ethics Ordinance to the facts stated in this letter. If the facts presented are incorrect or incomplete, please notify us, as any change may alter our conclusion. We note that other laws or rules may apply to this situation, and that any City department may adopt restrictions that are more stringent than those imposed by the Ethics Ordinance.

We appreciate your call and your willingness to abide by the standards contained in the Ethics Ordinance.

Yours very truly,

Steven I. Berlin

Steven I. Berlin
Deputy Director

approved:

Dorothy J. Eng
Dorothy J. Eng
Executive Director

enclosures

sb/ [redacted]