

RULE XXIX - CONFLICT OF INTEREST

Section 1 - Definitions

Whenever used in this Rule, the following terms shall have the meanings provided below:

- (a) City Contractor means any person (including his/her agents or employees acting within the scope of their employment) who is paid from the city treasury or pursuant to City ordinance, for services to any City agency, regardless of the nature of the relationship of such individual to the City for purposes other than Chapter 2-156 (Governmental Ethics) of the Municipal Code of Chicago.
- (b) Doing Business means any one or any combination of sales, purchases, leases or contracts to, from or with the City or any City agency in an amount in excess of \$10,000.00 in any 12 consecutive months.
- (c) Financial Interest means
 - (1) any interest as a result of which the owner currently receives or is entitled to receive in the future more than \$2,500.00 per year;
 - (2) any interest with a cost or present value of \$5,000.00 or more; or
 - (3) any interest representing more than 10 percent of a corporation, partnership, sole proprietorship, firm, enterprise, franchise, organization, holding company, joint stock company, receivership, trust, or any legal entity organized for profit; provided, however, financial interest shall not include:
 - any interest of the spouse or domestic partner of an official or employee which interest is related to the spouse or domestic partner's independent occupation, profession or employment;
 - any ownership through purchase at fair market value or inheritance of less than one percent of the shares of a corporation, or any corporate subsidiary, parent or affiliate thereof, regardless of the value of or dividends on such shares, if such shares are registered on a securities exchange pursuant to the Securities Exchange Act of 1934, as amended;

- the authorized compensation paid to an official or employee for his office or employment;
 - any economic benefit provided equally to all residents of the City;
 - a time or demand deposit in a financial institution;
 - an endowment or insurance policy or annuity contract purchased from an insurance company.
- (d) Employee means an individual employed by the City of Chicago, whether part-time or full-time, but excludes elected officials and City contractors.
- (e) Person means any individual, entity, corporation, partnership, firm association, union, trust, estate, as well as any parent or subsidiary of any of the foregoing, whether or not operated for profit.
- (f) Seeking to do business means:
- (1) taking any action within the past six months to obtain a contract or business from the City when, if such action were successful, it would result in the person’s doing business with the City; and
 - (2) the contract or business sought has not been awarded to any person.
- (g) Contract management authority means personal involvement in or direct supervisory responsibility for the formulation or execution of a City contract, including without limitation the preparation of specifications, evaluation of bids or proposals, negotiation of contract terms or supervision of performance.
- (h) “Business relationship” means any contractual or other private business dealing of an employee with a person or entity which entitles the employee to compensation or payment in the amount of \$2,500.00 or more in a calendar year; provided, however, that the exclusions applicable to a “financial interest” shall apply with respect to business relationship.
- (i) “Ownership interest” means any interest representing more than 5 percent of a corporation, partnership, sole proprietorship, firm, enterprise, franchise, organization, holding company, joint stock company, receivership, trust, or any legal entity organized for profit; provided, however, that ownership interest does not mean any ownership through purchase at fair market value or inheritance of less than one percent of the shares of a publicly traded corporation.

Section 2 - Certain Business Relationships Prohibited/Disclosure Requirements

- (a) No non-clerical employee of the Office of the Mayor, or any member of the Mayor’s security detail, or entity in which such persons have a financial interest,

shall have any employment relationship with any entity other than the City, nor shall such persons have a financial interest, as set forth in section 2-156-010 (1) (Governmental Ethics), in any business. No spouse or domestic partner of such employee shall do business with the City or a sister agency of the City, or have an ownership interest in any entity doing or seeking to do business with the City or a sister agency of the City, or in any entity that is a subcontractor on any City contract, or on the contract of a sister agency of the City.

- (b) (i) No employee of any other executive department or agency, or entity in which such an employee has a financial interest, shall have any employment or business relationship with any person who is doing business with the City if the employee exercises contract management authority with respect to that person's business with the City. No spouse or domestic partner of such employee shall have a financial interest in any contract when the employee exercises contract management authority with respect to that contractor's City business. The ownership interest of the spouse or domestic partner of any employee in any entity that has a contract with a person doing other City business shall be disclosed to the Board of Ethics by the employee, on a form to be prescribed by the Board, on or before May 1 of each year.
 - (ii) No department or agency head shall have any employment relationship with any entity other than the City; nor shall such persons have any business relationship with any person doing business with the City.
- (c) For purposes of this Section 2, the term "sister agency of the City" shall include the Chicago School Reform Board of Trustees or the successor Chicago Board of Education, the Board of Trustees of Community College District 508, the Chicago Transit Authority, the Chicago Park District, the Metropolitan Pier and Exposition Authority, and the Public Building Commission.

Section 3 - Certain Loans Prohibited

For purposes of this Section 2, the term "sister agency of the City" shall include the Chicago School Reform Board of Trustees or the successor Chicago Board of Education, the Board of Trustees of Community College District 508, the Chicago Transit Authority, the Chicago Park District, the Metropolitan Pier and Exposition Authority, and the Public Building Commission.

Section 4 - Recommendation of Business Associates Prohibited

No employee shall recommend, retain or hire as a City employee or City contractor any person with whom the employee has a business relationship.