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

November 26, 1990

City of Chicago
Richard M. Daley, Mayor

Board of Ethics

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Executive Director

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Margaret Carter
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Catherine M. Ryan

Suite 530
205 West Randolph Street
Chicago, Illinois 60606
(312) 744-9660

Re: Case No. 90068.A

Dear

On October 25, 1990, you telephoned to ask whether a corporation which does business with the City may, through its corporate executive, collect contributions from its employees and present them to a candidate for City office or a City official, or a City employee running for any office. You termed this practice "bundling" and stated that the employees are not coerced to contribute and are not reimbursed by the corporation.

There is nothing in the Campaign Financing Ordinance that expressly prohibits the practice of "bundling" employee contributions as long as the employees are not coerced or reimbursed in any way for their contributions. Of course, the checks must be from the contributors; the corporation may not write out one check in exchange for the employees reimbursing the corporation. Under the Ordinance encouragement by supervisors to employees is viewed as coercion.

According to § 2-164-040(b) of the Campaign Financing Ordinance (prior code § 26.3-4(b)), if an employee is reimbursed, then the contribution will be aggregated with the contributions of the corporation. This section states, in relevant part:

...an entity and its subsidiaries, parent company or otherwise affiliated companies, and any of their employees, officers, directors and partners who make a political contribution for which they are reimbursed by the entity or its affiliates shall be considered a single person.

Here, reimbursement must be broadly interpreted, to include any bonuses, gifts, or even the promise of continued employment (i.e., if you do not contribute you're fired).



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With regard to coercion, we emphasize that the Board always views mere encouragement by superiors to their employees to make political contributions as coercive, unless evidence to the contrary is provided.

Finally, section 2-164-020(a) of the Ordinance (prior code § 26.3-2(a)) prohibits persons from offering or giving to any candidate or to the spouse or minor child of any candidate anything of value based on an implicit or explicit understanding that the candidate's actions or decisions as an elected official of the City would be influenced as a result. Consequently, the bundling practice may not be used to persuade any official, employee or candidate to take a particular position or act in a particular manner.

Thank you for your inquiry. We enclose a sheet which sets forth the Board's procedural rules after it renders a decision. If you have any questions, please feel free to contact us.

Very Truly Yours,



Albert B. Field
Chairman

enclosure

90068.L

cc: Kelly Welsh, Corporation Counsel
City of Chicago

NOTICE OF RECONSIDERATION AND RELIANCE

Reconsideration: This advisory opinion is based upon the facts which are outlined in this letter. If there are additional material facts or circumstances that were not available to the Board when it considered this case, you may request reconsideration of the opinion. A request for reconsideration must (1) be submitted in writing, (2) explain the material facts or circumstances which are the basis of the request, and (3) be received by the Board of Ethics within fifteen days of the date of this letter.

Reliance: This advisory opinion may be relied upon by (1) any person involved in the specific transaction or activity with respect to which this opinion is rendered and (2) any person involved in any specific transaction or activity which is indistinguishable in all its material aspects from the transaction or activity with respect to which the opinion is rendered.