

MEX



City of Chicago
Eugene Sawyer, Acting Mayor

June 1, 1988

[REDACTED]

Board of Ethics
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Executive Director

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Suite 1320
205 West Randolph Street
Chicago, Illinois 60606
(312) 744-9660

Case Number 88061.A

CONFIDENTIAL

Dear [REDACTED]

This letter is to inform you that the Board of Ethics has rendered an opinion concerning the questions you had about the Governmental Ethics Ordinance.

The Board was contacted by your attorney, [REDACTED] who asked how to treat your secondary occupation as an insurance salesman for the purposes of the Financial Interest Statement (F.I.S.). [REDACTED] said that some of your clients may be City contractors, but that you did not seek this information when you sold insurance to them.

The questions on the F.I.S. seek disclosure of possible conflicts of interest stemming from the intersection between a reporting individuals private interests and public duties.

An insurance salesman is an agent for an insurance company or a broker. Question 1 on the form is based on section 26.2-16(a) of the Governmental Ethics Ordinance, which requires a reporting individual to disclose the following information:

The name, address, and type of professional, business or other organization (other than the City) in which the reporting individual was an officer, director, associate, partner, proprietor or employee, or served in any advisory capacity, and from which any income in excess of \$2,500 was derived during the proceeding year[.]



If the amount of your commissions was more than \$2,500 during 1987 (regardless of the persons insured), please answer yes to question 1 of the form.

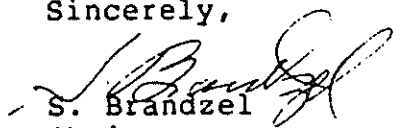
Specific questions on the F.I.S. require a reporting individual to disclose a financial interest in any companies performing contracts. Question one, which is based on section 26.2-16(b) of the Ordinance, applies to your occupation and requires the disclosure of:

the nature of any professional, business or other services rendered by the reporting individual and the name and nature of the person (other than the City) to whom and to which such services were rendered if, during the preceding calendar year (1) compensation in excess of \$5,000 was received for professional services by the reporting individual and (2) the person was doing business with the City[.]

Thus, if the reporting individual receives over \$5,000 in compensation for professional services from a city contractor, he must disclose it on this question. An insurance salesman is a certified and regulated occupation. Payment for such services qualifies for the purposes of this paragraph. The commission an insurance salesman gets from a sale of insurance is directly attributable to the amount of insurance the insured buys and the amount of money he pays for that insurance. Therefore if the insured is a City contractor and you have received \$5000 or more in commissions as a result of that sale, you must report receipt of the commission.

Should you have any other questions, please contact the Board of Ethics at 744-9660.

Sincerely,


S. Brandzel
Chairman