



City of Chicago
Richard M. Daley, Mayor

Board of Ethics

Dorothy J. Eng
Executive Director

Angeles L. Eames
Vice Chair

Darryl L. DePriest
Emily Nicklin
Fr. Martin E. O'Donovan

Room 303
320 North Clark Street
Chicago, Illinois 60610
(312) 744-9660
(312) 744-2793 (FAX)
(312) 744-5996 (TT/TDD)

EMW

[REDACTED]

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

[REDACTED]

Re: Case No. 96016.Q
Conflict of Interest

Dear [REDACTED]

This letter is in response to your oral request for advice on [REDACTED] at the Annual Ethics Seminar and your follow-up letter of [REDACTED]. You stated that you own Ameritech Corporation ("Ameritech") stock and asked how the City's Governmental Ethics Ordinance affects your ability to participate in a review of a City licence application by an Ameritech subsidiary. On the facts you presented, staff concludes that nothing in the City's Governmental Ethics Ordinance prohibits you from participating in the review and analysis of the Ameritech subsidiary's application for a City licence.

You told staff that, as the Assistant [REDACTED] in the [REDACTED], you review and analyze licence applications to assist the [REDACTED] in making recommendations to the City Council. You stated that a subsidiary of Ameritech intends to apply for a City licence [REDACTED] in the near future. You also stated that you own 350 shares of Ameritech common stock, currently valued at approximately \$20,000; some shares were acquired through inheritance, but the vast majority were purchased at fair market value. You said you were certain that your holdings constituted less than 1% of outstanding Ameritech shares.

An American Celebration



Chicago '96



E. M. W. S.

Case No. 96016.Q
April 11, 1996
Page 2

The provisions of the Ordinance relevant to your question are sections 2-156-030, "Improper Influence," and 2-156-080, "Conflicts of Interest." These provisions (copies of which are attached) prohibit you from participating in or trying to use your position to influence a governmental decision or action in which you have an "economic interest," as that term is defined.

"Economic Interest" is, with certain exceptions, defined as: "any interest valued or capable of valuation in monetary terms..." One exception in the definition of "economic interest" is:

any ownership through purchase at fair market value or inheritance of less than 1% 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 . . .

§ 2-156-010(1)(b).

You indicated that you own less than 1% of the Ameritech shares that are outstanding and that you acquired your shares through inheritance and purchase at fair market value. Based on the facts you presented, your holdings in Ameritech fall within the "economic interest" exception. Since your ownership of less than 1% of the outstanding Ameritech shares does not constitute an "economic interest" in Ameritech Corporation, you are not prohibited by sections 2-156-030 and 2-156-080 from reviewing and analyzing the Ameritech subsidiary's license [REDACTED] application.

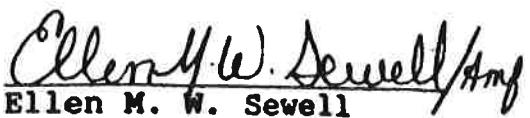
This staff decision is based solely on the application of the City's Ethics Ordinance to the facts presented. We note that other laws or rules may apply and that City departments may adopt their own guidelines that are more stringent than those imposed by the Ethics Ordinance.

EMUS

Case No. 96016.Q
April 11, 1996
Page 3

We appreciate your bringing this matter to our attention and your concern to abide by the standards embodied in the Ethics Ordinance. If the facts presented are incorrect or incomplete, please notify us immediately, as any change could alter our conclusion. If you have any further questions about this or any other matter, please do not hesitate to contact us.

Very truly yours,


Ellen M. W. Sewell
Legal Counsel

approved:


Dorothy J. Eng
Executive Director

Attachments
amf\96016.Q