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ADVISORY OPINION

CASE NO. 09011.A

Gifts: Sponsor of a public event

May 20, 2009

In response to recent inquiries from City employees, officials, City vendors and other firms that provide or seek to provide services to the City, Board legal staff requested that the Board issue an advisory opinion addressing who, precisely, is the "sponsor of an event." The question arises out of § 2-156-040(d)(iv) of Chicago's Governmental Ethics Ordinance, which states:

Except as prohibited in subsections (a) and (b), nothing in this Section 2-156-040 shall prohibit any person from giving or receiving ... (iv) reasonable hosting, including travel and expenses, entertainment, meals or refreshments furnished in connection with public events, appearances or ceremonies related to official City business, if furnished by the sponsor of such public event.¹

This provision allows City employees and officials to accept reasonable expenses to attend public events, etc. related to official City business, if the expenses are offered by "the sponsor of such public event."² What if City contractor C (say, a company or law firm) invites City officials or employees who can, in their City positions, "substantially affect [C's] economic interest in City business," to a charity event for Foundation F, and the tickets cost more than \$50 per invitee? What if C purchases one or more tables, and is considered or recognized by F to be a "platinum sponsor" of the event? Would C then be considered "the sponsor of such public event" for purposes of §040(d)(iv), thereby making the offer acceptable under the Ordinance?

This is a question of first impression for the Board. We have had cases in which vendors offered to pay for City employees to attend events but were clearly not the sponsor of those events. See, e.g., Case No. 92007.Q. And we have discussed what constitutes a "public event." See Case No. 99030.CNS. Neither point is at issue here. Rather, the question we now address involves situations where the inviting firm or company (C) refers to itself as or is called a "sponsor" of an event, e.g. to honor or raise money for Foundation F.

1. Subsection -040(a) prohibits giving, soliciting or accepting any anonymous gift to or by City employees and officials and their families. Subsection -040(b) prohibits offering, giving and accepting anything of value to or by City employees and officials and their families based on a mutual understanding that City votes, officials, decisions or judgments concerning City business would be influenced thereby.

2. Under Subsection -040(c), these reasonable hosting expenses are allowable even if the sponsor is otherwise a person with an economic interest in a City business transaction which the intended recipients can affect. The Board assumes that the invitations discussed in this opinion would otherwise be prohibited gifts under § 2-156-040(c) if worth more than \$50.



To answer this question, the Board discussed when company C might reasonably be considered the event's sponsor. What if the official printed invitation recognizes C as one of several participating "sponsors?" What if, at the time of the invitation, "sponsors" are not determined because monetary contributions haven't been tabulated, but at the event, C is acknowledged as a "sponsor?" The Board directed legal staff to research how other jurisdictions' laws and ethics boards address these issues.

Staff found that the most comprehensive, persuasive and analogous *responsa prudentiam* is the House Ethics Manual, produced by the Committee on Standards of Official Conduct for the United State House of Representatives, 110th Congress, 2d Session (2008).³ We note the similarity in this respect between the House Rules and Chicago's Ordinance. House Rule XXV, "Limitations on Outside Earned Income and Acceptance of Gifts," provides, in § 5(a)(4)(C):

A Member ... or employee of the House, or the spouse or dependent thereof, may accept a sponsor's unsolicited offer of free attendance at a charity event, except that reimbursement for transportation and lodging may not be accepted in connection with the event unless— ... (ii) reimbursement for the transportation and lodging in connection with the event is paid by such organization; and (iii) the offer of free attendance at the event is made by such organization."

To help House Members and staff determine who the sponsor of the event is in order to comply with this Rule, the House Manual states, on pp. 46-47:

The gift rule is clear that Members, officers and employees may accept an invitation to a widely attended or charity event only from the sponsor of the event. The report of the House Rules Committee ... defines the term "sponsor" as follows:

The term "sponsor of the event" refers to the person, entity, or entities that are primarily responsible for organizing the event. An individual who simply contributes money to an event is not considered to be a sponsor of the event.⁴

Accordingly, under the gift rule, the term "sponsor" has a definition that is narrower than the manner in which it commonly used. Often the large financial supporters of an event are termed as "sponsors" of the event. However, such entities are not sponsors of an event for purposes of the gift rule unless they also have a substantial role in organizing the event. [Emphasis in original.]

3. Fortunately, this source is available at our fingertips, at http://ethics.house.gov/Media/PDF/2008_House_Ethics_Manual.pdf We note that the House is authorized to issue its own rules or regulations implementing the provisions of U.S.C. § 7353, "Gifts to Federal employees," hence its Rules and the comprehensive 440-page Manual interpreting them, from which we cite. The Rules cited in this opinion are current, pursuant to H. Res. 5, 111th Cong., 1st Sess, effective January 5, 2009. We also note that senior attorneys with both the New York City Conflicts of Interests Board and Florida State Ethics Commission confirmed that they consider a law firm or company buying a table at an event not to be the event's sponsor by that fact alone. COGEL discussion group on Ethics, www.cogel.org (members only.)

4. The footnote placed at this point in the House Manual cites H. Rep. 337, 104th Cong., 1st Session 12 (1995).

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The Manual continues by stating that contributors may request that the sponsor invite particular House members or staff to sit with them at the event, but the invitation "will not be acceptable under the provisions unless the sponsor retains ultimate control of the guest list and the seating arrangement, and the invitation neither references any contributor nor is extended by anyone other than the sponsor."

The Board finds this distinction between an event's sponsor(s) and an event's contributor(s) to be persuasive, apposite and appropriate as a guide to interpreting Chicago's Governmental Ethics Ordinance. Thus, we determine that: 1) a law firm, company or other person that invites City employees or officials to a public event, ceremony or appearance related to official City business is the (or one of the) sponsor(s) of such event for purposes of § 2-156-040(d)(iv) of the Ordinance only if it has played a substantial role in organizing the event; and 2) contributing money or buying tables for an event or being recognized as a "gold" or "platinum" sponsor" of the event (regardless when that recognition is bestowed) do not themselves make a person the sponsor of an event. Whether a particular company, firm or person is the (or one of the) sponsor(s) of a public event, then, must necessarily be determined on a case-by-case basis according to these criteria.



Miguel A. Ruiz, Chair