

# Continuing Ethics Education Series

City of Chicago  
Richard M. Daley, Mayor



Dorothy J. Eng, Executive Director Darryl L. DePriest, Chair

A City of Chicago Board of Ethics Publication

SUBJECT: **POLITICAL FUNDRAISING and CAMPAIGN FINANCING**

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## Executive Director's Column

On behalf of the Board of Ethics, I wish to thank City aldermen and department heads for their cooperation in the Board's latest educational initiative—the appointment and training of Department Ethics Officers (DEOs). Each City department and aldermanic office was asked to appoint a DEO to assist the Board with activities that promote ethics accountability and integrity in government. The DEOs attended training on December 17, 2002. Their participation will directly impact the success of the Board's educational programs.

### Inside ...

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We look forward to working with the DEOs throughout the New Year. Because 2003 is a City election year, we have chosen "political fundraising and campaign financing" as the subject of this issue.

*Dorothy J. Eng*



## **Ethics Rules On** **Political Fundraising and Campaign Financing**

The City's rules regarding political fundraising, as well as campaign financing, can be found in both the Governmental Ethics and the Campaign Financing Ordinances. The full text of these Ordinances can be viewed on our Web site at [www.cityofchicago.org/Ethics](http://www.cityofchicago.org/Ethics).

Some of the rules on **political fundraising** that you should be aware of are as follows:

- **Employees and officials cannot coerce or require other employees or officials to make, refrain from making, or solicit political contributions.**
- **Employees and officials with contract management authority cannot serve on any political fundraising committee.**
- **Employees and officials may not use City time or City-owned property to perform any of their political fundraising activities.**
- **Non-elected employees and officials cannot knowingly solicit or accept any political contribution from a person doing business or seeking to do business with the City, unless in connection with their own candidacy for public office.**

## PROHIBITIONS ON CONTRIBUTIONS



Cash contributions (i.e., currency, money orders or cashier's checks) to any candidate in an amount in excess of \$250 are prohibited.



Any contribution given anonymously, or made other than in the name of the true donor, is prohibited.



Any contribution based on a mutual understanding that the candidate's actions as an elected official would be influenced by the contribution is prohibited.



## Limitations on \$\$ Contributions \$\$

The Campaign Financing Ordinance places a **\$1,500** limit on contributions from:

- ◆ Registered lobbyists
- ◆ Persons who have done business with the City, CTA, Board of Education/Chicago School Reform Board of Trustees, Park District, City Colleges, or Metropolitan Pier and Exposition Authority
- ◆ Persons "seeking to do business" with the City, CTA, Board of Education/Chicago School Reform Board of Trustees, Park District, City Colleges, or Metropolitan Pier and Exposition Authority

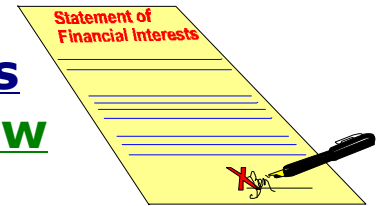


Such persons **are prohibited from making contributions of more than \$1,500** to:

- ◆ any candidate for City office during a single candidacy
- ◆ any elected official of the City during a reporting year (July 1 to June 30) of the official's term
- ◆ any city official or employee seeking election to any other office



## **Candidates' Disclosures** **As Required By City Law**



All candidates for elected City office must file a **Statement of Financial Interests** within 5 days after qualifying as a candidate, unless they have already filed a Statement in that calendar year. City Council members file their Statements with the City Clerk. All other candidates for election to City office file their Statements with the Board of Ethics.

When does one qualify as a candidate? An individual qualifies as a “candidate” for nomination, election, or retention in a City office when the individual:

- ✓ follows the steps under State election law to attempt to qualify; or
- ✓ receives contributions or makes expenditures, or authorizes someone else to receive contributions or make expenditures for his or her campaign

## **Recent Changes to State Law: “Solicitation Misconduct”**

Please be aware that, on August 28, 2002, Governor George Ryan signed into law Public Act 92-0853. This law, among other things, creates a new criminal offense entitled “Solicitation Misconduct.” An employee of a chief executive officer of a local government commits solicitation misconduct when at any time he or she knowingly solicits or receives contributions (as defined in the Illinois Election Code) from a person engaged in a business or activity over which the person has regulatory authority. Solicitation misconduct is a Class A misdemeanor; an employee of a chief executive officer convicted of committing solicitation misconduct forfeits his or her employment.

Additionally, the Act amends the Illinois Election Code to provide that no candidate may knowingly receive any contribution solicited or received in violation of the provision creating the offense of solicitation misconduct. Knowing receipt of such contributions is a Class A misdemeanor. The Act also contains and references definitions of certain terms it uses. You can read the entire Act on the Internet at [www.legis.state.il.us/publicacts/pubact92/acts/92-0853.html](http://www.legis.state.il.us/publicacts/pubact92/acts/92-0853.html).

## Opinions on Political Fundraising and Campaign Financing

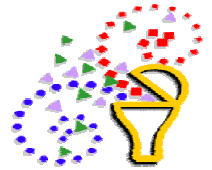
The situations summarized below are examples of issues involving political fundraising and campaign financing that have been addressed by the Board. Anyone who would like an opinion should contact the Board at (312) 744-9660. Please note that only persons involved in the specific cases or in situations that are not materially different from them can rely on Board opinions.

Case Number	Issue	Summary of Opinion
89005.A	<b>Are executives of a company that is doing business with the City subject to the \$1,500 limitation on campaign contributions?</b>	In Case No. 89005.A, the Board determined that, if the following conditions were true, executives of a company doing business with the City (and therefore subject to the \$1,500 limitation) would not be subject to the limitation, and could thus contribute any amount from their personal funds. The conditions are: 1) the company does not reimburse them for their contributions; and 2) they are not <i>personally</i> subject to the contribution limitations (for example, as registered lobbyists). Note that if they were reimbursed by the company, then the executives and the company would be considered the same person under the Ordinance, and their contributions would be aggregated for purposes of the \$1,500 limitation.
97032.A	<b>Are money orders and cashier's checks considered "cash" for purposes of the \$250 limitation on cash contributions?</b>	In Case No. 97032.A, the Board reviewed various monetary instruments by which contributions can be made, and determined that the term "cash" includes not only currency, but also money orders and cashier's checks. City law prohibits cash contributions in excess of \$250. Note that personal checks are not considered "cash" for purposes of this \$250 limitation.
01044.18.CF	<b>Are "in-kind" contributions (that is, contributions of goods or services) to a candidate's committee considered political contributions for purposes of the Campaign Financing Ordinance?</b>	In Case No. 01044.18.CF, a company doing business with the City donated more than \$1,500 worth of food to the committee of a candidate for City elected office. The Board, recognizing that the Ordinance's definition of "political contribution" includes "anything of value" transferred by one person to another, determined that this was a political contribution and that the donor exceeded the \$1,500 limitation it was subject to because it did business with the City.

## Test Your Knowledge



### of the Rules on Political Fundraising and Campaign Financing



Answer the following questions with either a **YES** (the activity is permitted) or a **NO** (it is not permitted), then check your answers.

**Yes** **No**

1. In my position as a City employee, I am responsible for evaluating responses to requests for proposals (RFPs) issued by my department. My neighbor, who is running for City elected office, has asked me to serve as the treasurer of his political fundraising committee. May I serve?

**Answer:** No person with contract management authority may serve on any political fundraising committee. Because you are personally involved in formulating City contracts (i.e., evaluating responses to RFPs), you exercise “contract management authority” in your City job. Therefore, the answer to Question #1 is NO, you may not serve on the committee.

2. My neighbor, disappointed that I cannot accept his invitation to serve on his political fundraising committee, now has asked me to assist his election efforts by personally contacting the vendors doing business with my department—on my own time, of course—to ask for campaign contributions. May I do so?

**Answer:** A City employee, who is not himself a candidate for public office, may not knowingly solicit or accept any campaign contribution from a person doing business, or seeking to do business, with the City. Therefore, the answer to Question #2 is NO, you may not solicit campaign contributions from department vendors on behalf of your neighbor’s candidacy.

3. My neighbor, who lately seems a little irritated with me, now has asked my wife to make a \$2,500 campaign contribution to his committee. My wife is not a City employee, but she is an attorney and registered lobbyist who, from time to time, lobbies City departments on behalf of her clients. May my spouse make a \$2,500 contribution?

**Answer:** Registered lobbyists (as well as persons who have done business, or are seeking to do business, with the City or certain other agencies—see pg. 2) may not contribute more than \$1,500 per reporting year to any candidate for City office. Therefore, the answer to Question #3 is NO, your spouse may not contribute \$2,500 to your neighbor’s candidacy for City office. [Hopefully, yours is a long-standing friendship that weathers disappointment well.]

**Extra Credit**

4. Since my neighbor and I are no longer speaking, I have decided to run against him for the same City elected office. When and where must I file a Statement of Financial Interests?

**Answer:** All candidates for City office must file a Statement of Financial Interests within 5 days after qualifying as a candidate, unless they have already filed a Statement in that calendar year. City Council members file their Statements with the City Clerk. All other candidates for election to City office file their Statements with the Board of Ethics.

#### **PLEASE NOTE**

The opinions and answers as stated in this publication are for general information only and are NOT intended to provide specific advice or recommendation for any individual. For specific advice, contact the Board office at (312) 744-9660.

# Upcoming Ethics Training Classes

**Regularly Scheduled Ethics Training Class Dates**

**January 15, February 5 and 19**  
**9 AM - 740 North Sedgwick, Suite 500**

If you have any questions or need additional information, you can contact us at:

**City of Chicago Board of Ethics**  
**740 North Sedgwick, Suite 500**  
**Chicago, IL 60610**  
**Tel. (312) 744-9660**  
**TTY (312) 744-5996**  
**FAX (312) 744-2793**  
[www.cityofchicago.org/Ethics](http://www.cityofchicago.org/Ethics)



To see past issues of *Continuing Ethics Education Series*, see the webpage(s) listed below:

<b><u>Issue Topic</u></b>	<b><u>Date</u></b>	<b><u>Webpage</u></b>
Post Employment	September 2002	<a href="http://www.cityofchicago.org/Ethics/pdf/Newsletter.9.02.pdf">www.cityofchicago.org/Ethics/pdf/Newsletter.9.02.pdf</a>
Gifts	November 2002	<a href="http://www.cityofchicago.org/Ethics/pdf/Newsletter.11.02.pdf">www.cityofchicago.org/Ethics/pdf/Newsletter.11.02.pdf</a>

