



OHIO ETHICS COMMISSION

150 EAST BROAD STREET
COLUMBUS 43215
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Advisory Opinion No. 76-013

June 22, 1976

Syllabus by the Ohio Ethics Commission:

A county commissioner, who is a general partner in Partnership A which, in turn, is a partner in Partnership B, is required by Section 102.02 (A)(3) of the Revised Code to disclose on his financial disclosure statement his interest in Partnership A, but not that partnership's interest in Partnership B.

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Your request for an advisory opinion asks whether a county commissioner who is a general partner in Partnership A which partnership is, in turn, a partner in Partnership B, must disclose on his financial disclosure statement his interest in Partnership A and also Partnership A's interest in Partnership B. The county commissioner has an investment of over one thousand dollars in Partnership A and Partnership A has an investment of over one thousand dollars in Partnership B. You further state that both partnerships transact business in Ohio.

Section 102.02 (A)(3) of the Revised Code requires a county commissioner to disclose certain investments on his financial disclosure statement:

"(A) Every person who is elected to . . . a . . . county . . . office . . . shall file with the appropriate ethics commission on a form prescribed by the commission, a statement disclosing: . . .

(3) The name of every corporation on file with the secretary of state which is incorporated in Ohio or holds a certificate of compliance authorizing it to do business in this state, trust, business trust, partnership, or association which transacts business in Ohio in which the person or any other person for his use or benefit has an investment of over one thousand dollars at fair market value as of the date of the statement, or in which the person holds any office or has a fiduciary relationship, and a description of the nature of the investment, office, or relationship. This division does not require disclosure of the name of any bank or building or loan association with which the person has a deposit or a withdrawable share account; . . ." (Emphasis added.)

It is obvious that the above cited section requires a county commissioner to disclose the name of a partnership which transacts business in Ohio and in which he has an investment of over one thousand dollars together with a description of the nature of the investment. Therefore, since the county commissioner has an investment of over one thousand dollars in Partnership A and Partnership A transacts business in Ohio, the county commissioner must disclose, on his financial disclosure statement, the name of Partnership A and that he is a general partner.

The next issue is whether Partnership A, which has an investment in Partnership B, could be considered an "other person" who has an investment for the "use or benefit" of the county commissioner which interest must be disclosed on the county commissioner's financial disclosure statement.

Section 1775.01 of the Revised Code, the partnership law chapter, defines "person as; "(C) 'Person' includes individuals, partnerships, corporations, and other associations; . . ." Thus, arguably, Partnership A, which is a partner in Partnership B, would be an "other person" which has an investment "for his (the county commissioner's) use or benefit" for purposes of Section 102.02 (A)(3) of the Revised Code and, consequently, the county commissioner would have to disclose the interest Partnership A has in Partnership B. However, the determinative factor is the modifying phrase "for his use or benefit" which follows the word "person" in Section 102.02 (A)(3) of the Revised Code.

It seems reasonable for the Ohio Ethics Commission to conclude that the phrase "for his own use or benefit" means that a primary use or benefit must inure to the person required to file the financial disclosure statement. A contrary conclusion would carry the requirement beyond the realm of reasonable application. The "use or benefit" of an investment by Partnership A in Partnership B is not primarily for the benefit of the partners of Partnership A, but rather for the benefit of Partnership A as a legal entity. A contrary conclusion could be carried to ludicrous extremes which would require the disclosure of a partnership seven or eight times removed from the original partnership.

Similarly, since the definition of Section 1775.01 of the Revised Code includes within the term "person" a "corporation," a strict interpretation would require a person, who invests in a corporation, to disclose the corporations holdings in other corporations, partnerships or other enterprises. This fact only highlights the unreasonableness of including, by the phrase "other person for his use or benefit" in Section 102.02 (A)(3) of the Revised Code, the disclosure of anything but investments held by another person primarily and immediately for the use or benefit of the filer.

Therefore, it is the opinion of the Ohio Ethics Commission and you are so advised that a county commissioner, who is a general partner in Partnership A which, in turn, is a partner in Partnership B, is required by Section 102.02 (A)(3) of the Revised Code to disclose on his financial disclosure statement his interest in Partnership A, but not that partnership's interest in Partnership B.



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Merom Brachman, Chairman