

- (5) The Board sent Respondent several written notices that it had found probable cause to conclude that Respondent violated the Ordinance, after its May 2024 meeting, and these notices apprised Respondent of his right to meet with the Board, with counsel, and/or present written evidence, arguments, or materials attempting to rebut the Board's finding, but Respondent did not reply to the Board's communications until November 5, 2024.
- (6) At its October 21, 2024 meeting, the Board, considering the entire factual record before it, voted unanimously to find that Respondent violated §2-156-018 of the Ordinance, entitled "Duty to report corrupt or unlawful activity," one time, and to assess the maximum fine for such violation: \$5,000, and, on October 25, 2024, sent Respondent written notice of its findings.
- (7) On November 5, 2024, Respondent spoke with Board staff and indicated that he would send a written communication to the Board describing how Respondent would pay the fine.
- (8) The Board received that letter on December 16, 2024, and subsequently Board staff spoke with Respondent, when Respondent stated he would like to pay the fine in consecutive monthly payments of \$500.

STATEMENT OF RELEVANT LAW

Municipal Code of Chicago (MCC) §2-156 Governmental Ethics §2-156-018. Duty to report corrupt or unlawful activity.

(a) Every city employee or official shall report, directly and without undue delay, to the inspector general, any and all information concerning conduct which such employee or official knows or should reasonably know to involve corrupt or other unlawful activity (i) by another city employee or official which concerns such employee's or official's employment or office; or (ii) by any person dealing with the city which concerns the person's dealings with the city. Any employee or official who knowingly fails to report a corrupt or unlawful activity as required in this section shall be subject to employment sanctions, including discharge, in accordance with procedures under which the employee may otherwise be disciplined.

(b) Every city contractor shall report, directly and without undue delay, to the city's inspector general any and all information concerning conduct by any person which such contractor knows to involve corrupt activity. A city contractor's knowing failure to report corrupt activity as required in this subsection (b) shall constitute an event of default under the contract. For purposes of this subsection (b), "corrupt activity" shall mean any conduct set forth in Subparagraph (a)(1), (2) or (3) of Section 1-23-020 of this Code. The standard for knowledge applied to the terms "knows" and "knowing" in this subsection (b) shall be the same standard applied to the terms "knowing" and "knowingly" in Section 1-22-010 of this Code.

(c) For purposes of this section, a report made to the inspector general's toll-free hotline shall be considered to be a report under this section.

§2-156-010(1) Definitions. Financial Interest.

(l) "Financial interest" means an interest held by an official or employee that is valued or capable of valuation in monetary terms with a current value of more than \$1,000.00 in any consecutive twelve-month period, provided that such interest shall not include: (1) the authorized compensation paid to an official or employee for any office or employment; or (2) a time or demand deposit in a financial institution; or (3) an endowment or insurance policy or annuity contract purchased from an insurance company; or (4) any ownership through purchase at fair market value or inheritance of the shares of a mutual fund corporation, 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; or (5) any ownership through purchase at fair market value or inheritance of not more than one-half of one percent of the outstanding common stock of the shares of a corporation, or any corporate subsidiary, parent or affiliate thereof, regardless of the dividends on such shares, if such shares are registered on a securities exchange pursuant to the Securities Exchange Act of 1934, as amended.

§2-156-110. Interest in city business.

(a) Except with respect to the participation of Eligible Persons in Eligible Programs, no elected official or employee shall have a financial interest in his own name or in the name of any other person in any contract, work or business of the city, or in the sale of any article, whenever the expense, price or consideration of the contract, work, business or sale is paid with funds belonging to or administered by the city, or is authorized by ordinance; provided, however, for purposes of this subsection, any of the following shall not constitute a financial interest in any contract, work or business of the city:

- (i) compensation for property taken pursuant to the city's eminent domain power; and
- (ii) any interest of a relative which interest is related to or derived from the relative's independent occupation, business or profession.

§2-156-465(b)(7) Violation of Chapter provisions. Any person who violates any other provision of this chapter, where no other fine is specifically provided, shall be subject to a fine of not less than \$1,000.00 and not more than \$5,000.00 for each offense

BOARD CONCLUSIONS AND DETERMINATIONS

- (9) At its May 13, 2024 meeting, based on the evidence adduced in the record of this matter, including the investigative report issued by the OIG and pursuant to §2-156-385 of the Ordinance, the Board reached the following factual conclusions: (i) Respondent served as the Director of Training at the CFD's Robert J. Quinn Fire Training Academy ("Quinn Academy"), in May and June 2021; (ii) during that time, the CFD paid Air One Equipment, Inc. ("Air One") \$36,871.43 for training props for the Quinn Academy, but the training props were produced by a company called King Training Innovations, LLC ("King Training"); (iii) Respondent knew this, and would have been involved in discussions regarding these purchases; (iv) Respondent signed requisition forms and may have made the ultimate decision to purchase most if not all of these training props; (v) Respondent also knew or should have known that King Training was fully owned by another CFD

employee, and that these purchases, being in excess of \$10,000 in a calendar year, would give that other CFD employee a “financial interest” in City contracts; (v) the City then paid Air One \$36,871.43 for these items using a state-funded grant, and Air One then paid King Training \$29,290 for these items--King Training was not paid directly by the City for these purchases.

- (10) The Board found at its May 2024 meeting that there was probable cause to conclude that Respondent violated §2-156-018 of the Ordinance by failing to report the purchases to the OIG, and sent multiple written notices to Respondent that it had found probable cause, and apprised Respondent of his rights to meet with the Board, with counsel, and/or to present written evidence, arguments, or materials attempting to rebut the Board’s findings, but Respondent did not reply to any of the Board’s communications until November 5, 2024.
- (11) Respondent did not seek confidential advice from the Board of Ethics regarding these sales.
- (12) At its October 21, 2024 meeting, the Board, considering the entire record before it, voted unanimously to find that Respondent violated §2-156-018 of the Ordinance one time, and to assess the maximum fine for such violation: \$5,000, and sent Respondent written notice that it would pursue this fine in a confidential administrative hearing pursuant to §§2-156-385 and -392 of the Ordinance.
- (13) In November and December 2024 and January 2025, Respondent indicated in writing and orally to Board staff that Respondent would pay the fine pursuant to the schedule as set forth below.

TERMS OF THE SETTLEMENT AGREEMENT

The above fact recitation, statement of law and Board conclusions and determinations are incorporated into and made a part of this Agreement.

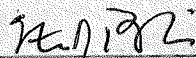
- (14) The parties agree to enter into this Agreement to resolve all factual and legal issues that arose in this matter and to reach a final disposition without the necessity of an evidentiary hearing, pursuant to §2-156-392 of the Ordinance, to determine whether the Respondent violated the Ordinance.
- (15) Pursuant to §2-156-465(b)(7) of the Ordinance, which was effective at the time of the sales to CFD, the maximum fine for this violation was \$5,000 per violation.
- (16) In recognition of the foregoing, Respondent agrees to pay a fine of \$5,000 to the Board as follows: within fourteen (14) days of this Settlement Agreement being approved by the Board, Respondent shall pay \$500, and then shall pay an additional \$500 on the first day of every month thereafter (“Due Date”) until the \$5,000 is paid in full, by money order, cashier’s, or certified check, made payable to the “City of Chicago,” and that, if the Board has not received any such payment by its Due Date, Respondent shall pay interest of nine percent (9%) per annum on the unpaid balance until paid-in-full; provided, however, that no interest shall be due and owing that is greater than provided for in 815 ILCS 205/4.

- (17) Respondent shall be in “default” if any payment is not delivered and received within five (5) days of any Due Date (“Default”). Upon any Default, Respondent shall be obligated to pay any remaining unpaid balance immediately.
- (18) Respondent acknowledges that the Board shall make this Agreement public, pursuant to §2-156-385(4), and, except as may be provided by applicable law, all writings or records with respect to the settlement agreement or its negotiations in the Board’s possession will remain confidential.
- (19) Respondent confirms that he has entered into this Agreement freely, knowingly and intentionally, without coercion or duress; and, after having had the opportunity to be represented by an attorney of his choice, but declining to do so, accepts all the terms and conditions contained herein without reliance on any other promises or offers previously made or tendered by any past or present representative of the Board. Respondent confirms that he fully understands all the terms of this Agreement. The terms of this Agreement are contractual and not mere recitals. If any of the provisions of this Agreement shall be found invalid or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.
- (20) Respondent understands and voluntarily waives and assigns, on his and his successors’ behalf, any and all: (i) procedural rights under the City’s Municipal Code, including a merits hearing pursuant to §2-156-392 of the Ethics Ordinance, or to subpoena witnesses to testify, confront and cross-examine all witnesses; and (ii) rights to commence any judicial or administrative proceeding or appeal before any court of competent jurisdiction, administrative tribunal, political subdivision or office of the State of Illinois or the United States, arising out of Respondent having a prohibited financial interest in a City contract, as stated above.
- (21) Respondent releases and holds harmless the Board and its staff from any potential claims, liabilities, and causes of action arising from the Board’s enforcement and settlement of the violation described in the Agreement, and agrees not to contest the lawfulness, authority, jurisdiction, or power of the Board in imposing the sanction which is embodied in this Agreement, and the right to make any legal or equitable claim or to initiate legal proceedings of any kind against the Board, or any members or employees thereof, relating to or arising out of this Agreement or the matters recited herein.
- (22) At its January 13, 2025 meeting, the Board determined by a majority vote that it approves the Agreement and the Board must execute and date the Agreement before the Agreement becomes effective.
- (23) Respondent agrees that failure to comply with the terms of this Agreement constitutes a breach of the Agreement and that the Board can proceed to a hearing on the merits or take any other action as permitted by law.

- (24) In consideration of Respondent's full compliance with all of the terms pursuant to this Agreement, the Board waives any further penalties or fines against Respondent for any further proceedings arising out of the investigation and/or recommendations described in this Agreement.
- (25) The Agreement contains the entire agreement between the Board and Respondent, and it may not be modified unless the modified Agreement is re-executed and re-dated by both parties. This Agreement is entered into in the State of Illinois and shall be construed and interpreted in accordance with its laws.
- (26) This Agreement shall not be effective until all parties have affixed their signature below.

Dated as executed below:

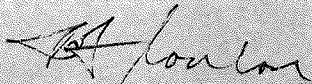
FOR THE CITY OF CHICAGO BOARD OF ETHICS



Steven L. Berlin, Executive Director.

2-10-25

Date




William Conlon, Board Chair

2-10-25

Date

FOR THE RESPONDENT



Steven Clay, Respondent

2-3-2025

Date