THE CITY OF CHICAGO BOARD OF ETHICS

) Case No. 23067.01.IG
)

AGREEMENT

This Agreement is made and entered into between the Chicago Board of Ethics ("Board") and Christopher King ("Respondent"), an employee with the Chicago Fire Department ("CFD"), pursuant to §2-156-385(4) of the City of Chicago Governmental Ethics Ordinance ("Ordinance"). On October 21, 2024, the Board, having met with the Respondent and counsel on September 30, 2024 and reviewed written materials provided by the Respondent and counsel, after an investigation by the City's Office of Inspector General ("OIG"), found that the Respondent violated §2-156-110(a) of the City's Governmental Ethics Ordinance ("Ordinance") twice, assessed the maximum fine of \$5,000 for each violation, and advised Respondent of this finding. Respondent acknowledges that the Board made this finding and assessed this fine, but neither admits nor denies their validity, but, pursuant to the terms of this Agreement set forth below, agrees not to pursue his right to have the matter heard before an Administrative Law Judge as provided in §§2-156-385 and -392 the Ordinance. Instead, the parties agree to the following terms to resolve this matter:

RECITATION OF RELEVANT FACTS

- (1) Respondent is and has been employed with the CFD as Firefighter/EMT since March 2009.
- (2) Respondent is and was at all relevant times the sole owner of King Training Innovations, LLC ("King Training").
- (3) The evidence in the OIG investigation showed that the CFD initially communicated with Respondent and asked to see King Training's product list, which Respondent provided. Respondent told CFD representatives that they should let King Training's product distributor, Air One Equipment, Inc. ("Air One"), know whether there was anything that interested CFD. Respondent then heard back from the CFD that the CFD intended to purchase certain goods made by King Training, including training props, for the CFD's Robert J. Quinn Fire Training Academy ("Quinn Academy"), in May and June 2021. The City then paid Air One \$36,871.43 for these items using a state-funded grant. Air One then paid King Training \$29,290 for these items. King Training was not paid directly by the City for these purchases. These purchases were completed in two separate transactions, each in excess of \$10,000.
- (4) The evidence in the OIG investigation also showed that these items were shipped directly by King Training to the Quinn Academy, and that Air One never took custody of the items.
- (5) King Training does not have any contracts directly with the CFD or any other City department.

STATEMENT OF RELEVANT LAW

Municipal Code of Chicago (MCC) §2-156 Governmental Ethics

§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 twelvemonth 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

- 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 conclusions: (i) Respondent was the sole owner of King Training; (ii) in May and June 2021; (iii) King Training was identified by employees working at the CFD's Quinn Academy as a company from which CFD would like to purchase equipment; and (iv) Respondent, CFD, and Air One agreed that the sales would be effected through Air One, with the City paying Air One and then Air One in turn paying King Training for the items.
- (7) Also, at its May 13, 2024 meeting, the Board found probable cause to conclude that Respondent violated §2-156-110(a) twice, because of these sales.

- (8) Respondent did not seek confidential advice from the Board of Ethics regarding these sales.
- (9) Based on these facts, and after hearing from the Respondent and counsel at its September 30, 2024 meeting, the Board found, on October 21, 2024, that Respondent, by virtue of owning 100% of King Training, had a prohibited financial interest in two City contracts, both in the name of another, namely King Training, and that these contracts were paid with funds belonging to and administered by the City, namely by the CFD, in violation of §2-156-110(a) of the Ordinance, and the Board assessed the maximum fine of \$5,000 for each violation.

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.

- (10) 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.
- (11) Compromise and Settlement. The parties acknowledge that: (A) on May 13, 2024, the Board found probable cause that the Respondent violated the Ordinance, and also found, on October 21, 2024, after hearing from the Respondent pursuant to §2-156-385 of the Ordinance, that the Respondent violated the Ordinance, but that, also pursuant to the Ordinance, the Respondent has a right to a hearing before an Administrative Law Judge and to seek Administrative review in the Circuit Court to challenge the October 21, 2024 finding; and (B) the Execution of this Agreement and the terms herein do not constitute an admission or denial by the Respondent of the validity of the Board's probable cause or finding or finding of violations.
- (12) Respondent has at all times cooperated with the Board of Ethics on this matter.
- (13) Pursuant to §2-156-465(b)(7) of the Ordinance, which was effective at the time of the sales to CFD, the maximum fine was \$5,000 per violation.
- In recognition of the foregoing, Respondent agrees to pay a fine of \$10,000 to the Board as follows: within fourteen (14) days of this Settlement Agreement being approved by the Board, Respondent shall pay \$1,000, and then shall pay an additional \$1,000 on the twenty-seventh (27th) day of every month thereafter ("Due Date") until the \$10,000 is paid in full, by business check, made payable to the "City of Chicago," and sent to the Board of Ethics, 740 North Sedgwick, Suite 500, Chicago, IL 60654, 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. Nothing herein shall be construed to prevent the Respondent from pre-paying any such installment, or from paying the entire remaining balance prior to any Due Date.
- (15) 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.

- (16) 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.
- (17) 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, 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.
- (18) 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.
- (19) 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.
- (20) 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.
- (21) 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.
- (22) 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.
- (23) 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.

(24) 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 I. Berlin, Executive Director

Date

David Daskal, Board Chair Pro-Tem

Date

FOR THE RESPONDENT

Christopher King, Respondent

Date