



**BOARD OF ETHICS
CITY OF CHICAGO**

In the Matter of:

John LaGiglia
Respondent

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)
) Case No. 21006.IG
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)

AGREEMENT

This Agreement ("Agreement") is made and entered into between the Chicago Board of Ethics ("Board") and John LaGiglia ("Respondent"), a Firefighter-EMT with the Chicago Fire Department ("CFD"), pursuant to §2-156-385(4) of the City of Chicago Governmental Ethics Ordinance ("Ordinance"). On February 8, 2021, the Board determined that there was probable cause to conclude that the Respondent violated the Interest in City Business provision of the Ordinance, §2-156-110, based on evidence from an investigation conducted by the Office of the Inspector General ("OIG"). The parties agree to the following terms to resolve this matter.

RECITATION OF RELEVANT FACTS

- (1) Respondent is an employee of the City of Chicago and began working at the CFD on or about November 18, 2013.
- (2) On August 7, 2014, Respondent filed Articles of Incorporation with the IL Secretary of State's Office ("SOS") and started Chicago Fire Protection LLC ("Fire Protection"), a company that installs fire suppression systems.
- (3) Respondent is the registered agent, president, and a managing member of Fire Protection, owning a 51% share of the company.
- (4) In/around April 2016, the City and the Public Building Commission of Chicago ("PBC") entered into an intergovernmental agreement to develop early childhood learning centers at some public libraries. The contract was to be paid with funds belonging to or administered by the City.
- (5) Path Construction Co. ("Path") bid on and was awarded the PBC contract on November 8, 2016. Path invited Fire Protection to bid on as subcontract to update the fire suppression system at Harold Washington's Thomas Hughes Children's Library.
- (6) On/around November 30, 2016, Fire Protection subcontracted with Path to update the fire suppression system at Harold Washington's Thomas Hughes Children's Library.

- (7) Respondent knew this was a PBC project because it was on the contract. Respondent knew about the Ordinance's restrictions on contracting with the City, but understood that to mean that he could not directly contract with the City. Respondent believed that he could subcontract on City projects such as this one, which was through PBC.
- (8) In 2017, Path paid Fire Protection \$17,925.55 and \$1,293.43 in 2018 (after adjustments and work order changes) for a total of \$19,219.00, for the completion of its work at the Harold Washington Library, from funds belonging to or administered by the City.
- (9) Respondent, through his representative, contacted Board staff in the Spring 2020 about the restrictions imposed by the Ordinance. Respondent now understands that while a company he owns can contract with the sister agencies as a general matter, any contract or subcontract in which his company is a party on any project that is to be paid with funds belonging to or administered by the City is subject to the restrictions in the Ordinance.
- (10) Respondent has instituted new procedures that would include contacting the Board for guidance on questionable transactions. Respondent had turned down several jobs and cancelled a subcontract, because they involved the City in some capacity.
- (11) Respondent's personnel records show that he has never had any disciplinary actions.
- (12) Respondent has timely completed the City's mandatory annual ethics trainings every year. In 2018, the Board covered the relevant restrictions imposed on City employees who have ownership interests in firms that wish to contract or subcontract with the City or its sister agencies, provided those sister agency contracts are paid with funds belonging to or administered by the City.

STATEMENT OF RELEVANT LAW

- (13) The specific issue in this case was whether Respondent, by means of his ownership interest in Fire Protection, violated the Ordinance by having a prohibited financial interest in City business "in the name of another," *i.e.*, Fire Protection, through this company's subcontract with the PBC, a sister agency to the City.
- (14) Section 2-156-110 of the Ordinance, entitled *Interest in city business*, prohibits a City official or employee from having a "financial interest in City business in his own name or in the name of any other person in any contract, work or business of the city ... whenever the contract, work ... is paid with funds belonging to or administered by the City, or is authorized by ordinance."
- (15) Section 2-156-010(1), the Ordinance defines "*financial interest*," in relevant part, as "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."

BOARD CONCLUSIONS AND DETERMINATIONS

- (16) At its February 8, 2020 meeting, based on the evidence adduced by an investigation completed by the OIG, the Board reached the following factual conclusions:
- a) Respondent is a City employee and has worked as a Firefighter-EMT at CFD since November 18, 2013.
 - b) Respondent is a principal owner, with a 51% share, a managing member, president and the registered agent for Fire Protection, a business he started on or about August 2014.
 - c) The City and the PBC entered into an intergovernmental agreement to develop learning centers at Chicago Public Library facilities with the contract to be paid with funds belonging to or administered by the City. The PBC awarded Path the prime contract.
 - d) Respondent, on behalf of Fire Protection, entered into a subcontract with Path, on Path's prime contract with the PBC, that to Respondent was valued in excess of \$1,000 per year, to update the fire suppression system at a Chicago Public Library.
 - e) The subcontract referenced here is not a City subcontract, nor is the prime contract between the PBC and Path. Both Path's prime contract and Fire Protection's subcontract were with the PBC, a sister agency to the City, but both the prime and subcontract were each paid with City owned or administered funds.
 - f) In 2017, Path paid Fire Protection \$17,925.55 for work completed at the library of which 51% clearly exceeds the \$1,000 limitation provided in §2-156-110(a) of the Ordinance.
 - g) Respondent did not violate the Ordinance in 2018 because his 51% ownership share of \$1,293.45, the amount paid to Fire Protection that year, falls under the \$1,000 limit.
 - h) Respondent acknowledged his misunderstanding and error and contacted the Board of Ethics to seek clarification on the scope of the Interest in City Business provision. Respondent immediately instituted corrections to ensure no recurrence.
 - i) Respondent had no prior disciplinary actions nor had ever previously violated the Ethics Ordinance.

Path Construction Co. ("Path") bid on and was awarded the PBC contract on November 8, 2016. Path invited Fire Protection to bid on as subcontract to update the fire suppression system at Harold Washington's Thomas Hughes Children's Library.

TERMS OF THE AGREEMENT

- (25) 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 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 the this matter or Respondent's conduct under the Ordinance's Interest in City Business provision.
- (26) 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.
- (27) Once executed by Respondent, the Board staff shall submit this Agreement to the Board at its next regularly scheduled meeting. The Board must determine by a majority vote that it approves the Agreement and the Board must execute and date the Agreement before the Agreement becomes effective.
- (28) The parties agree that this Agreement shall become invalid in the event that the Board refuses to approve it. Respondent acknowledges that if the Agreement is not approved or executed by the Board that the Board may seek to proceed to a hearing on the merits, pursuant to §2-156-392 of the Ordinance. Respondent further agrees that no member of the Board or its staff shall be disqualified from participating in any subsequent proceedings in this matter held pursuant to §2-156-392 of the Ordinance. If the Board does not approve this Agreement, the parties agree that no statements or representations of any kind made in the course of reaching this agreement will be used by either party for the purpose of establishing liability at any future hearing or proceeding.
- (29) 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.
- (30) 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.
- (31) The Agreement contains the entire agreement between the Board and the 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.
- (32) This Agreement shall not be effective until all parties have affixed their signature below.

Dated as written above and executed below:

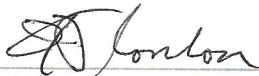
FOR THE CITY OF CHICAGO BOARD OF ETHICS



Steven I. Berlin, Executive Director

3-16-21

Date



William Conlon, Board Chair

3-16-21

Date

FOR THE RESPONDENT



John LaGiglia, Respondent

3/4/2021

Date



Kyle T. Dillon
Counsel for the Respondent

3 8 2021

Date