

CITY OF CHICAGO  
DEPARTMENT OF ADMINISTRATIVE HEARINGS

CITY OF CHICAGO,	)	
A Municipal Corporation,	)	
Petitioner,	)	Case No. 25IG023067-2
v.	)	(Ethics Board No. 23067.02.IG)
CLAYTON WHITELEY,	)	
Respondent.	)	

**SETTLEMENT AGREEMENT**

This settlement agreement ("Agreement") is made and entered into by and between the City of Chicago, by and through its Corporation Counsel, Mary Richardson-Lowry, ("Petitioner" or "City"), the Chicago Fire Department ("CFD"), and Respondent Clayton Whiteley, a Commander-EMT for the CFD, pursuant to Rule 4-2(3) of the City of Chicago Board of Ethics Rules and Regulations ("Board Rules"), for alleged violations arising out of Respondent's purported failure to report corrupt or unlawful activity surrounding transactions involving King Training Innovations, hereafter referred to "Matters." Rather than have these Matters heard before an Administrative Law Judge as provided in §2-156-385 and -392 of the City of Chicago Governmental Ethics Ordinance ("Ordinance") of the Municipal Code of Chicago of Chicago ("Code"), the parties hereby agree to the following terms to resolve this Matter.

**BOARD CONCLUSION OF FACTS AND DETERMINATIONS**

With respect to Board No. 23067.02.IG, the Chicago Board of Ethics ("Board") made, *inter alia*, the following conclusions and determinations:

1. Since 1999 through the present, Respondent has been employed with CFD as a Firefighter/Lieutenant-EMT. From December 16, 2020, to April 15, 2023, Respondent was assigned to the Robert J. Quinn Fire Training Academy ("Quinn Academy") as a Commander-EMT and was involved in ordering books, training props, and other consumables.
2. Respondent completed the City's annual ethics training for the years 2017 through 2023.
3. The evidence in the City of Chicago Office of Inspector General ("OIG") investigation showed that CFD initially communicated with King Training Innovations, LLC ("King Training") to see its product list, which was a company solely owned by CFD employee Christopher King. King Training 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. CFD informed King Training that CFD intended to purchase certain goods made by King Training,

including training props, for CFD's 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 \$29,290.00 for these items. King Training was not paid directly by the City for the purchases. These purchases were completed in two separate transactions, on May 7, 2021, and June 8, 2021, each in excess of \$10,000. These purchases being in excess of \$1,000 a calendar year, gave the CFD employee of King Training a "financial interest" in City contracts in violation of § 2-156-110(a) of the Ordinance.

4. Respondent knew Christopher King was a CFD employee, and that Christopher King made and sold training props through King Training.

5. Respondent failed to report any of the above transactions to the OIG.

6. On May 13, 2024, after reviewing all available evidence, including the results of an investigation by the OIG and written materials provided by Respondent and counsel, the Board determined that there was probable cause to conclude that Respondent violated § 2-156-018(a) of the Ordinance twice for failing to report the transactions on May 7, 2021, and June 8, 2021 to the OIG. The Board advised Respondent of its findings and authorized the filing of the above-captioned Matter against Respondent.

- a. As a result of this probable cause finding, on October 21, 2024, the Board assessed the maximum fine of \$5,000 for each of these two violations (for a total of \$10,000).
- b. Throughout this Matter, Respondent has denied the findings of the OIG investigation and Board's determination(s), conclusion(s), and assessment(s), including, *inter alia*, denying that Respondent failed to report corrupt or unlawful activity.
- c. On January 11, 2025, the Board chose to pursue an action for a fine, this Matter was thereby referred to the City of Chicago's Corporation Counsel, pursuant to § 2-156-385(4)(iii) of the Ordinance.

7. Beginning February 3, 2025, the Petitioner filed its Notice of Administrative Adjudicatory Proceeding and has been granted an extension of time to present statement of charges pursuant to § 2-156-392(a)(2) of the Ordinance and Board Rule 4-2(B) through April 11, 2025.

8. On March 20, 2024, CFD issued Charges and Specifications for violation of §2-157-018, City of Chicago Personnel Rule XVIII, sec. 1, and CFD G.O. 13-007 (IR. # 24-0005), based on the report of the OIG, against Petitioner and notifying Petitioner of discipline of a six-month suspension.

9. Respondent expressly denies any wrongdoing and expressly denies any and all liability for any purported violations of § 2-156-018(a) of the Ordinance.

#### **STATEMENT OF RELEVANT LAW**

With respect to Board No. 23067.02.IG, the following ordinances and statutes were implicated and relevant:

§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.

(1) "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, 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 provision.

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 and not more than \$5,000 for each offense.

### **TERMS OF THE AGREEMENT**

The City, by and through its Corporation Counsel and pursuant to its authority under § 2-156-392(a)(2) of the Ordinance and Rule 4.2(3) of the Board Rules, CFD, and Respondent, collectively referred to as the "Parties," have agreed upon a settlement. Subject to the terms of this Agreement, this Agreement is final as to the City's ability to further collect any and all fines arising out of the Board's finding on October 21, 2024, that Respondent violated § 2-156-018(a) of the Ordinance.

10. The above paragraphs and sections are incorporated into and made a part of this Agreement.

11. The Parties agree to the terms set forth in this Agreement exclusively to resolve the Board's findings and conclusions of all factual and legal issues that arose in this matter resulting in a fine imposed on Respondent. This Agreement is entered into for purpose of resolving the Board's imposition of a fine without necessity of an evidentiary hearing, pursuant to § 2-156-392 of the Ordinance, to determine whether Respondent violated the Ordinance. This Agreement shall not be construed to convey, imply, or suggest any admissions or acceptance of liability by Respondent regarding the purported violations.

12. After this Agreement is fully executed, the Petitioner will timely move to dismiss any pending administrative proceeding relating to this Matter. The Corporation Counsel will not file a statement of charges on Ethics Board No. 23067.02.IG, and DOAH docket 25IG023067-2 shall be stricken off call upon execution of by the Parties. An order will be entered, without objection, on case 25IG023067-2, dismissing the pending administrative proceeding without prejudice and subject to the terms of this Agreement, to become with prejudice on Respondent's payment of the fine in full as referenced herein

13. After meeting with Respondent and Respondent's counsel, and reviewing the OIG investigation dated December 30, 2023, the Board has determined that there is probable cause to conclude that Respondent breached his duty to report corrupt or unlawful activity to the OIG on two separate occasions, in violation of §2-156-018(a) of the Ordinance.

14. Respondent expressly denies any admission of fault, liability, and/or wrongdoing in the Matters.

15. Respondent has at all times cooperated with the Petitioner and Board on this Matter.

16. Pursuant to §2-156-465(b)(7) of the Ordinance, the Board has the authority to impose a fine between \$1,000 and \$5,000 for any single violation of §2-156-018(a) of the Ordinance. The Board referred this Matter to the Department of Law pursuant to §§2-156-385 and -392 of the Ordinance, and Rules 4-1(E) and 4-2.

17. In consideration of the terms and provisions of this Agreement and the release contained herein, and without acknowledging or admitting the existence of any liability giving rise to any obligation by Respondent to pay any monies characterized as a fine, Respondent agrees to pay the sum of TEN THOUSAND DOLLARS (\$10,000) to the City as full and final settlement of the Board's finding on October 21, 2024, that Respondent violated § 2-156-018(a) of the Ordinance two (2) times. Payment of the \$10,000 shall be made as follows: within fourteen (14) days of this Agreement being fully executed, 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 money order, cashier's, or certified check, made payable to the "City of Chicago," and sent to the Board of Ethics, 740 N. Sedgwick, Suite 500, Chicago, IL 60654, and that, if the City has not received such amount by that date, Respondent shall pay interest of nine (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 Respondent from pre-paying any such installment, or from paying the entire remaining balance prior to any Due Date.

18. In light of the above-referenced fine assessed by the City, CFD agrees and acknowledges the above-referenced fine to be the appropriate discipline in this matter in satisfaction of the violations identified in the OIG report and IR #24-0005. CFD agrees not to seek any discipline of Respondent over and above the above-referenced fine, including, but not limited to, that it will not seek the six-month suspension reflected in Paragraph 8, *supra*, nor any other discipline, and that this Agreement is in final resolution of all matters stemming from OIG report and IR #24-0005.

19. 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.



20. In the event Respondent is in Default of this Agreement, the entire Settlement amount then due will become immediately due and payable, and the City of Chicago Department of Law can reduce the amount to a Judgement, and collect the amount pursuant to the applicable Code(s). Interest pursuant to Paragraph 17 of this Agreement shall begin accruing on the date of Default and is not deferred pending to the Board proceeding to a Hearing on the Merits under Paragraph 26 of this Agreement.

21. Respondent acknowledges that this Agreement is a public and final resolution of the Board's findings and conclusions of the OIG investigative report as presented to and reviewed by the Board in this Matter regarding its imposition of a fine on Respondent. Respondent also acknowledges that the Board shall make this Agreement public, pursuant to §2-156-385(4) of the Ordinance, 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.

22. 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 Parties. 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.

23. Respondent understands and voluntarily waives and assigns, on his and his successors' behalf, any and all: (i) procedural rights under the 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 Board's findings that Respondent failed to report corrupt or unlawful activity to the OIG, in violation §2-156-018(a) of the Ordinance. Respondent further understands and voluntarily waives any rights to grieve any issues associated with this matter, including waiving his rights to grieve any issues associated with IR # 24-0005.

24. Respondent releases and holds harmless the City, CFD, the Board, and its staff from any potential claims, liabilities, and causes of action arising from the enforcement and settlement of the purported violations described in the Agreement, and agrees not to contest the lawfulness, authority, jurisdiction, or power of the City and the Board to enforce payment of the sum 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 City, the Board, or any members or employees thereof, relating to or arising out of this Agreement or the Matters recited herein.

25. Respondent agrees that if found in Default of this Agreement the City may proceed to a hearing on the merits or take any other action as permitted by law and this Agreement. The Parties

agree, notwithstanding any applicable statute of limitations or any other law to the contrary, the time-period to pursue a hearing on the merits related to the matters addressed in this agreement shall be tolled and not begin to run until a breach of the Agreement or Default occurs.

26. 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, as appropriate, or take any other action as permitted by law. If the City deems Respondent has breached the Agreement, the City agrees it shall meet and confer with Respondent, through counsel, and attempt to resolve any perceived breach prior to proceeding to a hearing on the merits.

27. The Respondent agrees that no member of the City, Board, CFD, or its staff shall be disqualified from participating in any subsequent proceedings in this Matter held pursuant to §2-156-392 of the Ordinance. Further, no statements or representations of any kind made in the course of negotiating this Agreement, and/or statement herein, will be used by either party for any purpose at any future hearing or proceeding.

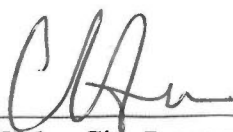
28. This Agreement contains the entire agreement between the City and Respondent, and it may not be modified unless the modified Agreement is re-executed and re-dated by both parties. The parties represent and warrant that they have full power and authority to enter into and perform this Agreement in accordance with its terms. This Agreement is entered into in the State of Illinois and shall be construed and interpreted in accordance with its laws.

29. The Petitioner has authority to enter this Agreement pursuant to Rule 4-2(3) of the Board Rules.

30. This Agreement shall not be effective until all parties have affixed their signature below.

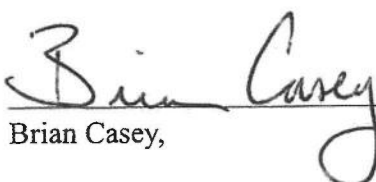
Date as executed below:

**FOR PETITIONER, by and through the CITY PROSECUTOR**

  
\_\_\_\_\_  
Christine Hake, City Prosecutor

8/22/2025  
Date

**FOR THE CITY OF CHICAGO FIRE DEPARTMENT**


  
\_\_\_\_\_  
Brian Casey,

8/12/2025  
Date

Asst. Commissioner Labor Relations

**FOR THE RESPONDENT**

Signed by Clayton Whiteley

 I approve this document  
7/14/2025 1:35 PM UTC

Clayton Whiteley, Respondent

07/14/2025

Date

Signed by Cass Casper

 I approve this document  
7/14/2025 1:36 PM UTC

Cass Casper,  
Counsel for the Respondent

07/14/2025

Date