

**SETTLEMENT OF CHG ALTERNATIVE EDUCATION D/B/A CAMELOT EDUCATIONAL,  
D/B/A CAMELOT ALT ED – ILLINOIS, LLC (CAMELOT)**

**THE GENERAL COUNSEL REPORTS THE FOLLOWING SETTLEMENT:**

**DESCRIPTION:** That the Board of Education of the City of Chicago ("Board") authorize the settlement agreement proposed by CHG Alternative Education D/B/A Camelot Educational D/B/A Camelot Alt Ed – Illinois LLC (Camelot), and Camelot "Executive A" and "Executive B" (collectively "Respondents"). Following the Office of the Inspector General's (OIG) recommendations in Report 13-00930, the Board's Chief Procurement Officer, Department of Innovation and Incubation and Office of the General Counsel conferred with Respondents regarding the OIG's findings. Respondents dispute those findings and vigorously defend against them.

In settlement of this matter, Camelot has agreed to the following terms:

- Camelot has agreed to submit to a period of thirty six (36) months of independent monitoring on the terms set forth in the OIG's recommendation, including training of their executives on the Board's Ethics Code.
- Camelot will preclude Executive A and Executive B from participating in any Board business for a period of thirty six (36) months.
- Executive A and Executive B have independently agreed to abstain from any Board business for thirty six (36) months regardless of their place of employment, and to submit to independent monitoring for the lesser of the thirty six (36) months or the duration of their tenure at Camelot.
- Camelot will pay to the Board and directly invest into the five (5) CPS Camelot Schools a total of one million dollars (\$1,000,000) in equal installments over a five (5) year period.

**LSC REVIEW:** LSC approval is not applicable to this report.

**AFFIRMATIVE ACTION STATUS:** Affirmative Action review is not applicable to this report.

**FINANCIAL:** There is no charge to the Board account.

**AUTHORIZATION:** Authorize the General Counsel to execute the Settlement Agreement(s), and all ancillary documents related thereto.

**GENERAL CONDITIONS:**

**Inspector General –** Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

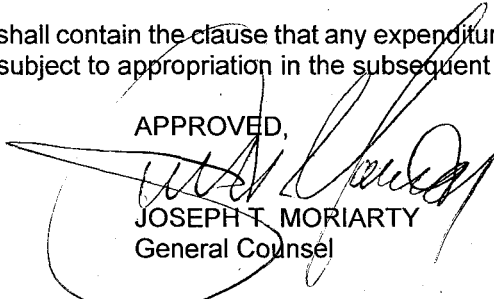
**Conflicts –** The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board member during the one year period following expiration or other termination of their terms of office.

**Indebtedness –** The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

**Ethics –** The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

**Contingent Liability –** The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

APPROVED,

  
JOSEPH T. MORIARTY  
General Counsel