

**SIGNIFICANT ACTIVITY REPORT**

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**TUESDAY, MAY 29, 2018**

**CONTRACT STEERING BY BARBARA BYRD-BENNETT TO A VENDOR  
AND IMPROPER WINING AND DINING OF HER BY THAT VENDOR  
AND  
A FORMER BOARD MEMBER'S CONFLICTS OF INTEREST  
INVOLVING INVESTMENTS IN THE SAME VENDOR AND OTHER CPS VENDORS**

**OVERVIEW**

This report discusses a significant investigation that involved: (1) now-convicted former CPS CEO Barbara Byrd-Bennett's improper dealings with an education-technology company ("Vendor A") — a CPS vendor and sponsor of the SUPES Academy — which involved the receipt of expensive dinners from Vendor A and a procurement process that was competitive in name only; and (2) a former Board of Education member's ("the Former Member") conflicts of interest, which also involved Vendor A, as well as other companies in which the Former Member was invested.

Although those two matters are separate to a significant degree, there was sufficient overlap for the OIG to investigate them together and address both of them in a single report, which the OIG issued to the Board of Education ("the Board") and CPS administration on March 8, 2018.

The investigation began as an examination of the Former Member's financial interests after public concerns were raised that, during the Former Member's tenure on the Board, CPS business increased with companies in which the Former Member held an interest. Shortly thereafter, the OIG learned that a sales executive employed by Vendor A (the "Sales Executive") solicited work from CPS by treating Byrd-Bennett and a top aide (the "Top Aide") to numerous lavish dinners. Amidst the ongoing wining and dining by Vendor A — which began in 2012 and continued until Byrd-Bennett's departure from CPS in 2015 — Byrd-Bennett initiated a

procurement process designed to award a large district-wide contract to the company. As a result, in February 2014, the Board authorized a contract with Vendor A worth up to \$6 million. Vendor A subsequently realized nearly \$2 million in sales from CPS purchases made during the term of the contract.

The OIG also discovered that Vendor A also paid SUPES \$50,000 over two years pursuant to sponsorship agreements that allowed Vendor A to attend SUPES Academies (SUPES events that were not CPS specific) and gain access to administrators from numerous districts, including CPS. Vendor A and SUPES entered into those agreements following an introduction by Byrd-Bennett and a recommendation by Byrd-Bennett that Vendor A's Sales Executive work with SUPES to gain access to "key decision makers." Furthermore, the timing of the interactions between Vendor A and SUPES were suspiciously close in proximity to the procurement process that led to Vendor A's contract with CPS.

Despite the suspicious circumstances involving SUPES in this matter, the evidence was not sufficient for the OIG to conclude that Vendor A paid SUPES to obtain the CPS work or that SUPES otherwise impacted the dealings between CPS and Vendor A. Nevertheless, the OIG could not completely exclude the possibility that Vendor A paid SUPES in the hopes of getting in Byrd-Bennett's good graces.

Critically, the OIG did not find that the Former Member had any involvement in or knowledge of (1) the wining and dining of Byrd-Bennett and the Top Aide, (2) Byrd-Bennett's steering of the contract to Vendor A, or (3) Vendor A's dealings with SUPES.

However, the OIG found that during the procurement process for Vendor A's contract, the Former Member failed to fully recuse herself from discussions on the matter as required by the CPS Code of Ethics. (CPS Code of Ethics, § VII(A).) The Former Member also violated the Code of Ethics by encouraging CPS to do business with Vendor A and several other companies in which the Former Member was invested. (CPS Code of Ethics § XI(A).)

The OIG's findings are set forth below, followed by a summary of the issues and events and the OIG's recommendations. The report is separated into two main parts with Byrd-Bennett's dealings with Vendor A discussed first, and the Former Member's conflicts of interest discussed second.

## **FINDINGS WITH RESPECT TO BYRD-BENNETT, THE TOP AIDE AND VENDOR A**

1. Vendor A's Sales Executive engaged in an ongoing pattern of treating Barbara Byrd-Bennett, the Top Aide and other CPS staff to expensive dinners while soliciting work. From May 2012 to March 2015, while Vendor A was soliciting and receiving work from CPS, Vendor A paid for 23 dining events involving CPS officials for a total of \$8,108. The Sales Executive and Byrd-Bennett coordinated most of those events.
2. The Sales Executive and Vendor A violated CPS's ethical standards and undermined CPS's procurement processes by using expensive dinners to influence Byrd-Bennett and obtain CPS business.
3. Byrd-Bennett and the Top Aide violated the Code of Ethics by accepting numerous expensive dinners from Vendor A while Vendor A was soliciting work from CPS. (See CPS Code of Ethics, Board Report 11-0525-PO2, §§ XII(A) and XII(I).) Byrd-Bennett and the Top Aide also failed to disclose those dinners on their Statements of Business and Financial Interests even though such disclosures were required. Vendor A's records and emails did not identify the CPS attendees for 7 of the 23 dining events involving CPS. However, of the 16 meals in which the CPS attendees were identified, Byrd-Bennett attended 14, and the Top Aide attended 10. Many of the meals included several CPS attendees. The pro rata benefit received by Byrd-Bennett at the dinners exceeded \$50 in at least 12 instances, and exceeded \$100 in at least 6 instances. The pro rata benefit received by the Top Aide at the dinners exceeded \$50 in at least 9 instances, and exceeded \$100 in at least 5 instances.
4. In October 2013, Byrd-Bennett and the Top Aide subverted the Board's established procurement process by designing an RFP to steer CPS work to Vendor A. (See Board Rules § 7-2.) Although Byrd-Bennett initiated an RFP process that purported to satisfy the Board's procurement rules, in fact, the process was competitive in name only because the Top Aide tailored the scope of services in the RFP to ensure that Vendor A would receive the contract.
5. In February 2014, the Board ultimately approved a Board Report authorizing a two-year contract with Vendor A for up to \$6 million. Vendor A subsequently realized nearly \$2 million in sales from CPS purchase orders issued during the term of the contract.

## **RECOMMENDATIONS AND BOARD RESPONSE**

Although the OIG normally would recommend that the Board debar Vendor A, it has since been acquired by another education-technology company, and the contract at issue in this investigation has expired. Nevertheless, Vendor A's successor in interest continues to do business with CPS and has benefitted from the access to CPS schools that Vendor A obtained improperly. Accordingly, the OIG recommended that CPS conduct a review to determine whether it should continue to use the successor company as a vendor. As part of that review, CPS should examine the effectiveness of the product, which Vendor A sold to CPS under the contract steered by Byrd-Bennett, and which the successor company continues to sell to CPS.

In the meantime, the OIG recommended that CPS, and all its units, suspend all purchase orders for the product that was initially sold by Vendor A and now is sold by the successor company.

If CPS's review of the successor company reveals that the company's ongoing business with CPS is a legacy of an improper contracting process, and the successor company is not adding value for CPS students, the company should be debarred. If, however, the Board decides to continue doing business with the successor company, the Board should appoint an independent monitor to review the company's sales activities for unethical conduct, and the Board should require that the company annually certify that it has complied with CPS's ethics policies. The independent monitor should be chosen by the Board, but paid for by the company.

In response to the OIG's report on this matter, the Board advised that the Chief Education Officer and the Chief of Teaching and Learning will be temporarily suspending any purchase requests for the product for the 2018–19 school year and will be working with curriculum specialists to assess the efficacy of the program. The Board further stated: "Immediate suspension of any contracts with the organization is impractical as it would pull the rug out from schools using the program this year and during the summer without adequate time to determine a replacement. It is also unnecessary as [the Sales Executive], who created the ethical issue, is no longer involved with this product and the product is owned by a different company, [the successor company]."

In addition, the OIG recommended that the Board debar the Sales Executive as a vendor. The Sales Executive now works for another company that is also a CPS vendor. The Board advised the OIG that it notified the Sales Executive's new company that the Sales Executive cannot be associated with CPS accounts in any way going forward. The Board is considering whether she should be debarred individually.

The OIG also recommended that section XII of the Code of Ethics be amended to explicitly state that vendors or prospective vendors seeking Board work are prohibited from giving gifts, payments or gratuities to Board officials or employees.

As for Byrd-Bennett and the Top Aide, Byrd-Bennett is serving a prison sentence, and the Top Aide no longer works for the district. Following the OIG's report on this matter, the Board placed Do Not Hire designations in the personnel files of both Byrd-Bennett and the Top Aide.

#### **FINDINGS RELATED TO THE FORMER MEMBER'S CONFLICTS OF INTEREST**

1. While the Former Member served on the Board, she violated the prohibition on conflicts of interest in the Code of Ethics by using her position to advocate for CPS to purchase products of at least four companies in which she was invested, including Vendor A. (See CPS Code of Ethics, Board Report 11-0525-PO2, § XI(A).)
2. In addition, the Former Member violated the Code of Ethics by failing to fully recuse herself with respect to the Board-level contract awarded to Vendor A because, although she abstained from voting on the matter, she participated in some discussions about it with Byrd-Bennett and a high-level executive at Vendor A (the "High-Level Executive"). (See CPS Code of Ethics, § VII(A).)
3. The Former Member also failed to fully disclose her interests on her CPS Statements of Business and Financial Interest and her Cook County Statement of Economic Interests by failing to state all the companies in which she had an economic interest that conducted business with CPS. Significantly, however, the Mayor's Office and the Board were aware of her interest in all those companies because she disclosed those interests on the questionnaire she completed during the vetting process for her position on the Board. Thus, she did not hide those interests from the Board or City Hall.
4. CPS's Code of Ethics is out of step with more restrictive Illinois law because it does not prohibit Board members from having — at most — a financial interest of more than \$25,000 in cumulative Board contracts with a single vendor, even though such interests are prohibited under 105 ILCS 5/10-9.

#### **RECOMMENDATIONS AND BOARD RESPONSE**

Given that the Former Member is no longer serving on the Board, the OIG advised that the appropriate remedy for the violations discussed above is to make CPS's Code of Ethics more robust and to provide better training to Board members so that similar violations do not occur in the future.

As discussed in more detail below, CPS's Code of Ethics appears to conflict with Illinois law (*see* 105 ILCS 5/10-9 and 50 ILCS 105/3) because the Code of Ethics does not prohibit Board members from having a significant economic interest in companies that do business with the Board. Notably, the Code of Ethics already prohibits Local School Council Members from having an economic interest in any contract with the school where they serve (*see* CPS Code of Ethics, § IX), but it does not extend that rule to Board members (*see id.*, § VII), even though Board members have much greater responsibility and more opportunity for improper influence. Moreover, CPS employees are prohibited by the Code of Ethics from having an economic interest in Board work or business. (*See id.*, § VIII.) And, more importantly, the Code of Ethics should not permit conduct that is prohibited by law. Therefore, the OIG recommended that the Board should amend section VII of the Code of Ethics so that it comports with Illinois law and protects the integrity of the Board by making it clear that Board members have no significant personal financial stake in the business of CPS at any level. Furthermore, because Board members vote to renew charter schools, the OIG recommended that they also should be prohibited from having an interest in companies doing business with CPS charters.

The Board should also place an affirmative duty on Board members to inquire whether any entities in which they have an economic interest are doing business or seeking to do business with CPS — either at the Board level or with individual departments or schools — or CPS charter schools. To ensure that Board members conduct this inquiry, the OIG recommended that Board members should be required to certify annually that (1) they conducted an inquiry with respect to the entities in which they held an economic interest and (2) none of those companies did business with CPS or CPS charters. If Board members find that those companies were, in fact, conducting such business, they should disclose that information and either (1) sell or otherwise discharge their interest in those companies or (2) step down from their position on the Board.

In response to the OIG's recommendations on this matter, the Board has informed the OIG that, among other things, it is working on a plan to amend the Code of Ethics. The Board planned to make those changes as early as the May 2018 Board Meeting. The OIG, however, advised the Board that, in the near future, the OIG will be submitting findings and recommendations in a forthcoming report on a different matter that involves ethical concerns and may warrant further changes to the Code of Ethics. Therefore, the OIG respectfully asked the Board to refrain from amending the Code of Ethics until those other recommendations are submitted so that the Board can make appropriate changes after considering all the recommendations together.

## **FINDINGS, RECOMMENDATIONS AND BOARD RESPONSE WITH RESPECT TO VENDOR B**

One of the education-technology companies that the Former Member was invested in and advocated for at CPS ("Vendor B") failed to cooperate in the OIG's investigation. Vendor B and its then-CEO refused to provide information requested by the OIG during this investigation. Their failure to cooperate violated the terms of Vendor B's contracts with CPS. Accordingly, the OIG recommended that Vendor B and its then-CEO be debarred as CPS vendors. (Board Report 08-1217-PO1, § 2(f).)

The Board advised that it has begun debarment proceedings against Vendor B and its former CEO.

## **PART ONE: BYRD-BENNETT AND THE DISTRICT-WIDE CONTRACT WITH VENDOR A**

### **A. VENDOR A'S WINING AND DINING OF BYRD-BENNETT AND HER TOP AIDE**

Vendor A's Sales Executive told the OIG that she and Byrd-Bennett were friends and that they knew each other from doing business together when Byrd-Bennett worked for Detroit Public Schools. The Sales Executive's expense reports and emails show that, after CPS hired Byrd-Bennett, the Sales Executive began treating Byrd-Bennett to expensive dinners while simultaneously soliciting work for Vendor A. The Sales Executive told the OIG that she reached out to Byrd-Bennett because they were friends and that, during those dinners, she pitched Vendor A's services and suggested ways that Vendor A could help CPS. This wining and dining continued until the time of Byrd-Bennett's resignation three years later. In total, Vendor A spent more than \$8,000 on 23 instances of wining and dining Byrd-Bennett and her staff. These dinners were at high-end restaurants like Chicago Cut Steakhouse, Joe's Seafood and Mastro's Steakhouse.

Vendor A's expense reports and emails identified Byrd-Bennett as having attended at least 14 of those meals. For seven of the 23 meals documented by Vendor A, the CPS attendees were not identified. Given that Byrd-Bennett was the Sales Executive's primary CPS contact and they frequently dined together, it is likely that Byrd-Bennett also attended some of the dinners in which CPS attendees were not identified. Nevertheless, at a minimum, Vendor A spent more than \$6,000 on the 14 meals that Byrd-Bennett definitely attended.

The Sales Executive's other main contact at CPS was the Top Aide, whom the Sales Executive knew from the Top Aide's time working with Byrd-Bennett in Detroit. Vendor A's expense reports and emails show that the Top Aide attended at least 10 of the dinners hosted by Vendor A. Those dinners had a total cost of more than \$4,500.

The table below details the timeline for the dinners Vendor A hosted for CPS personnel, and also highlights a few key dates with respect to CPS's contracting with Vendor A.

<b>Date</b>	<b>Expense</b>	<b>Restaurant</b>	<b>Attendees</b>
May 23, 2012	\$124.77	Unknown	The Sales Executive and BBB
July 12, 2012	\$102.18	The Grill	The Sales Executive and unidentified CPS attendee(s)
August 20, 2012	\$249.33	Devon Seafood Grill	The Sales Executive and two unidentified CPS attendees
November 13, 2012	\$519.15	Ill Forks	A Vendor A sales manager (the "Sales Manager") and unidentified CPS attendee(s)
February 26, 2013	\$680.14	Morton's Steakhouse	The Sales Executive, BBB and "9 chiefs"
July 10, 2013	\$630.59	Joe's Seafood	The Sales Executive, BBB, the Top Aide, a second aide of BBB's ("BBB Aide 2") and possibly one other attendee
August 5, 2013	\$524.55	Morton's Steakhouse	The Sales Executive, the Sales Manager, BBB, the Top Aide and a third aide of BBB's ("BBB Aide 3")
October 1, 2013	\$88.48	Catch 35	The Sales Executive, the Sales Manager, BBB (who stopped by for a drink) and one other person
<b>October 25, 2013</b>	<b>CPS released the relevant RFP</b>		
October 25, 2013	\$145.61	IPO	A Vendor A marketing employee (the "Marketing Employee") and unidentified CPS attendee(s)
February 5, 2014	\$222.10	Ill Forks	The Sales Executive, the Marketing Employee and the Top Aide
<b>February 26, 2014</b>	<b>The Board voted to approve contract to Vendor A for up to \$6 million</b>		
March 5, 2014	\$650.02	Gibson's Steakhouse	The Sales Executive, BBB and other unidentified attendees



Date	Expense	Restaurant	Attendees
March 24, 2014	\$135.00	Sunda	The Sales Manager and unidentified CPS attendee(s)
<b>March 31, 2014</b>	<b>CPS and Vendor A finalized the education-services contract</b>		
March 31, 2014	\$170.98	Catch 35	The Sales Executive and BBB (and possibly the Top Aide)
April 1, 2014	\$80.30	Elephant and Castle	The Sales Executive, the Sales Manager, the Marketing Employee, a fourth Vendor A employee, and two CPS employees
<b>April 7, 2014</b>	<b>CPS purchase order to Vendor A for more than \$100,000</b>		
April 30, 2014	\$226.52	The Palm	The Sales Executive, the Sales Manager, a third Vendor A employee, BBB and the Top Aide
<b>June 5, 2014</b>	<b>CPS purchase order to Vendor A for more than \$100,000</b>		
June 17, 2014	\$656.59	Chicago Firehouse	The Sales Executive, the Sales Manager, the Marketing Employee, BBB, the Top Aide, BBB Aide 3, two other CPS employees and two employees of another vendor
<b>August 4, 2014</b>	<b>CPS purchase order to Vendor A for more than \$1 million</b>		
August 20, 2014	\$444.73	Ill Forks	The Sales Manager, the Marketing Employee, another Vendor A employee, BBB, the Top Aide, BBB Aide 3 and another CPS employee
September 16, 2014	\$358.23	Morton's Steakhouse	The Sales Executive, BBB and the Top Aide
September 17, 2014	\$358.21	Grand Lux	The Sales Manager and seven unidentified CPS attendees
October 20, 2014	\$627.15	Chicago Cut	The Sales Executive, the Sales Manager, BBB, the Top Aide and another CPS employee

Date	Expense	Restaurant	Attendees
December 2, 2014	\$536.54	Devon Seafood Grill	The Sales Executive, the Sales Manager, the Marketing Employee, three other Vendor A employees, BBB, the Top Aide, and another CPS employee
March 26, 2015	\$420.30	Mastro's Steakhouse	The Sales Executive, BBB and the Top Aide
March 31, 2015	\$157.00	Roka Akor	The Sales Manager and unidentified CPS attendee(s)
<b>Total</b>	<b>\$8,108.47</b>		

As can be seen in the table above, the cost of the majority of the dinners was more than \$300, with several costing more than \$600. The pro rata benefit received by Byrd-Bennett at the Vendor A dinners exceeded \$50 in at least 12 instances, and exceeded \$100 in at least six instances. The pro rata benefit received by the Top Aide at the dinners exceeded \$50 in at least nine instances, and exceeded \$100 in at least five instances. Notably, under the Code of Ethics, only “gifts” (which includes meals and drink tabs) of under \$50 bear a presumption of propriety. And, in any event, CPS employees are prohibited from receiving gifts from a single vendor with a cumulative value of more than \$100 a year. (*See* CPS Code of Ethics, Board Report 11-0525-PO2, §§ XII(A) and (B).) Of course, when all the meals are considered together, Byrd-Bennett and the Top Aide received far more than the allowed yearly amount.

#### B. BYRD-BENNETT AND THE TOP AIDE STEERED THE CONTRACT TO VENDOR A

While accepting extravagant dinners from Vendor A, Byrd-Bennett and the Top Aide steered a Board-level contract to the company with a potential value of \$6 million over two years. The contract was awarded via a February 2014 Board Report that followed a Request for Proposal CPS released in October 2013. Vendor A ultimately realized nearly \$2 million in sales to CPS during the term of the contract.

Emails and expense reports show that, in the months leading up to the RFP, the Sales Executive was meeting with Byrd-Bennett and her staff to discuss the implementation of Vendor A's product in CPS. In July 2013, the Sales Executive treated Byrd-Bennett, the Top Aide and another member of Byrd-Bennett's staff (BBB Aide 2) to a \$630 dinner at Joe's Seafood. The next day the Sales Executive met with BBB Aide 2 to discuss bringing Vendor A into CPS. Later that month, after Vendor A received an unrelated low-level purchase order from a single CPS high

school, the High-Level Executive at Vendor A emailed a Vendor A accountant: “[C]an’t wait for the big one from CPS!” The expensive dining continued in August 2013 when the Sales Executive treated Byrd-Bennett, the Top Aide and another CPS employee connected with Byrd-Bennett (BBB Aide 3) to a \$525 dinner at Morton’s Steakhouse. In September 2013, the Sales Executive told the Sales Manager that he should not give any CPS school a pilot or discount “until we are done with the other piece.”

A CPS C-Suite Officer at the time (the “CPS Officer”) informed the OIG that Byrd-Bennett approached him and told him that she wanted Vendor A to get CPS’s business. The CPS Officer recalled that he told Byrd-Bennett that a contract like that needed to go through the normal procurement process and that, following his prompting, CPS began the RFP process that resulted in the contract award to Vendor A. That process began in October 2013 when the Sales Executive was still meeting with Byrd-Bennett and the Top Aide. On October 1, 2013, the Sales Executive and Byrd-Bennett met at Catch 35. The next day the Sales Executive, the Top Aide and Byrd-Bennett agreed by email to meet on October 9, 2013, to discuss the type of education service offered by Vendor A and, ultimately, requested in the RFP CPS released later that month. On October 9, the Sales Executive and the Top Aide met as scheduled. One week after meeting with the Sales Executive, the Top Aide circulated within CPS a draft scope of services for an upcoming RFP. Significantly, the scope was tailored for the services Vendor A offered. On October 20, 2013 — five days before CPS released the RFP — the Sales Executive and Byrd-Bennett communicated again when Byrd-Bennett asked the Sales Executive to provide a Byrd-Bennett family member with a username and password to gain access to Vendor A’s product.

When CPS officially released the RFP on October 25, 2013, the Sales Executive forwarded the RFP to several Vendor A executives, referred them to the scope of services in the RFP and said: “This is what we have been waiting for[.]” After reading the scope, the High-Level Executive responded: “[T]he smile on my face is as wide as the Ohio River!! Great work everyone!” Another Vendor A executive responded: “Incredible job, [Sales Executive]. You kick ass. Hands down.” Normally, one would expect such a celebratory exchange of emails to follow the formal award of a contract at the end of the bidding process rather than the receipt of an RFP at the start of it.

Byrd-Bennett’s influence continued after CPS released the RFP. The evaluation committee, which was charged with reviewing Vendor A’s and other companies’ responses to the RFP, was staffed, in part, with individuals close to Byrd-Bennett. The CPS Officer even said that Byrd-Bennett went around him by putting her “minions” on the evaluation selection committee. Ultimately, the committee recommended Vendor A for the CPS contract. Additionally, emails show that the Sales Executive and Byrd-Bennett continued to communicate during the “quiet

period” while the proposals were being reviewed, even though such communications were prohibited given the confidential nature of the competitive-bidding process.

On February 3, 2014, the Top Aide emailed the Sales Executive: “I am so excited we are finally moving on this.” Two days later the Sales Executive bought the Top Aide another expensive dinner. On February 26, 2014, the Board voted, with the Former Member abstaining, to approve a contract to Vendor A for up to \$6 million over two years. One week later Vendor A treated Byrd-Bennett and others to a \$650 dinner at Gibson’s.

In the months that followed, CPS made two purchases from Vendor A that were each more than \$100,000, and a third purchase that was more than \$1 million. Each of those purchases were followed within weeks by expensive dinners for Byrd-Bennett and the Top Aide. In May 2015, CPS made a fourth large purchase from Vendor A. The OIG did not find that any expensive dinners took place in close proximity to that purchase. By that time, however, Byrd-Bennett was in the process of resigning while under investigation for her involvement in the SUPES kickback scheme.

Taken together, the persistent wining and dining, Vendor A’s emails and coordinated meetings with Byrd-Bennett and her staff, and the RFP draft from the Top Aide show that Byrd-Bennett and the Top Aide steered the Board contract to Vendor A. This conclusion is further supported by the statements of a top CPS education official (the “Education Official”) at the time, who worked on the RFP. The Education Official told the OIG that Byrd-Bennett made the decision to release the RFP and that the Education Official was instructed to help with the process after it was already set in motion. She said she had the impression that Byrd-Bennett wanted Vendor A to receive the work and that Vendor A was the only company the Education Official knew of that provided the services specified in the scope she received from the Top Aide.

Although the Sales Executive denied any coordination with Byrd-Bennett or the Top Aide regarding the RFP, the evidence shows otherwise. Notably, the Sales Executive admitted that she met with the Top Aide a few weeks before CPS released the RFP, and she admitted that the scope of services in the RFP was favorable for Vendor A. Indeed, the day the RFP was released, the Sales Executive sent an email, stating that the RFP was “align[ed] perfectly with [Vendor A].” Furthermore, Vendor A’s Marketing Employee told the OIG that the scope of services in the RFP was uniquely aligned with Vendor A’s services. He also said that the Sales Executive may have known that CPS was releasing an RFP before it became public. He said it was not uncommon for the Sales Executive to hear a rumor about a planned RFP, and it would not surprise him if a pending RFP was the topic of discussion at dinners the Sales Executive had with Byrd-Bennett or other CPS personnel.

Byrd-Bennett claimed that the CPS contract with Vendor A went through the normal procurement process. She recalled that the Sales Executive presented Vendor A's services to her and others over dinner, and she recalled recommending Vendor A for the contract, but she denied steering it to Vendor A.

Despite Byrd-Bennett's denial, the OIG concluded that, based on the totality of the evidence, it is more likely than not that Byrd-Bennett and the Top Aide steered the CPS contract to Vendor A and that the procurement process employed in this instance was not truly competitive.

### C. VENDOR A'S DEALINGS WITH SUPES

This case raised additional suspicion from the OIG because Vendor A's dealings with CPS coincided with its dealings with SUPES. Given SUPES's proven history of corruption in CPS contracting, the OIG examined whether SUPES had any involvement with the work CPS awarded Vendor A. Although the OIG did not make any findings with respect to SUPES in this case, the relevant details involving SUPES are set forth below to explain SUPES's role, convey the OIG's concerns and provide an account of the evidence that the OIG considered in that regard.

Vendor A paid SUPES a total of \$50,000 to be a SUPES sponsor for the 2012–13 and 2013–14 school years. As a SUPES sponsor, Vendor A received the benefit of gaining access to educators through SUPES events and promotions. Vendor A began considering the SUPES sponsorship after Byrd-Bennett introduced the Sales Executive to a SUPES officer (the "SUPES Officer") in June 2012. The Sales Executive and Byrd-Bennett had met over dinner a few weeks earlier, and Byrd-Bennett recommended that the Sales Executive work with SUPES to gain access to "key decision makers." Over the next couple weeks the Sales Executive and the SUPES Officer discussed a potential sponsorship. On July 12, 2012, the Sales Executive paid for dinner with someone from CPS who was not identified in the expense report. On July 16, 2012, the SUPES Officer told the Sales Executive the following via email:

Gary [Solomon] indicated you had a chance to meet each other at ERDI last week and talk more about a sponsorship. I can have an agreement to you as soon as you confirm the amount. Accordingly, Gary suggested you contact Barbara about [extended day education programs].

The next day the Sales Executive and the SUPES Officer agreed that Vendor A would pay SUPES \$25,000 to serve as a sponsor for the 2012–13 school year.

The following year, in July or August of 2013 — during the period before the RFP when the Sales Executive was wining and dining CPS and soliciting Board work — the Sales Executive and the SUPES Officer decided to renew the sponsorship for the 2013–14 school year. On July 8, 2013, the Sales Executive sent the SUPES Officer an email telling him that she wanted to discuss Vendor A's options for the SUPES

sponsorship in the upcoming year. Two days later, the Sales Executive met with Byrd-Bennett, the Top Aide and BBB Aide 2 over dinner at Joe's Seafood, and the day after that the Sales Executive met with BBB Aide 2 again to discuss bringing Vendor A into CPS.

The Marketing Employee was the regular point of contact at Vendor A with respect to the SUPES sponsorship. Under the terms of the 2013–14 sponsorship, the Marketing Employee was allowed to participate in SUPES's four Chicago "Academies," which took place in September, October, November and January, and he also was allowed to participate in SUPES's Nashville conference in February. The Marketing Employee attended all of those events and used them as a means to market Vendor A's products and gain access to educators from districts across the country. He said he saw Byrd-Bennett and the Top Aide at one of the SUPES events, but he did not discuss CPS work with them.

Significantly, the Marketing Employee was in Chicago at the Union League Club attending a SUPES Academy on October 25, 2013, the same day CPS released the RFP that led to the Vendor A contract. Person 5's expense report shows that he had dinner that evening with unspecified CPS personnel at IPO, a restaurant in the W Hotel. The Marketing Employee told the OIG that he did not recall anyone from CPS being at the dinner, but he said he may have met a CPS principal at the SUPES event and then brought that person to dinner. According to the Marketing Employee, he was in Chicago that day to attend one of many SUPES Academies he attended pursuant to the sponsorship, and the fact that the RFP was released the same day was coincidental.

The Marketing Employee and the SUPES Officer communicated several times via email during the period from August 2013 to February 2014, but CPS work was not discussed in those emails. In some of the emails, they made general references to "business development" and scheduled telephone conferences to continue the discussion, but the Marketing Employee told the OIG that those calls did not involve CPS.

After the 2013–14 school year, Vendor A decided not to renew the sponsorship agreement with SUPES. The Marketing Employee and the Sales Executive told the OIG that Vendor A decided not to renew the sponsorship because it was not worth the large expense. In November 2014, Gary Solomon, SUPES's CEO, offered the Sales Executive a position at SUPES. Emails show that the Sales Executive expressed some interest, but declined the offer.

When questioned about Vendor A, Solomon and Tom Vranas said that Vendor A was a SUPES sponsor. Absent, however, was any mention from them of a scheme or quid pro quo involving Vendor A. The Sales Executive and the Marketing Employee told the OIG that Vendor A simply served as a SUPES sponsor because the sponsorship

provided a platform for them to introduce and promote Vendor A to various school districts. The Marketing Employee said he never had the impression that sponsoring SUPES would “grease the wheels” at CPS.

Ultimately, the OIG did not discover evidence sufficient to conclude that SUPES influenced or benefitted from Vendor A’s dealings with CPS or otherwise participated in improper acts related to those transactions. Vendor A paid SUPES \$50,000 to serve as a SUPES sponsor and gain access to educators, but the OIG cannot conclude that those payments spurred the contract steering discussed above. The Sales Executive had a pre-existing relationship with Byrd-Bennett and was soliciting CPS work from her before the Sales Executive became involved with SUPES. Although the communications between SUPES, Vendor A and Byrd-Bennett in the summer of 2012 hint at an arrangement improperly impacting Vendor A’s business with CPS, in the end there was not enough evidence to substantiate such an arrangement. Accordingly, the OIG has not made any findings in this matter with respect to SUPES. That said, the OIG cannot entirely exclude the possibility that Vendor A paid SUPES in the hopes of getting in Byrd-Bennett’s good graces.

## **PART TWO: THE FORMER BOARD MEMBER’S CONFLICTS OF INTEREST**

### **A. CONDUCT DURING THE PROCUREMENT PROCESS FOR THE VENDOR A CONTRACT**

At the outset, the OIG has concluded that the Former Member was not involved in the improper steering of the Board-level contract to Vendor A through the RFP process. The OIG did not find any evidence showing that the Former Member was involved in the meetings and coordination between the Sales Executive and Byrd-Bennett. The meetings between the Sales Executive and Byrd-Bennett began before the Former Member joined the Board, and none of the evidence shows that the Former Member was aware of the coordination between Byrd-Bennett, the Top Aide and the Sales Executive after she joined the Board.

The Former Member, however, had a conflict of interest as an investor in Vendor A, and she engaged in some prohibited communications during the procurement process for the Vendor A contract. When Board members have an economic interest in a contract authorized by action of the Board, the Code of Ethics requires that they disclose their interest, abstain from voting on the matter *and* recuse themselves from any participation or discussion of the matter. (CPS Code of Ethics, § VII(A).) That provision clearly applied to the Former Member because, at the time of the procurement process that led to the Vendor A contract, she had just doubled her investment in Vendor A to \$500,000. While the Former Member disclosed her interest in Vendor A and abstained from voting on the contract, she did not fully recuse herself from discussions about the matter, as discussed below.

During the RFP process that led to the Vendor A contract, the Former Member had several conversations with the High-Level Executive at Vendor A, whom she knew professionally as an investor and investment banker. In November 2013, shortly after the RFP was released, the Former Member emailed the High-Level Executive, telling him that she wanted to help him “get more traction in CPS.” He subsequently sent her an email informing her that CPS had released an RFP and that they could not discuss the matter because they were in the “quiet period” — the time during the RFP process when the prospective vendors are generally restricted from discussing their proposed work with CPS personnel. The Former Member, nevertheless, introduced him to an executive of a nonprofit organization who was close with Byrd-Bennett and was influential in CPS. The Former Member said she did not believe that introduction would interfere with the RFP process, and the OIG did not find that it impacted that process or contributed to the Board awarding the district-wide contract to Vendor A. However, the introduction to the nonprofit executive did contribute to the implementation of Vendor A’s product in select CPS schools.

Moreover, during the quiet period for the contract, the Former Member continued to exchange emails about the RFP with the High-Level Executive. While those emails were relatively minor, and the Former Member was not disclosing confidential information or influencing the outcome of the RFP, the conversations show that she did not abstain from engaging in such discussions.

Significantly, the Former Member initially told the OIG that she had no communications with the High-Level Executive during the RFP process. She stated that she was not aware of the RFP until the Board briefing prior to the Board meeting in February 2014. She said it was a credit to the High-Level Executive that he had not told her about the RFP earlier and that she was “totally surprised” by the contract award to Vendor A. Their emails in November and December 2013, however, show that her statements to the OIG were not true. After the OIG discovered those emails and confronted the Former Member with them during a second interview, she said she had not realized those conversations predated the Board briefing in February 2014.

Emails also show that the Former Member discussed the Vendor A contract with Byrd-Bennett over dinner in the Former Member’s home on February 11, 2014 — two weeks before the Board approved the contract to Vendor A. After the dinner concluded, the Former Member immediately emailed the High-Level Executive telling him that she had just had dinner with Byrd-Bennett and that Byrd-Bennett was thrilled with Vendor A coming into the district. When the OIG showed the Former Member that email and asked what she and Byrd-Bennett discussed that night, she said she remembered having Byrd-Bennett over for dinner, but did not remember anything they discussed.



Although the Former Member did not influence the RFP process, her discussions about Vendor A with the High-Level Executive and Byrd-Bennett demonstrate that she did not fully recuse herself from the matter. The Former Member's attorneys assert that her recusal was sufficient because she fully recused herself from the *Board's* discussion regarding Vendor A. However, based on a plain reading of the Code of Ethics, the required recusal is not limited to discussions with other Board members. Pursuant to section VII(A)(2), the Former Member needed to recuse herself "from *any* participation or discussion of the matter." (CPS Code of Ethics, § VII(A)(2) (emphasis added).) Thus, the OIG concluded that the Former Member's discussions with Byrd-Bennett and the High-Level Executive about Vendor A's business with CPS were prohibited. The OIG's conclusion is not only supported by a plain reading of the Code of Ethics, but also by the spirit of the rule. The recusal requirement would be meaningless if it prohibited a conflicted Board member from discussing a potential contract with other Board members, but allowed the conflicted member to discuss it with the CEO, who had a central role in the contracting process and could simply relay the discussion to other Board members. Similarly, the recusal requirement would be ineffective if it permitted a conflicted Board member to communicate about the work at issue with the very company seeking Board business.

The Former Member also told the OIG that, by the time she discussed Vendor A with Byrd-Bennett over dinner on February 11, 2014, the contract between Vendor A and the Board was on the Board agenda and, therefore, was "a fait accompli." The Former Member suggested that her discussion with Byrd-Bennett at that point was understandable because the contract was already "baked." Her view, however, cannot be correct because it implies that the Board is simply serving as a rubber stamp on all deals presented by CPS personnel. Viewed that way, the Former Member would not have needed to abstain from voting on the Vendor A contract because the deal was moving forward regardless of what the Board members thought of it.

The Vendor A contract required a Board vote, and the Former Member was required to abstain from that vote. Likewise, she was required to recuse herself from any discussions of the matter. Of course, this case — which involved improper benefits received by Byrd-Bennett and the Top Aide and contract steering to Vendor A — demonstrates the importance of the Board's oversight and the importance of recusals for Board members with conflicts of interest.

#### B. THE FORMER MEMBER'S PATTERN OF ADVOCATING FOR HER COMPANIES IN CPS

The Former Member's conversations regarding Vendor A discussed above were not her only improper communications during her tenure on the Board regarding companies in which she was invested. She encouraged CPS to use the products of

several companies in which she held an interest, promoting that business through conversations she had with CPS personnel and conversations she had with executives at the companies. Any one of those communications might be considered a minor violation when considered in isolation. In the aggregate, however, her conduct in that regard amounted to a square ethical violation, and one that was more serious than her violation with respect to Vendor A's Board-level contract discussed above.

*1. Violation of Section XI of the Code of Ethics*

Pursuant to the Code of Ethics (CPS Code of Ethics § XI(A)), the Former Member was prohibited from attempting to influence any CPS decision or action involving the companies in which she was invested. Despite this clear and common-sense prohibition on conflicts of interest, the Former Member engaged in a pattern of actively pitching and advocating for CPS to implement the products of several education-technology companies in which she was invested. Although she did not have a controlling interest in any of the companies, her investments were substantial, including approximately half a million dollars she had invested in each of three companies doing business with CPS. She also provided investment banking services for education-technology companies, through which she could earn large commissions.

When the OIG first interviewed the Former Member, she stated that it would be unconscionable for her to push for CPS to purchase the products of the companies in which she was invested. After investigating further, however, the OIG discovered that she had done just that. For example, emails show that she introduced one CPS elementary school principal to the Vendor A High-Level Executive so that they could discuss the potential purchase of Vendor A's product. Notably, the Former Member had \$250,000 invested in Vendor A at the time she joined the Board, and then invested another \$250,000 in the company the following month. Mere weeks after doubling her investment in the company, she introduced the principal to the High-Level Executive. And, as mentioned above, the Former Member subsequently told the High-Level Executive that she wanted to help him "get more traction in CPS."

The Former Member had similar interactions with other company executives and principals. The Former Member met with a high school principal and discussed the product of another education-technology company in which she was invested. The principal's school had begun using that product shortly before the Former Member joined the Board. After the Former Member met with the principal, she had several discussions with him about the product, as well as the products of other companies in which she was invested. In one email she told him that she was "trying to get more people using [the company], the results are so good." Purchase orders show that the high school spent more and more money on that company's product after its

principal met with the Former Member. In another email, the Former Member told the principal that they “needed to help [that company’s CEO] ‘sell’ the high school’s results to other schools.” The Former Member, the principal and the CEO subsequently emailed each other discussing future collaboration.

The Former Member also spoke about that principal and his school with a different CEO, the CEO of Vendor B. Vendor B’s business development director subsequently asked the principal to help sell Vendor B’s products. The principal then attended a sales meeting with a large charter network to help sell Vendor B to the charter.

One week later, the Former Member encouraged the principal of another school to consider using Vendor B and introduced her to the CEO.

When the OIG interviewed the Former Member a second time and asked her about these interactions with principals and CEOs, she admitted that she promoted those companies’ products in CPS. The OIG found that she mostly exerted this influence directly on principals, but, in at least some instances, she discussed those companies with Byrd-Bennett.

## *2. Context of the Conflict*

To be clear, the OIG did not find evidence that the Former Member promoted these companies’ products in CPS with the purpose of advancing her own finances to the detriment of CPS. The Former Member told the OIG that when she expressed her opinions about education-technology products to CPS principals, it often had the effect of recommending companies and products in which she had an investment, simply because her investments were aligned with her opinions. She was adamant that she fully believed in the efficacy of her companies’ products and that she advocated for those products because she thought they would improve CPS outcomes. In fact, she suggested that she was selected as a Board member, in part, to provide her expertise with respect to the education-technology industry.

The OIG does not dispute that the Former Member believed the products she promoted would benefit CPS. However, as the Former Member admitted in one email she sent to a principal, she was “biased” with respect to her investments. She clearly stood to benefit financially from the implementation of those companies’ products in any school district, and particularly in a large district like CPS. Thus, with respect to those companies, she could not be a neutral and objective arbiter of what contracts were in CPS’s best interest.

Notably, the rules set forth in the Code of Ethics are not merely hypothetical precautions. This case illustrates their importance. As discussed above, Byrd-Bennett and the Top Aide improperly steered a contract to Vendor A, after receiving improper benefits from the company. Thus, while the Former Member — a large Vendor A investor who had just doubled her investment in the company — was

trying to help Vendor A get more traction in CPS, Vendor A was actually engaged in improper dealings with the CEO. Vendor A should not have been awarded the district-wide contract, and the Former Member should not have been pushing that company. The combination of the two is even worse.

### *3. Impact of the Former Member's Conduct*

As stated above, the Former Member violated the Code of Ethics simply by *attempting* to influence any CPS decision involving these companies. The OIG further found that the Former Member's influence actually contributed to CPS purchases of these companies' products. As stated above, one principal purchased more of the Former Member's companies' products after the Former Member encouraged its principal to use them. The full extent of the Former Member's impact, however, is difficult to measure and, thus, the OIG does not attribute to her a precise amount of CPS funds that were paid to her companies. Purchase orders reflect that total CPS spending on her companies increased from \$886,000 the year before her appointment to the Board, to \$1.8 million her first year on the Board. Her second year on the Board spending on her companies increased to \$3 million, and in the first two years that passed since her departure from the Board, CPS spent \$1.9 million and \$1.7 million, respectively. Those figures show a significant rise in CPS spending on her companies after her appointment to the Board, with CPS spending the most during her second year. The OIG cautions against attributing those increases to the Former Member. Many factors contribute to the fluctuations in CPS spending and the changing education-technology products that CPS employs. Notably, the peak year for spending during the Former Member's second year on the Board is skewed by the \$1.4 million in purchase orders that were issued to Vendor A pursuant to a large district-wide contract. As discussed above, that contract was steered to Vendor A by Byrd-Bennett, not the Former Member. Much of the business CPS did with the Former Member's companies was completely independent of any influence from her. However, given her stature and her persistent promotion of her companies' products in CPS, the OIG found that she likely contributed to CPS purchases of her companies' products in some cases. Notably, when the OIG asked the Former Member about the extent of her influence on CPS decisions with respect to these companies, she downplayed her influence and was reluctant to discuss any of her involvement in these matters without being shown specific emails documenting her communications.

### *4. Defenses Raised by the Former Member*

In her own defense, the Former Member claimed that she never "initiate[d] a discussion of a commercial contract with a CPS principal." That claim is at best misleading. The Former Member may not have presented principals with contracts to sign, but she clearly pitched her companies' products to principals and referred

the principals to executives at the companies who engaged in sales discussions. As stated already, the Former Member introduced a principal to the Vendor A High-Level Executive so that they could discuss the product. The High-Level Executive then continued the conversation with the principal and looped in the Sales Manager to try to close the deal. Thus, the Former Member's actions were tantamount to initiating the discussion of a commercial contract.

The Former Member also claimed that she only received minimal benefit from her investments that did business with CPS. She argued that, during her two-year tenure on the Board, plus the year following her resignation from the Board, her total earnings from these investments was in the low tens of thousands. This argument is also misleading. First, her violation of the Code of Ethics was not contingent on her receiving any income from her investments while she was on the Board or realizing any gain after selling her stocks. While she was on the Board, she had investments well exceeding \$1.5 million in companies that were doing business with the Board. She had the potential to make huge financial gains from those investments. That clearly qualified as an economic interest giving rise to conflicts for purposes of the Code of Ethics, regardless of whether any gains were realized.

Second, some of her gains were substantial — for example, the value of her \$500,000 investment in Vendor A ultimately doubled when Vendor A was acquired. The Former Member informed the OIG that, before Vendor A was acquired, she chose to contribute that investment to a fund with restrictions that she imposed and that, as a result, she will obtain, at most, a return on her investment of approximately \$75,000, a much smaller benefit than the \$500,000 gain she could have received. Notably, she took those steps after she was already under investigation in this matter.

Third, the Former Member also could benefit from these education companies by providing them with investment banking services. For example, she tried to provide that work for Vendor A during its acquisition, which could have entitled her to potentially receive approximately \$1 million in commission had she gotten that work. She was not awarded the Vendor A work, however, in part because she was under investigation in this case.

The Former Member also raised her history of charitable giving and role as a benefactor in the education community. The OIG does not dispute the extent of her generosity in that regard. The OIG's investigation focused on her conflicts stemming from her investments.

### C. THE FORMER MEMBER'S APPARENT VIOLATION OF THE ILLINOIS SCHOOL CODE

The Former Member appears to have at least facially violated the Illinois School Code's prohibition on school board members having an interest in board contracts. The School Code provides in pertinent part:

No school board member shall be interested, directly or indirectly, in his own name or in the name of any other person, association, trust or corporation, in any contract, work or business of the district or in the sale of any article, whenever the expense, price or consideration of the contract, work, business or sale is paid either from the treasury or by any assessment levied by any statute or ordinance. (105 ILCS 5/10-9.)<sup>1</sup>

This statute provides for various exceptions, including for certain contracts with a cumulative value of \$25,000 and under so long as the board member abstains from voting on the matter. However, those exceptions apparently do not apply to the Former Member, particularly with respect to the Board-level contract, which awarded up to \$6 million to Vendor A and ultimately resulted in nearly \$2 million in CPS purchases. That contract was awarded in February 2014, while the Former Member was on the Board and fully aware of the contract. Although the Former Member abstained from voting on that contract, abstention is not a cure under a plain reading of the statute.

Significantly, the apparent facial violation in this case was mitigated by multiple factors. First, the procedure set forth in the CPS Code of Ethics appears to be in conflict with the School Code's prohibition on board members having such interests. Whereas the School Code appears to flatly prohibit school board members from having an economic interest in board contracts valued over \$25,000, the CPS Code of Ethics allows members of the Board to have such interests so long as they (1) disclose the interest, (2) recuse themselves from any discussion of the matter, and (3) abstain from voting on the matter. Thus, from reading the Code of Ethics, the Former Member would have had no way of knowing that she was violating the School Code, and she might have presumed that she was not violating any law so long as she complied with CPS policy. Second, when the Former Member was vetted for her position on the Board, this potential violation apparently never was considered or discussed even though CPS officials clearly knew from the Former Member's disclosures that she held significant investments in several companies that did business with the Board. In fact, emails show that the Former Member disclosed her investments to Board officials during the onboarding process and while she was serving on the Board.

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<sup>1</sup> The Public Officer Prohibited Activities Act includes a similar prohibition on interests in contracts. *See* 50 ILCS 105/3. The OIG focused on the provision in the Illinois School Code, however, because it deals directly with school board members.

Additionally, the Former Member's attorneys submitted a memorandum to the OIG in which they stated that, during her vetting for participation on the Board and during her tenure on the Board, the Former Member was advised by Board officials and personnel in the Mayor's Office that her education-related investments did not preclude membership on the Board. The memorandum further states that the Former Member was informed that she could serve as a Board member so long as she disclosed her interests, recused herself from Board discussions of matters involving those interests and abstained from voting on any contract involving those interests.

This case demonstrates that the rules in the Code of Ethics governing the economic interests of Board members in Board contracts are deficient when compared with state law, which makes such violations a Class 4 felony. As discussed above, the OIG recommended that the Board amend the Code of Ethics to strengthen it and bring it in line with Illinois law.

#### D. THE FORMER MEMBER'S FAILURE TO PROPERLY DISCLOSE HER INTERESTS

Although the Former Member disclosed her financial interests on her vetting questionnaire in the lead up to her selection for a position on the Board, she failed to properly disclose her interests on her CPS Statements of Business and Financial Interest, as well as her statement she filed with the Cook County Clerk.

On the 2013 SBFI, which pertained to activity in 2012, she stated that the Board did not award work to any company in which she had an economic interest. In fact, she had financial interests in four companies that did Board work in 2012. On the 2014 SBFI, which pertained to 2013, she disclosed two companies, but failed to disclose four additional companies she was invested in that did Board work that year. She also failed to disclose that one of the companies owed her money pursuant to multiple promissory notes.

The Former Member told the OIG that she thought she only needed to disclose the companies that had Board-level contracts with CPS. The SBFI form asks if "the Chicago Board of Education award[ed] any work, business or contracts to any person or entity in which you or a relative have an economic interest?" However, the form clearly alerts the reader that the *Chicago Board of Education* is a defined term that is explained on the definitions page attached to the form. On the definitions page it is defined to include the Board "and all entities operated by the Board ..., including all schools, area offices, departments, and other business units." Thus, the SBFI disclosures are not limited to companies with Board-level contracts. As such, the Former Member needed to include companies that transacted with any and all CPS units, and she failed to do so.

The OIG acknowledges that the Former Member's omissions on her SBFIs were partially mitigated by the fact that she ran her disclosures by Board officials and disclosed all of those companies on the questionnaire used to vet her before she joined the Board. Additionally, a list of the companies the Former Member was invested in was accessible by the public on her company's website.

The OIG also found that she failed to disclose her interests on the Cook County Statement of Economic Interests she filed in 2014. On that form, she stated that the Board was not doing business with any company in which she had an ownership interest in excess of \$5,000. On the same day she filed that statement disclosing no companies, she also filed her SBFI with CPS in which she disclosed two companies. The following year, after the Former Member was under investigation in this matter, she disclosed 22 companies on her Cook County statement.