

DEBARMENT OF JOHN COSICH

THE CHIEF ADMINISTRATIVE OFFICER REPORTS THE FOLLOWING RECOMMENDATION:

That the Board of Education of the City of Chicago ("Board") fully and permanently debar John Cosich ("Cosich") from doing any business with the Board.

On June 19, 2009, the Board's Chief Purchasing Officer filed and served a Notice of Proposed Debarment ("Notice"), initiating a debarment proceeding against Cosich, part-owner of Proven Business Systems, LLC ("Proven") and Lake Effect Sales & Service, LLC ("Lake Effect"). The Notice asserted, among other things, that the names and vendor numbers of Proven and Lake Effect were used to create leases and submit invoices in order to lease items to the Board outside the bidding process and outside the scope of school principals' authority. The Notice also alleged that Proven and Lake Effect submitted or participated in the submission of invoices purporting to be from other vendors for transactions in which Proven was the actual vendor. Cosich received his copy of the Notice on June 22, 2009. The alleged conduct of Cosich was so egregious that the Notice sought to fully and permanently debar Cosich.

Section 7.2 of the Debarment Policy states that "[f]raudulent, criminal or other improper conduct of a Respondent may be imputed to any officer, director, shareholder, partner, employee, or other individual associated with Respondent who participated in, knew of, should have known, or had reason to know of the Respondent's conduct." Section 4.5(d) of the Debarment Policy requires a Respondent to submit a written, verified Answer to a Notice of Debarment within 28 days after receipt of the Notice, and provides that if a Respondent fails to timely file an Answer, all the allegations set forth in the Notice "shall be deemed to be admitted." Section 5.2 of the Debarment Policy states that "[w]hen a vendor fails to timely submit an Answer . . . the [Chief Administrative Officer] may recommend the Board debar the vendor on the basis of such admissions." As of October 26, 2009—124 days after the Notice of Debarment was served on Cosich—Cosich has failed to file an Answer to the Notice, and has failed to seek an extension of time to do so.

Based on his admissions of the matters alleged in the Notice of Proposed Debarment, the Chief Administrative Officer recommends that the Board fully and permanently debar Cosich from doing any business with the Board.

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

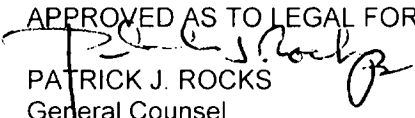
AFFIRMATIVE ACTION STATUS: Affirmative Action review is not applicable to this report.

FINANCIAL: None.

GENERAL CONDITIONS: None.

APPROVED: 

Robert W. Runcie
Chief Administrative Officer

APPROVED AS TO LEGAL FORM:

PATRICK J. ROCKS
General Counsel

WITHIN APPROPRIATION:

CHRISTINA HERZOG
Acting Chief Financial Officer