

**DEPARTMENT OF JEFFREY JOHNSON**

**THE CHIEF ADMINISTRATIVE OFFICER REPORTS THE FOLLOWING RECOMMENDATION:**

That the Board of Education of the City of Chicago ("Board") fully and permanently debar Jeffrey Johnson ("Johnson") 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 Johnson, the Vice President and part-owner of Proven Business Systems, LLC ("Proven") and Secretary of Lake Effect Sales & Service, LLC ("Lake Effect"). The Notice asserted, among other things, that Johnson used Proven and Lake Effect's vendor numbers to create leases 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 Johnson submitted or participated in the submission of invoices purporting to be from other vendors when he could not use Proven's vendor number because to do so would have exceeded the purchasing limit schools could purchase from one vendor. Johnson received his copy of the Notice on June 22, 2009. The alleged conduct of Johnson was so egregious that the Notice sought to fully and permanently debar Johnson.

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 vendor to submit a written, verified Answer to a Notice of Debarment within 28 days after receipt of the Notice, and provides that if a vendor 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 Johnson—Johnson 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 Johnson 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:

*P. J. Rocks*  
PATRICK J. ROCKS  
General Counsel

WITHIN APPROPRIATION:

*Christina Herzog*  
CHRISTINA HERZOG  
Acting Chief Financial Officer