

August 27, 2014

AUTHORIZE SETTLEMENT WITH HOUGHTON MIFFLIN HARCOURT COMPANY

THE GENERAL COUNSEL REPORTS THE FOLLOWING DECISION:

Authorize settlement of the dispute with Houghton Mifflin Harcourt Company ("HMH"), an educational materials supplier. As part of the settlement, HMH will pay the sum of \$260,000.00 to the Board; the parties will agree to appointment of an independent monitor, paid for by HMH; and HMH will require training of its employees to ensure compliance with Board ethics policies.

DESCRIPTION: The General Counsel has determined that this settlement is in the Board's best interests.

LSC REVIEW: Local school council approval is not applicable to this report.

AFFIRMATIVE ACTION STATUS: Not applicable.

FINANCIAL: None (Board will receive \$260,000.00).

PERSONNEL IMPLICATIONS: None

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 members 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,



JAMES L. BEBLEY
General Counsel

