

ADMINISTRATIVE SETTLEMENT AGREEMENT

This Administrative Settlement Agreement (“Agreement”) is entered into between the Chief Procurement Officer for the Department of Transportation Highway Construction (“CPO”), the Illinois Department of Transportation (“IDOT”), and A. Lamp Concrete Contractors, Inc. (collectively “A. Lamp Concrete”) (the CPO, IDOT, and A. Lamp Concrete are referred to generally as the “Parties”) under the authority of and in accord with 30 ILCS 500/1-1, *et seq.*, and the implementing regulations found at 44 ILL. ADMIN. CODE 6, Subpart I.

RECITALS

WHEREAS, it is the purpose of the Procurement Code and the declared policy of the State that the principles of competitive bidding and economical procurement practices shall be applicable to all purchases and contracts by or for any State agency. 30 ILCS 500/1-5.

WHEREAS, a Responsible Bidder or Offeror is “a person who has the capability in all respects to perform fully the contract requirements and the integrity and reliability that will assure good faith performance.” 30 ILCS 500/1-15.80.

WHEREAS, the Illinois Procurement Code provides “Any contractor or subcontractor may be suspended for violation of this Code or for failure to conform to specifications or terms of delivery. Suspension shall be for cause and may be for a period of up to 10 years at the discretion of the applicable chief procurement officer.” 30 ILCS 500/50-65.

WHEREAS, Joseph Lampignano was the vice president and co-owner of A. Lamp Concrete and was in charge of, and directed, A. Lamp Concrete’s day-to-day operations, including employee payroll.

WHEREAS, Giovanni “John” Traversa was a superintendent, responsible for, among other things, supervising road construction projects in the field.

WHEREAS, on June 3, 2016 Joseph Lampignano plead guilty in the United States District Court for the Northern District of Illinois to one count of mail fraud for the purpose of facilitating a scheme.

WHEREAS, on June 3, 2016 Giovanni "John" Traversa plead guilty in the United States District Court for the Northern District of Illinois to making material false statements to federal investigators.

WHEREAS, A. Lamp Concrete has not been charged with criminal wrongdoing, nor has any of its other employees.

WHEREAS, A. Lamp Concrete voluntarily agreed that it would not bid on any IDOT lettings during settlement negotiations. The Parties agreed that during settlement negotiations A. Lamp Concrete could continue to perform services under the existing contracts.

WHEREAS, under 44 ILL. ADMIN. CODE §6, Subpart I, the CPO is authorized to administratively settle and resolve disputes.

WHEREAS, to resolve this matter, A. Lamp Concrete has agreed to undertake, and has undertaken, remedial measures to ensure compliance with prevailing wage requirements and other employment laws.

WHEREAS, the CPO has determined that based upon A. Lamp Concrete's agreement to implement the measures required by this Agreement, the CPO can consider A. Lamp Concrete to be acting in good faith to undertake remedial measures and that it is in the best interest of the State to enter into this Administrative Settlement Agreement.

**DETAILS CONCERNING CONDUCT FORMING THE BASIS FOR THE
SUSPENSION AND VOLUNTARY EXCLUSION**

i. A. Lamp Concrete was a party to successive collective bargaining agreements with a labor union known as the Construction and General Laborers' District Council of Chicago and Vicinity, and various local affiliates. During the applicable timeframe, the collective bargaining agreements governed all aspects of the labor-management relationship, including

employee wages, benefits, and dues. The collective bargaining agreements required A. Lamp Concrete to pay a specified wage to covered employees and, for every hour worked by such employees, to contribute a specific hourly wage rate to an employee pension fund, an employee welfare fund, and an employee training fund, namely, the Laborers' Pension Fund, the Laborers' Welfare Fund, and the Laborers' Training Fund of the Construction and General Laborers' District Council of Chicago and Vicinity.

ii. A. Lamp Concrete was required to make its contributions to the funds on a monthly basis. With those contributions, A. Lamp Concrete was required to submit to the funds' administrator a report, known as a contribution or remittance report, identifying the covered employees who worked for A. Lamp Concrete during the month, the number of hours that those employees worked during the month, and the amount of contributions that A. Lamp Concrete was required to make to the funds on behalf of those employees. A. Lamp Concrete was authorized to transmit its contributions and contribution reports electronically or by mail. In each contribution report, an authorized officer or agent of A. Lamp Concrete was required to warrant that such report accurately stated all hours worked by all covered employees.

iii. Beginning in or about 2008, and continuing until at least in or about October 2013, Joseph Lampignano assigned laborers to work on government-funded road construction projects without paying them the wage rate required to be paid pursuant to the terms of the collective bargaining agreements. Mr. Lampignano falsified A. Lamp Concrete's payroll records to make it appear as if A. Lamp Concrete was paying the union wage rate to all of its laborers for every hour worked by them, when in fact it was not. Mr. Lampignano submitted to the funds' administrator materially false contribution reports which under-reported the number of hours worked by certain laborers and the amount of contributions required to be made by A. Lamp Concrete to the funds on their behalf.

iv. In or about November 2011, the funds and their administrator filed a civil lawsuit to compel A. Lamp Concrete to submit its books and records for an audit to determine whether A. Lamp Concrete had made the required contributions to the funds and to the union during the prior three-year period covering October 1, 2008 through September 30, 2011. The union subsequently filed a grievance against A. Lamp Concrete, alleging that A. Lamp Concrete owed wages and benefits to certain laborers.

v. On or about April 1, 2013, A. Lamp Concrete entered into a settlement agreement with the funds, the funds' administrator, and the union, pursuant to which A. Lamp Concrete agreed to pay a total of approximately \$545,357 for unpaid wages owed to twenty-four laborers of the approximate 250 employees of A. Lamp Concrete. A. Lamp Concrete further agreed to pay approximately \$1,043,674, including interest and penalties, to the Laborers' pension fund. On or before April 15, 2013, A. Lamp Concrete issued settlement checks payable to each of the twenty-four laborers identified in the settlement agreement, in amounts to which A. Lamp Concrete agreed pursuant to the settlement agreement.

vi. After A. Lamp Concrete agreed to and executed the settlement agreement, Mr. Lampignano solicited and collected cash kickbacks from laborers who had received settlement checks.. Mr. Lampignano directed Mr. Traversa and others to approach certain laborers and ask them to repay a portion of the money that they had received pursuant to the settlement agreement. Mr. Lampignano provided Mr. Traversa with a list of the amounts of settlement money that A. Lamp Concrete had paid to each of the twenty-four laborers, and how much Mr. Lampignano wanted to be repaid (totaling \$140,000) by nineteen of those twenty four laborers. Thereafter, Mr. Lampignano and Mr. Traversa approached certain laborers, at different times and places, and asked them to repay some of the settlement money that they had received—money which the laborers had earned and to which Mr. Lampignano and Mr. Traversa were not

entitled—all without the knowledge of the union or the funds' administrator, and in contravention of the settlement agreement.

- vii. As a result of the conduct of Mr. Lampignano:
 - a. A. Lamp Concrete's payroll records failed to properly account for all of the hours worked by certain laborers on road construction projects covered by the collective bargaining agreements during the period from 2008 through 2013;
 - b. A. Lamp Concrete between 2008 and 2013 failed to pay full wages to all of those laborers, in an amount totaling more than \$1,500,000;
 - c. A. Lamp Concrete failed to make required contributions to the fund between 2008 and 2013, in an amount totaling more than \$1,000,000; and
 - d. At least eleven laborers paid cash kickbacks in an amount totaling at least \$64,000.

viii. On or about January 29, 2014, during an interview with federal investigators Mr. Traversa knowingly and willfully made materially false statements and representations in a matter within the jurisdiction of the Federal Bureau of Investigation and the U.S. Department of Labor's Office of Inspector General, agencies of the executive branch of the Government of the United States.

ix. As noted above, Mr. Lampignano and Mr. Traversa have pled guilty to federal crimes based on the above-described conduct. Mr. Lampignano has pled guilty to one count of mail fraud. Mr. Traversa has pled guilty to one count for lying to federal investigators. They are currently awaiting sentencing.

AGREEMENT

Without admission of criminal, civil, or any other liability on the part of A. Lamp Concrete, A. Lamp Concrete recognizes and understands the seriousness of the allegations and has agreed to undertake, and has undertaken already, remedial measures. In consideration of the

facts set forth above, and the mutual covenants, terms and conditions set forth below, the Parties covenant and agree as follows.

I. General Terms

1. The recitals set forth above are incorporated into and are part of this Agreement.
2. Each of the Parties to this Agreement and the individuals executing it on their behalf, warrant, covenant and agree that the person executing this Agreement is authorized to enter into and execute this Agreement for and on behalf of the party or parties he represents.
3. The Term of this Agreement begins the effective date and ends April 22, 2018.
4. A. Lamp Concrete is suspended for the term starting April 22, 2016 through December 31, 2016 (the "Suspension Term"). The suspension applies to all A. Lamp Concrete affiliate companies.
5. A. Lamp Concrete is voluntarily excluded from participating on all IDOT lettings for the term starting April 22, 2016 up to and including April 22, 2018 (the "Exclusion Term"). This agreement applies to all A. Lamp Concrete affiliate companies.
6. During the Suspension Term, A. Lamp Concrete shall not be eligible to participate as a contractor, subcontractor, material supplier or lessor of equipment on or in connection with contracts or subcontracts awarded or approved by IDOT except as herein permitted.
7. During the Exclusion Term, A. Lamp Concrete shall not be eligible to participate as a contractor, subcontractor, material supplier or lessor of equipment on or in connection with contracts or subcontracts let by IDOT. This includes local work which is let through IDOT. This does not include local let work or motor fuel tax funded work which is locally let.
8. A. Lamp Concrete's prequalification with IDOT shall be revoked during the Suspension Term consistent with the Administrative Rules, up to and including December 31, 2016. On or after January 1, 2017, A. Lamp Concrete's May 2016-April 2017 prequalification

shall be reinstated by IDOT. A. Lamp Concrete is eligible to submit bids and be awarded contracts on local let municipal work, including motor fuel tax funded work which is locally let, starting on or after January 1, 2017.

9. The CPO agrees it will not pursue any further suspension or debarment action against A. Lamp Concrete or any of its predecessors, successors, assigns, affiliates, subsidiaries, divisions, and current directors, officers, representatives, and agents based upon any of the conduct by Mr. Lampignano and Mr. Traversa as described above. The parties agree that as an exception to the foregoing the CPO reserves its right to pursue future suspension or debarment actions if the CPO becomes aware of facts demonstrating A. Lamp Concrete materially breached the terms of this Agreement, or A. Lamp Concrete misrepresented a fact material to the CPO or IDOT.

10. Pursuant to and consistent with the foregoing, the contractual commitments made by A. Lamp Concrete in this Agreement also apply to any subsidiary of any of the A. Lamp Concrete during the Term of the Agreement.

11. While the intent of this Agreement is to settle and resolve the Parties' differences with respect to the allegations, the Parties agree that the CPO reserves its right to pursue further administrative action that the CPO deems appropriate if the CPO in the future becomes aware of facts to support a violation of this Agreement.

12. This agreement also in no way restricts the authority, responsibility, or ability of the CPO to consider and institute, at any time, suspension or debarment proceedings against A. Lamp Concrete based on information discovered in the future which constitutes an independent cause for such proceedings. Grounds for future suspension and debarment proceedings include, but are not limited to, the following:

- a. Upon reliable evidence that A. Lamp Concrete has misrepresented any material fact in connection with this Agreement, the CPO may initiate suspension or debarment

proceedings in accordance with 44 ILL. ADMIN. CODE §6, Subpart I, or other statutory, administrative, or regulatory authority. Material facts in this Agreement include, but are not limited to, any facts described or related to those in the Conduct in the Criminal Charges, facts regarding A. Lamp Concrete's remedial commitments under this Agreement, or facts represented to the CPO or IDOT during either the investigation of the underlying events or the negotiation of this Agreement.

- b. Upon reliable evidence that A. Lamp Concrete has engaged in any material breach or violation of this Agreement, the CPO may initiate suspension or debarment proceedings in accordance with 44 ILL. ADMIN. CODE §6, Subpart I, or other statutory, administrative, or regulatory authority, based on the material breach or violation of the Agreement; provided, however, that A. Lamp Concrete will have ten (10) business days from the date of receipt of notice from the CPO of a material breach or violation to correct that breach or violation. If correction is not possible within ten (10) business days, for reasons beyond the control of A. Lamp Concrete, A. Lamp Concrete must present to the CPO within those ten (10) business days, an acceptable plan for correction. Any failure to correct the violation, or present an acceptable plan, may constitute an independent cause for suspension or debarment. If such a failure occurs, or if the CPO finds a corrective plan inadequate, or if the CPO finds a cure is not acceptable considering the breach, the entity finding a failure to correct the violation, finding the corrective plan inadequate or finding a cure is not acceptable will provide A. Lamp Concrete with a written explanation of its finding. The entity which has found a failure to correct the violation, found the corrective plan inadequate or found a cure is not acceptable will notify A. Lamp Concrete of its

decision on suspension or debarment, or treat the information as a new referral of a potential independent cause for suspension and debarment.

- c. Evidence of any compliance problems with Federal, State, or local laws or ethics requirements not covered by the scope of this Agreement, including any issue that raises questions about the present responsibility of A. Lamp Concrete that could serve as a cause for a suspension and proposed debarment referral.

13. This Agreement in no way restricts the authority, responsibility, or ability of any entity or public agency other than the CPO for the Department of Transportation Highway Construction and the Illinois Department of Transportation.

14. A. Lamp Concrete does not, by this Agreement, or otherwise, waive its rights to oppose future action(s) under 44 ILL. ADMIN. CODE §6, Subpart I, or any other substantive, procedural, or due process rights it may assert.

II. Remedial Commitments

15. After investigation by federal authorities had commenced A. Lamp Concrete contacted the CPO and IDOT to discuss resolution of potential suspension actions against A. Lamp Concrete. As a result of those negotiations, A. Lamp Concrete initiated remedial actions and agreed to make remedial changes as follows:

- a. Joe Lampignano resigned from A. Lamp Concrete effective July 10, 2016. In order to remain eligible for State procurements, A. Lamp Concrete will not rehire him until such time as permitted by State law.
- b. A. Lamp Concrete will be suspended pursuant to 44 ILL. ADMIN. CODE §6, Subpart I for a term starting April 22, 2016 up to and including December 31, 2016.
- c. A. Lamp Concrete will be excluded from participating on IDOT let contracts as allowed by 44 ILL. ADMIN. CODE §6.540 for a term of two years starting April 22, 2016 up to and including April 22, 2018.

- d. A. Lamp Concrete will implement a Code of Ethics and Training Plan. The Code of Ethics will cover topics including company ethics, whistleblower protection, fraud prevention, and fair dealing with prevailing wage and collective bargaining requirements. A. Lamp Concrete will implement a training plan and training sessions as necessary to ensure all of its management, payroll, accounts receivable and accounts payable staff are made aware of the Code of Ethics and understand how and when to report conduct which violates the Code of Ethics. All A. Lamp Concrete management, payroll, accounts receivable and accounts payable staff shall be required to sign a document verifying their understanding of the Code of Ethics and completion of the training.

III. Existing State Contracts

16. A list of the A. Lamp Concrete's contracts and their terms that were in place when the parties began negotiations is attached as Exhibit A. Given the remedial commitments made by A. Lamp Concrete and information received from IDOT, the CPO has made the determination not to void or cancel existing contracts as a result of the Suspension and Exclusion and allow A. Lamp Concrete to continue work under those contracts.

17. Nothing in this Agreement relieves A. Lamp Concrete of its contractual obligations with respect to the existing contracts.

18. Nothing in this Agreement alters IDOT's contractual rights under the existing contracts with A. Lamp Concrete, including termination rights, as set forth in those agreements.

IV. Additional Provisions

A. Prequalification

19. A. Lamp Concrete's prequalification with IDOT will be revoked up to and including December 31, 2016.

20. On January 1, 2017, A. Lamp Concrete's prequalification with IDOT will be reinstated at its current rating; the current rating will expire on April 30, 2017.

21. After January 1, 2017, A. Lamp Concrete may bid on locally let contracts, including motor fuel tax funded contracts that are locally let.

B. Modification of the Agreement

22. Any requirements imposed on A. Lamp Concrete by this Agreement may be discontinued at the CPO's discretion. Other modifications to this Agreement may be made only in writing and upon mutual consent of all Parties.

C. Sales, Mergers, Transfers, Bankruptcy; Survival of Agreement

23. If, during the term of this Agreement, A. Lamp Concrete establishes new companies or subsidiaries, merges with another company, or transfers the entire company or a substantial percentage of its assets to new owners, A. Lamp Concrete must notify the CPO no later than ninety (90) days in advance of such action and must provide copies of all corporate documents. This Agreement will inure to the benefit of, and be binding upon, the Parties and respective successors and assigns; provided, however, that the surviving entity, if other than A. Lamp Concrete, may request and show good cause why this Agreement should not be applicable to its operations.

D. Public Document

24. This Agreement, any documents referenced in this agreement, as well as the official suspension and exclusion notice which will result from this agreement, are public documents, and any information in the CPO's possession pursuant to the terms of the Agreement, is subject to the Illinois FOIA, 5 ILCS 140, *et seq.* To the extent that a FOIA request received by the CPO would require production of information provided by A. Lamp Concrete to the CPO's office or its counsel, the CPO will notify A. Lamp Concrete that a request

has been received and will identify the records in its possession that are responsive to the request. A. Lamp Concrete will have the opportunity to object to the release of the information.

25. The official suspension and exclusion notice shall be published to the Illinois Transportation Bulletin. The official suspension and exclusion notice shall also be available on the CPO's website during the term of the suspension and exclusion, up to and including the expiration of this agreement on April 22, 2018.

V. Administration of Agreement

26. All notices and communications from the CPO or IDOT to A. Lamp Concrete regarding this Agreement will be delivered to:

Adele Lampignano
President
A. Lamp Concrete Consulting, Inc.
1900 Wright Blvd.
Schaumburg, Illinois 60193

All notices and communications from A. Lamp Concrete to the CPO and/or IDOT, as required by this Agreement, shall be delivered to:

Bill Grunloh
Chief Procurement Officer for IDOT Highway Construction
2300 South Dirksen Parkway
Room 200 Hanley Building
Springfield, Illinois 62764

William M. Barnes
Chief Counsel
2300 South Dirksen Parkway
Springfield, Illinois 62764

VI. Entire Agreement and Effective Date

27. This Agreement constitutes the entire agreement between the CPO, IDOT, and A. Lamp Concrete, superseding any prior agreements or understandings, oral or written, with respect to the subject matter of this Agreement. This Agreement is effective on the date of the signature of the CPO.

VII. Signatures

28. Facsimiles and electronic (pdf) copies of signatures are deemed acceptable, binding signatures for purposes of this Agreement. This Agreement may be executed in counterparts, each of which will be deemed an original document, and all of which will constitute one and the same Agreement.

FOR A. LAMP CONCRETE CONTRACTORS, INC.:

Adele Lampignano

ADELE LAMPIGNANO

President

A. Lamp Concrete Contractors, Inc.

12/22/16

Date

FOR THE CHIEF PROCUREMENT OFFICER:



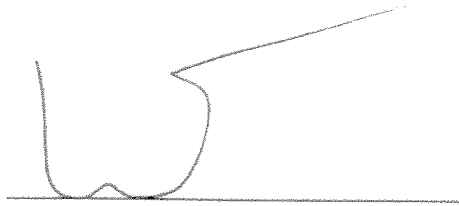
BILL GRUNLOH

Chief Procurement Officer
Department of Transportation Highway Construction

12/22/2016

Date

FOR THE ILLINOIS DEPARTMENT OF TRANSPORTATION:

A handwritten signature in black ink, appearing to be 'W. Barnes', written over a horizontal line.

William M. Barnes
Chief Counsel
Illinois Department of Transportation

4/3/17

Date