

## SETTLEMENT AGREEMENT AND MUTUAL RELEASE

This Settlement Agreement and Mutual Release (the “Agreement”) is entered into on this 31st day of December 2022 (the “Effective Date”), by and among the State of Illinois, the State of Illinois Chief Procurement Office for General Services, the Illinois Commission on Equity and Inclusion (“CEI”), the Illinois Business Enterprise Program Council (the “BEP Council”), and the Illinois Department of Children and Family Services (“DCFS”) (together, the “State”), and Public Consulting Group LLC (formerly Public Consulting Group, Inc.) (“PCG”), each through its authorized representative. The State and PCG are sometimes collectively referred to as the “Parties.”

### Recitals

#### **WHEREAS:**

A. In January 2019, the Office of the Inspector General for the Department of Children and Family Services (“OIG”) initiated a review of PCG’s compliance with terms of DCFS Contract No. 4795389024, relating to Children’s Social Security Income Application Services for the period January 2014 through December 2018 (the “DCFS Contract”). The OIG subsequently referred the matter to the Office of the Attorney General.

As a result of the inquiries described above, the State believes that it has civil claims against PCG based on its failure to comply with the terms of the DCFS Contract, including but not limited to the Business Enterprise Program (“BEP”) provisions. These allegations constitute the “Covered Conduct.”

B. The Parties desire to achieve a full and final settlement and compromise of all claims, defenses, and issues raised, or which could have been raised, between or among them, from the beginning of time through and including the Effective Date of this Agreement, related to the Covered Conduct, to avoid further delay, uncertainty, inconvenience, and expense.

**NOW THEREFORE**, in consideration of and in reliance on the premises set forth above, the mutual promises contained herein, and of the further consideration set forth below, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

### Terms and Conditions

1. Payment and Financial Terms. Within ten (10) business days of the Effective Date, PCG shall pay to the State the sum of \$1,000,000.00 (the “Settlement Payment”). The Settlement Payment shall be made in two wire transfers as follows:

(a) PCG shall pay \$700,000 by electronic funds transfer for deposit into the DCFS Children’s Services Fund – Fund 220 account, pursuant to written instructions provided by DCFS.

(b) PCG shall pay \$300,000 by electronic funds transfer for deposit into the account PSF Fund 0317-53301-1910-0000, pursuant to written instructions provided by CEI.

2. Voluntary Abstention. The Parties agree that the final decision of the Chief Procurement Officer is to accept the voluntary nonparticipation of PCG in State contracts or subcontracts from the Effective Date of this Agreement through August 1, 2025. Accordingly, from the Effective Date through and including August 1, 2025, PCG will voluntarily abstain from submitting any offer to provide services or products in response to a solicitation from any State of Illinois purchasing agency, as defined by 30 ILCS 500/1-15.70 (the "Period"). The Parties agree that this Agreement and abstention shall not constitute a suspension under applicable Illinois law and regulation, including but not limited to 30 ILCS 500/50-65 and Ill. Admin. Code tit. 44 § 1.5560. This Agreement applies only to solicitations from State agencies as defined by 30 ILCS 500/1-15.100, and does not apply to solicitations from any county, municipal, or other local government unit, or any school district in the State of Illinois, or to any contracting authority outside the State of Illinois. In addition, notwithstanding anything to the contrary, this Agreement does not apply to or affect the current term of any contract between PCG and the State of Illinois that is in effect as of the Effective Date. However, during the Period, there shall be no extensions, amendments to a contract term, or renewals to any current contracts between PCG and the State.

3. No Additional Payments: Each Party agrees to bear its own fees and costs. Upon payment of the Settlement Payment, the Parties expressly acknowledge that all potential attorney fees, costs, and expenses that may otherwise have been claimed or pursued by them in any litigation or administrative proceeding for any other federal or state claims, defenses, or issues raised, related to the Covered Conduct, are hereby waived, discharged and fully released pursuant to the mutual releases provided for in this Agreement and the further terms of this Agreement.

4. Releases.

(a) In consideration of the terms of this Agreement, and conditioned upon the full payment by PCG of the Settlement Payment, the State hereby fully and forever releases and discharges PCG, and any of its past, present, and future officers, directors, managers, agents, employees, representatives, principals, attorneys, insurers, employee benefit plans, affiliates, parents, subsidiaries, partners, transferees, transferors, administrators, predecessors, successors, assignees, and assignors, and each of their respective successors, assignees, assignors, and representatives (collectively, "PCG Releasees") from any and all claims, actions, suits, losses, rights, damages, costs, fees, expenses, accounts, demands, obligations, liabilities, and causes of action of every character, nature, kind, or description whatsoever, known or unknown, foreseen or unforeseen, and suspected or unsuspected, that the State has or may have arising out of, or relating to the Covered Conduct. This release includes and is not limited to release by the State of any and all claims for general and compensatory damages, attorneys' fees and costs, punitive damages, injunctive relief, restitution, and any other relief and/or damages of any kind that the State has or may have arising out of or relating to the Covered Conduct.

(b) In consideration of the terms of this Agreement, PCG hereby fully and forever releases and discharges the State, from any and all claims, actions, suits, losses, rights, damages, costs, fees, expenses, accounts, demands, obligations, liabilities, and causes of action of every character, nature, kind, or description whatsoever, known or unknown, foreseen or unforeseen, and suspected or unsuspected, arising out of, or relating

to the Covered Conduct, or which were or are related in any way to any allegations asserted that relates to the Covered Conduct through the Effective Date.

(c) Nothing in this Agreement will affect or apply to the right of any party to this Agreement to bring a claim relating to a breach or to otherwise enforce the terms of this Agreement.

(d) Notwithstanding any term of this Agreement, the State specifically does not release the PCG Releasees from any of the following liabilities:

(e) Any liability arising under state or municipal tax laws;

(f) Any criminal liability;

(g) Any liability to the State for any conduct other than that arising out of or related to the Covered Conduct;

(h) Any liability based upon such obligations as are created by this Agreement;  
or

(i) Any liability for personal injury or property damage arising from the Covered Conduct.

5. Ownership of Claims. Each of the State and PCG warrants to the other that it is the sole and exclusive owner of the claims released pursuant to Section 4 of this Agreement and that such claims have not been pledged, assigned, encumbered, sold, or otherwise transferred, in whole or in part, voluntarily or involuntarily, by operation of law, court order, or otherwise.

6. No Admission of Liability. The PCG Releasees deny all allegations of wrongdoing asserted against them in connection with the Covered Conduct. This Agreement cannot and shall not be construed in any manner as an admission of any wrongdoing, misconduct, fault or liability on the part of any or each of the Parties. Neither this Agreement nor any reports or accounts thereof shall be construed or deemed to be evidence of a presumption or concession by any of the Parties of the truth of any fact alleged relating to the Covered Conduct, or of the factual or legal validity of any claim or counterclaim asserted, or of any liability or wrongdoing by any of the Parties.

7. Entire Agreement. This Agreement is the entire agreement between the Parties, and this Agreement supersedes and replaces any and all prior written, oral, and other agreements between the Parties, with respect to the subject matter set forth herein. There are no oral statements, representations, warranties, undertakings, or collateral agreements between the Parties modifying or affecting the terms of this Agreement.

8. Public Document. This Agreement is a public record subject to the Illinois Freedom of Information Act, 5 ILCS 140/1 *et seq.* ("FOIA"). The Parties understand and agree that the State may disclose this Agreement if obligated to do so under FOIA or to fulfill any other legal obligation or governmental responsibility.

9. Counterparts; Signatures. This Agreement may be executed in counterparts, each of which when so executed shall be, and be deemed to be, an original instrument and such counterparts together shall constitute one and the same instrument. Signatures of the Parties may be transmitted via facsimile or photostatic means, or in .pdf format, and any such signature shall be deemed to be an original signature for enforcement and all other purposes.

10. Draftsmanship. In the event of any ambiguity in or dispute regarding the interpretation of this Agreement and the terms set forth herein, this Agreement shall not be construed against any Party, all of whom shall be deemed to have drafted this Agreement.

11. Construction. The captions and headings of Sections are provided for convenience only and are not intended to affect the construction or interpretation of this Agreement. Any reference in this Agreement to a “Section” refers to the corresponding Section of this Agreement, unless the context indicates otherwise. All words used in this Agreement should be construed to be of such gender or number as the circumstances require. The term “including” means “including without limitation” and is intended by way of example and not of limitation. Any reference to a statute is deemed also to refer to any amendments or successor legislation, and all rules and regulations promulgated thereunder, as in effect at the relevant time.

12. Governing Law. The Parties agree that this Agreement shall be governed and construed by the laws of the State of Illinois, without regard to its conflicts of law rules.

13. Choice of Forum; Jurisdiction. Any action, hearing, suit or proceeding arising out of, relating to, or in connection with this Agreement must be brought in the courts of the State of Illinois, County of Cook. Each of the Parties irrevocably submits to the exclusive jurisdiction of such courts in any such action, hearing, suit, or proceeding and waives any objection it may now or hereafter have to venue or to convenience of forum. Process in any action, hearing, suit, or proceeding referred to in this Section may be served on any Party anywhere in the world.

14. Binding on Successors. This Agreement will be binding upon and will inure to the benefit of the heirs, personal representatives, executors, administrators, officers, directors, employees, agents, attorneys, predecessors, successors, successive administrations, and assigns of the respective Parties.

15. Modification in Writing. This Agreement may not be amended, supplemented, or otherwise modified except in a written instrument signed by all of the Parties.

16. Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal, or unenforceable in any respect under any applicable law or rule, such invalidity, illegality, or unenforceability will not affect any other provision of this Agreement, and this Agreement will be reformed, construed, and enforced as if such invalid, illegal, or unenforceable provisions had never been contained in this Agreement.

17. Further Assurances. Subject to the other express provisions of this Agreement, upon the request of any Party, the other Parties will execute and deliver, at their own expense, any other documents and take any other actions as the requesting Party may reasonably require to more

effectively carry out the intent of this Agreement and the actions and transactions contemplated by this Agreement.

18. No Waiver. A Party's waiver of a breach of any provision of this Agreement will not operate or be construed as a waiver of any subsequent breach of the other Party. No failure or delay by any Party in exercising any right or remedy under this Agreement, and no course of dealing between the Parties, operates as a waiver of such right or remedy, and no single or partial exercise of any such right or remedy precludes any other or further exercise of such right or remedy or of any other right or remedy.

**Agreed to and executed by:**



Public Consulting Group LLC

Date: December 31, 2022

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State of Illinois

Date: December \_\_\_\_, 2022

\_\_\_\_\_  
State of Illinois Chief Procurement Office  
for General Services

Date: December \_\_\_\_, 2022

\_\_\_\_\_  
Illinois Commission on Equity and Inclusion  
Illinois Business Enterprise Program Council

Date: December \_\_\_\_, 2022

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Illinois Department of Children and Family Services

Date: December \_\_\_\_, 2022

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State of Illinois

Date: December 31, 2022

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Public Consulting Group LLC

Date: December \_\_, 2022

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State of Illinois

Date: December \_\_, 2022

  
State of Illinois Chief Procurement Office  
for General Services 

Date: December 30, 2022

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Illinois Business Enterprise Program Council

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Public Consulting Group LLC

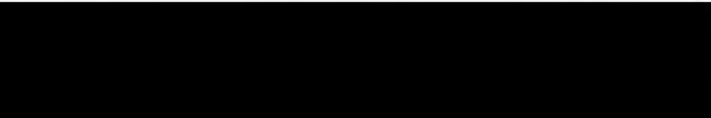
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State of Illinois

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Date: December \_\_, 2022

  
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Illinois Business Enterprise Program Council

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Public Consulting Group LLC

Date: December \_\_, 2022

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State of Illinois

Date: December \_\_, 2022

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Date: December \_\_, 2022

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Illinois Department of Children and Family Services

Date: December 30, 2022