

## **SETTLEMENT AGREEMENT**

This Settlement Agreement (“Agreement”) is made and entered into between the Board of Ethics of the City of Philadelphia, Louis Giorla, and the Executive Director of the Board of Ethics, jointly referred to as “the Parties.”

### **RECITALS**

- A. The Board of Ethics of the City of Philadelphia is an independent, five-member City board established in 2006 through voter approval of an amendment to the Philadelphia Home Rule Charter. Pursuant to Section 4-1100 of the Home Rule Charter, the Board is charged with administering and enforcing the City’s Ethics Code that imposes post-employment restrictions on former City employees.
- B. Louis Giorla was the Commissioner of the Philadelphia Prison System from 2008-2015. He currently is a paid consultant for Corizon Health Services (“Corizon”). The City pays Corizon to provide health services for the Prison System.
- C. Section 20-607(c) of the Philadelphia Code prohibits a former City employee from becoming financially interested in official action they took as a City employee for two years after leaving City service.
- D. Pursuant to Code Section 20-1302, a violation of Section 20-607(c) is subject to a civil monetary penalty of \$1,000 which may be increased to \$2,000 if an aggravating factor is present or decreased to as low as \$250 if mitigating factors are present.
- E. In August 2016, Board enforcement staff received a complaint that described a potential violation by Mr. Giorla of the City’s post-employment restrictions. In response to the information, enforcement staff opened an investigation during which they interviewed witnesses and obtained documents. Mr. Giorla voluntarily met with enforcement staff to provide information related to the investigation.
- F. As a result of the investigation, Board enforcement staff learned that every four years the Prison System advertises and awards a contract for health services. The contract outlines the contractor’s scope of services for the Prison System. In the intervening three years, the Prison Commissioner approves one year extensions to the base contract.
- G. As Prison Commissioner in 2012, Mr. Giorla awarded a contract to Corizon that provided for a “Continuity of Care” program, which has also been described as “Release with Care.” Through this program, Corizon was to provide medical services for inmates who were being released. Mr. Giorla reviewed Corizon’s proposals and cost specifications, voted to award the contract to Corizon, and signed the contract with Corizon. From 2013-2015, Mr. Giorla signed and approved one year extensions of the 2012 contract. The extensions re-authorized Corizon’s re-entry program.
- H. In January 2016, Mr. Giorla left City service. In March 2016, Corizon approached him and hired him to work for the company as a paid consultant.

- I. Corizon pays Mr. Giorla a retainer of \$4,000 per month. To date, Corizon has paid Mr. Giorla a total of \$36,000 to work on Corizon's re-entry program. The payments have been made from Corizon's main account, which is the same account into which the City makes payments pursuant to its contract with Corizon.
- J. Mr. Giorla has acquired a financial interest in the contract and subsequent extensions because the services he provides for Corizon are within the scope of Corizon's contract and extensions with the City and because he is paid from the same Corizon account into which the City's payments to Corizon are deposited.
- K. At all times, Mr. Giorla fully cooperated with the Board's investigation of the matters described in this Agreement.
- L. The Parties desire to enter into this Agreement in order to resolve the issues described herein.

## **AGREEMENT**

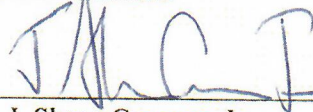
The Parties agree that:

- 1. By acquiring, within 2 years of leaving City service, a financial interest in the Corizon contract that he previously awarded and extended as Prison Commissioner, Mr. Giorla violated Code Section 20-607(c) and is subject to a civil monetary penalty of \$2,000. Payment shall be by check or money order made payable to the City of Philadelphia and delivered to the offices of the Board within 30 days of execution of the Agreement.
- 2. Mr. Giorla will terminate his paid consultant work for Corizon within 14 days of the execution of the Agreement.
- 3. Mr. Giorla will not enter into any paid relationship with Corizon for a period of 2 years from the execution of the Agreement.
- 4. If Mr. Giorla enters into a paid relationship with Corizon within 2 years of the execution of the Agreement, he shall disgorge \$36,000 to the City of Philadelphia. Payment shall be by check or money order made payable to the City of Philadelphia and delivered to the offices of the Board within 30 days of Board enforcement notifying Mr. Giorla in writing of his breach of the Agreement.
- 5. Mr. Giorla releases and holds harmless the Board and its staff from any potential claims, liabilities, and causes of action arising from the Board's investigation, enforcement, and settlement of the matters described in the Agreement.
- 6. In consideration of the above and in exchange for Mr. Giorla's compliance with all of the terms of the Agreement, the Board waives any further penalties or fines against him for the violations described in the Agreement.
- 7. The Parties will not make any public statements that are inconsistent with the terms of the Agreement.

8. If the Board or the City is forced to seek judicial enforcement of the Agreement, and prevails, Mr. Giorla shall be liable for attorneys' fees and costs reasonably expended in enforcing compliance with the Agreement. Fees for time spent by Board or City attorneys shall be calculated based upon standard and customary billing rates in Philadelphia for attorneys with similar experience.
9. The Agreement contains the entire agreement between the Parties.
10. The Executive Director, or his designee, will submit a signed copy of the Agreement to the Board for approval.
11. The Agreement shall become effective upon approval by the Board.
12. If the Board rejects the proposed Agreement, presentation to and consideration of the Agreement by the Board shall not preclude the Board or its staff from participating in, considering, or resolving an administrative adjudication of the matters described in the Agreement. If the Board rejects the proposed Agreement, nothing in the proposed Agreement shall be considered an admission by either party and, except this paragraph, nothing in the Agreement shall be effective.

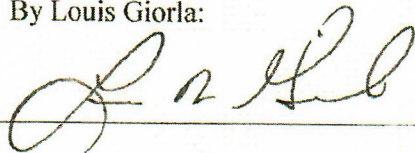
By the Executive Director of the  
Board of Ethics:

Dated: 5/18/17


  
\_\_\_\_\_  
J. Shane Creamer, Jr.  
Executive Director

By Louis Giorla:

Dated: 5/18/2017

  
\_\_\_\_\_

Approved by the Board of Ethics on 5/24/2017

  
\_\_\_\_\_  
Michael H. Reed, Esquire  
Chair