



OFFICE OF INSPECTOR GENERAL
City of Chicago



REPORT OF THE INSPECTOR GENERAL'S OFFICE:

QUARTERLY REPORT OF THE INSPECTOR GENERAL'S OFFICE
FIRST QUARTER 2013

APRIL 15, 2013

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OFFICE OF INSPECTOR GENERAL

City of Chicago

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April 15, 2013

To the Mayor, Members of the City Council, the City Clerk, the City Treasurer, and the residents of the City of Chicago:

Enclosed for your review is the public report on the operations of the City of Chicago Office of Inspector General (IGO) during the first quarter of 2013, filed with the City Council pursuant to Section 2-56-120 of the Municipal Code of Chicago.

As in prior Quarterly Reports, we provide a brief snapshot of our office activity, which cannot fully reflect the total picture of our activity, or the challenges we face. The Mayor has stated that he considers the IGO to be a key partner in ferreting out waste, fraud, and abuse, but maintains that the IGO does not need more power. As I have stated previously, we consider the IGO ordinance to be a promise by the City to ensure effective government oversight, and this office seeks only the baseline standards and authority for that to occur.

Thus the fundamental issue is not one of power, but of independence – the independence necessary to fulfill this promise.

To meet its mission of detecting and deterring waste, fraud, abuse, and mismanagement in City government, the IGO investigates, audits, and reviews a vast array of City programs, policies, procedures, and processes. These encompass every operative function of City government, including procurement, hiring, public safety, licensing, and residential services.

Including state and federal grants, the City spends more than \$8 billion annually, employs more than 30,000 people, and is a critical public service provider to millions more.

To do this job well, we need three things. We need talent, access, and City leadership that supports the mission not just with words, but with deeds.

I am proud of our efforts to recruit, train, and retain talented auditors, investigators, attorneys, and support staff. The diversity of our collective experience is integral to the accomplishment of our mission, and I will continue to consistently strive to improve it with every hire I make.

However, all of the talent in the world cannot overcome a lack of access to City information, records, and documents.

Throughout the course of our work, we seek access and have been granted access to information in various forms. But there have been times when such access has been denied. A public example of that dispute is provided in the *Ferguson v. Patton* lawsuit recently decided in the

Illinois Supreme Court. In that case we were forced to seek judicial enforcement of a subpoena for information held by the Law Department, for which it claimed attorney client and work product privileges – in short, we sought to overcome a public official’s refusal to provide the public’s information to the public’s oversight body investigating possible misconduct by public officials. The Circuit Court’s dismissal of this action was reversed by the Appellate Court, and the action came before the Supreme Court.

Last month, the Illinois Supreme Court ruled that the IGO’s enabling City ordinance does not give the IGO the statutory authority to enforce its own subpoenas. Based on the Court’s reading of the law, the IGO must go to the City’s Corporation Counsel to enforce its subpoenas. When the Corporation Counsel chooses not to, or has a conflict of interest (as the Court found to be the case in the very investigation underlying this lawsuit) the IGO’s only recourse is to appeal to the Mayor, even when the investigation involves, or is directed at, the Office of the Mayor, or even the Mayor himself.

The Supreme Court observed that the City could provide a resolution to this issue by amending City law, but has yet to do so.

In light of this decision, I have formally asked the Mayor to provide the information sought by subpoena which is necessary for a complete investigation of this matter. The Mayor did not respond to the request. Accordingly, the investigation will proceed to disposition on the basis of the information that is available, as we do in all cases. But the public should know that such an investigation will be significantly hampered by a continued refusal to provide the very information that the City Council has promised our office should be able to access.

The investigation underlying the lawsuit is not an anomaly. The IGO has been denied access to relevant City records in a number of other investigations. Moving forward, we therefore will make it standard procedure to ask the Mayor to provide the access to which we are entitled by City ordinance when that access is thwarted. When access is expressly denied or, as in the matter litigated to the Supreme Court, no response is received to our requests, investigations likely will be closed and the lack of access will be reported publicly. If it involves hiring, it will be duly reported to the *Shakman* Monitor.

As I noted when the Supreme Court issued its decision, Chicago residents and taxpayers should be aware of the IGO’s jurisdictional limitations and what that can mean for our operations, be they investigations, audits, or oversight of the City’s employment practices governed by the *Shakman* accord.

In sum, a lack of full access results in less complete investigations and less complete analysis – in short, less than the complete oversight mandated and promised by ordinance – and deserved by Chicago citizens.

This office does not seek special authority or treatment; rather, it seeks that which inspectors’ general with similar statutory mandates have – complete access to documents and records under its jurisdiction and the power to enforce its subpoenas without the approval and permission of the very subjects of the subpoenas. But not in the City of Chicago.

I am confident that IGO auditors, investigators, and attorneys will continue to take their work as far as they are able give current limitations in the IGO's jurisdiction and mandate. However, the City faces risk of increased waste, fraud, and misconduct among City employees and vendors by ignoring the problems the IGO faces. Simply, this office has only the authority to do the job the Mayor wants it to do, and not the authority to do the job that it is statutorily obligated to do.

None of this is new. For many years, this office was criticized, both by the public and the City Council, for failing to fully pursue possible misconduct or malfeasance to the fullest extent of its authority and ability. Instead of pursuing accountability at the highest levels of City government, it focused on small bore matters and settled for the proverbial 'small fry'. I cannot say whether that reputation was fully deserved. What I can say, however, is that the Mayor, in publicly stating that the IGO has all the authority it needs, is mandating that the IGO cannot follow the evidence where it leads. Instead, the Mayor and his Corporation Counsel can cut off access to the evidence needed to definitively determine who, or what, is responsible for possible waste, fraud, and abuse in City government. That is true whether the transgressor is at the ground level, in middle management, or ensconced in the corridors of real power in City Hall. Even assuming there is nothing being hidden from scrutiny, an approach which endows a public official with the ability to say to an oversight body that it may look this far, but no farther, may reinforce the very deep-seated doubts the public carries as a result of this City's long history of public corruption and waste.

This all echoes in the experience of my immediate predecessor in this office, and if nothing changes, my successor will likely echo the same refrain. This office will, of course, make the most of what contingent independence, authority, and access it is afforded, but in no circumstance should the state of affairs ever be equated with true reform, accountability, and transparency in City government.

As always, I encourage you to do your part in eliminating waste, fraud, abuse, and inefficiency in City government. Please continue to send your complaints to the IGO, and please continue to send in your ideas for audits. Our work can only go so far without the help of Chicago residents, City employees, and vendors. Do not hesitate to alert our office if you have suggestions for improvement in City or IGO operations, our reporting mechanisms, or if you have any questions or concerns about IGO inquiries.

Respectfully,



Joseph M. Ferguson
Inspector General
City of Chicago

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This quarterly report provides an overview of the operations of the Inspector General’s Office (IGO) during the period from January 1, 2013 through March 31, 2013. The report includes statistics and narrative description of the IGO’s activity that it is required to report per the City’s Municipal Code.

A. MISSION OF THE INSPECTOR GENERAL’S OFFICE

The mission of the IGO is to prevent and root out fraud, corruption, waste, and mismanagement, while promoting economy, efficiency, effectiveness and integrity in City government. The IGO is a watchdog for the residents of the City, and has jurisdiction to conduct inquiries into most aspects of City government.

The IGO accomplishes its mission through investigations, audits, inspections, program reviews, evaluations, research, and data collection. IGO summary reports are sent to the Mayor and the responsible City management officials with findings and recommendations for corrective action and discipline. Narrative summaries of sustained investigations are released in quarterly reports. Audits, inspections, and evaluations are sent to the responsible management officials for comment and then are released to the public through publication on the [IGO website](#).

B. INVESTIGATIONS

The IGO Investigation Section conducts both criminal and administrative investigations into the performance of governmental officers, employees, departments, functions, and programs, either in response to complaints or on the office’s own initiative.

1. Complaints

The IGO received 408 complaints over the preceding quarter. The following table provides detail on the actions the IGO has taken in response to these complaints.

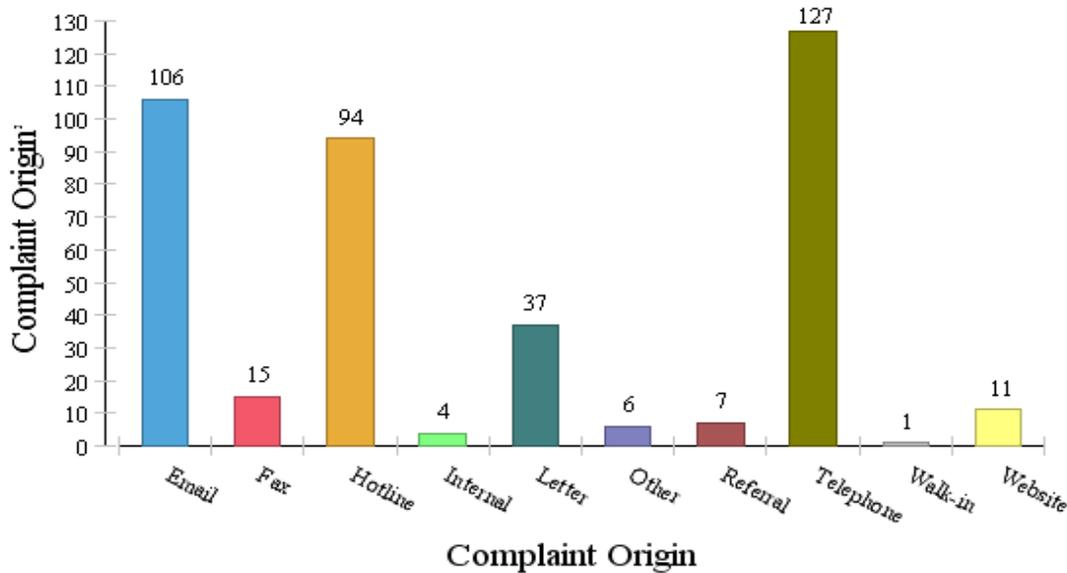
Table #1 – Complaint Actions

Status	Number of Complaints
Declined	299
Investigation	35
Referred	38
Other/Pending Review	36
Total	408

As the table shows, for the vast majority of complaints, the IGO declined to investigate the allegation. The primary reason that the IGO declines a complaint is due to a lack of resources. That determination involves a form of cost/benefit evaluation by the Deputy Inspector General for Investigations which, among other factors, gauges potential magnitude or significance of the allegations advanced in the complaint both individually and programmatically, investigative

resources needed to effectively investigate the matter, and actual investigative resources presently available. More serious forms of misconduct, greater monetary losses, and significant operational vulnerabilities suggested by the allegations receive priority. A subset of matters of lesser individual significance, but regular occurrence will also be opened. The chart below breaks down the complaints the IGO has received during the past quarter by the method in which the complaint was reported.

Chart #1 - Complaints by Method



Over the quarter, the IGO opened 73 investigations. All were opened based on allegations of misconduct, and none were based on allegations of waste or inefficiency, and none were opened for other reasons. Of these opened matters, 38 were immediately referred to other departments or investigative agencies. Thus, of all the complaints received in the quarter, 35 (8.5%) proceeded to a full IGO investigation. Of the newly opened investigations, 9 were found to be not sustained before the end of the quarter, three were found to be sustained before the end of the quarter, and 23 remain open.

The table below categorizes the 73 matters logged by the IGO based on the subject of the investigation.

Table #2 – Subject of Investigations

Subject of Investigations	Number of Investigations
City Employees	63
Contractors, Subcontractors, and Persons Seeking City Contracts	8
Appointed Officials	0
Elected Officials	2
Investigations of Persons Seeking Certification of Eligibility	0

Other	0
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3. Cases Concluded in Quarter

During the quarter, 61 investigative matters were concluded, 38 of which were the aforementioned referrals to City departments or other investigative agencies. Of the remaining concluded matters, three were closed as sustained and 9 were closed not sustained. A case is sustained when the preponderance of the evidence establishes that misconduct has occurred. A case is not sustained when the IGO concludes that the available evidence is insufficient to prove wrongdoing under applicable burdens of proof.

4. Pending Investigations

Including the 34 investigations initiated this quarter, the IGO has a total of 209 pending investigations.

5. Investigations Not Concluded in Twelve Months

Under the Municipal Code, § 2-56-080 the IGO must provide quarterly statistical data on pending investigations opened for more than twelve months. Of the 209 pending investigations, 61 investigations have been open for at least twelve months.

The table below shows the general reasons that these investigations are not yet concluded.

Table #3 – Reasons Investigations are not Concluded in Twelve Months

Reason	Number of Investigations
Additional complaints were added during the course of the investigation.	2
Complex investigation. May involve difficult issues or multiple subjects.	27
Lack of sufficient investigative resources over the course of the investigation. Investigators' caseloads were too high to enable cases to be completed in a timely manner.	20
On hold, in order not to interfere with another ongoing investigation.	3
Under review by the Legal Section or the Director of Investigations prior to closing.	9
Total	61

C. SUSTAINED ADMINISTRATIVE CASES

IGO sustained cases can either be administrative, criminal, or both. Administrative cases generally involve violations of City rules, policies or procedures and/or waste or inefficiency.

For sustained administrative cases, the IGO produces summary reports of investigation¹ – a thorough summary and analysis of the evidence and a recommendation for disciplinary or other corrective action. These reports are sent to the Office of the Mayor, the Corporation Counsel, and the City departments affected or involved in the investigation.

Criminal cases involve violations of local, state or federal criminal laws and are typically prosecuted by the Cook County State’s Attorney’s Office, the U.S. Attorney’s Office, or the Illinois Attorney General’s Office, as appropriate. The IGO may issue summary reports of investigation recommending administrative action based on criminal conduct.

1. Synopses of Cases

The following are brief synopses of investigations completed and reported as sustained matters. These synopses are intended solely to provide an illustrative overview of the general nature and outcome of the cases for public reporting purposes and thus do not contain all allegations and/or findings for each case.

In addition to the IGO’s findings, each description includes the action taken by the department in response to the IGO’s recommendations. Departments have 30 days to respond to IGO recommendations. This response informs the IGO of what action the department intends to take. Departments must follow strict protocols, set forth in City’s Personnel Rules, Procurement Rules and/or applicable collective bargaining agreements, prior to imposing disciplinary or corrective action. Only when this process is complete and discipline has been imposed, or corrective action taken on a City employee or contractor does the IGO consider the department to have acted.

This process can often take several weeks. In deference to the deliberative processes of City Departments and contractual rights of employees relating to discipline, the IGO waits to report on cases regarding current City employees until the subject’s department has acted on the IGO’s report. For cases in which a department has failed to respond within 30 days (or 60 days if a full extension has been granted), the response will be listed as late.

The 7 cases listed below were closed prior to the 4th Quarter 2012, but disciplinary action had not yet been finalized by the time that quarter’s report was published.

IGO Cases # 08-1527 and #09-1693

A Chicago Police Officer used his/her official assignment serving building violation court summonses for the City’s Department of Law to generate business for his/her friend’s private company that happened to be in the business of remediating the very same type of violations. Holding an official City summons in one hand and his/her friend’s business card in the other, the officer instructed property owners to contact his/her friend’s company to remedy their violations.

¹ Per Municipal Code, § 2-56-060, “Upon conclusion of an investigation the inspector general shall issue a summary report thereon. The report shall be filed with the mayor, and may be filed with the head of each department or other agency affected by or involved in the investigation.”

In one case, the officer told a property owner that she should call the friend's company because the City intended to seize her property.

Additionally, the police officer lied to IGO investigators by denying his/her practice of distributing the friend's business card while on duty serving summonses. The officer further discredited himself/herself and disrespected fellow police officers when, in an attempt to deflect suspicion, he/she suggested that any one of the other Chicago Police Department (CPD) officers serving DOL summonses could have been the person handing out the friend's business card. After the Law Department made a second complaint about the police officer, the CPD reassigned him/her to a CPD district. The IGO recommended that the police officer be terminated for abusing his/her position as a sworn officer acting in his/her official capacity and for making false statements to investigators.

In its response, the CPD stated that there was a "substantial probability" that the allegations against the officer were accurate. However, the department refused to seek any discipline against the officer citing purported procedural errors in the manner the IGO administered the officer's procedural guarantees, which were provided under the officer's collective bargaining agreement. CPD and the Law Department have informed the IGO that CPD cannot distinguish official IGO investigations of police officers from complaints made by citizens. For most allegations against police officers, complainants must state their allegations in a sworn affidavit. The affidavit requires the allegations to be based on "information and belief" that those allegations are true.

The IGO submitted an affidavit based on the evidence revealed in the investigation, including interviews with the property owners. CPD based its refusal to initiate disciplinary proceedings in part because the IGO was not a "firsthand" witness of the police officer's misconduct. Therefore, despite the affidavit's "information and belief" certification standard and the IGO's statutorily-granted powers and duties, CPD argued that it cannot initiate disciplinary proceedings (in non-criminal cases) against police officers based on the IGO's investigative findings absent a complaint filed by an eyewitness to the alleged misconduct.

The Department of Law supported CPD's position.

IGO Case # 09-1232

The IGO conducted an investigation that revealed that four current or former City of Chicago Department of Public Health (CDPH) employees embezzled City-purchased Jewel and Target gift cards that were supposed to be used to buy food and health-care items for CDPH clients and their newborns, or given out to clients as an incentive to obtain medical treatment. Instead, the CDPH employees redeemed the cards for their own personal use.

Specifically, (1) a former CDPH staff assistant, and a former CDPH administrative assistant III, who subsequently became a customer account representative for the City's Department of Finance (DOF), split more than \$3,000 worth of "discount" Jewel gift cards CDPH received after the department made a bulk gift card order in 2007 and redeemed at least \$600 and \$300 of those gift cards for their respective personal use; (2) the former CDPH staff assistant redeemed at least

\$250 of City-purchased Target gift cards in 2010 for her own personal use; (3) the former CDPH administrative assistant III accepted \$300 of City-purchased gift cards from a CDPH employee and then redeemed those cards for her personal use; (4) a CDPH public health administrator III, who manages a CDPH program that provides health services to high-risk pregnant women, used City-purchased gift cards to buy herself meals; and (5) a current CDPH staff assistant who is responsible for purchasing food for certain CDPH health programs, made two unauthorized purchases of alcohol with a City-purchased gift card. In addition, the evidence established that a former CDPH assistant director of public health nursing, who is now a CDPH nurse practitioner, acted below the level expected of an employee of her senior rank by permitting CDPH gift card practices and policies that she knew were inadequate to operate unchecked and uncorrected, and fostering misconduct and a culture of abuse of taxpayer-funded program resources.

The investigation further revealed that CDPH’s department-wide and program-specific controls for gift cards—which effectively act as cash—have been woefully inadequate for the better part of a decade. Dating back to 2005, and likely earlier, CDPH employees were entrusted to distribute several hundred thousand dollars in gift cards to clients more or less on the honor system. CDPH’s lax gift card oversight allowed its employees to steal and misappropriate thousands of dollars of City-purchased gift cards that should have gone to the neediest and most vulnerable Chicago residents.

Based on these findings, the IGO recommended that the City terminate the DOF customer account representative, the CDPH public health administrator III, and the current CDPH staff assistant and categorize them as ineligible for future hire. The IGO would have recommended that the former CDPH staff assistant also be discharged, but shortly after her interview with the IGO, she resigned from City employment. Therefore, the IGO recommended that the CDPH Commissioner: (1) issue a written decision of findings of violations by the former CDPH staff assistant as sustained by the evidence summarized in the IGO’s Summary Report of Investigation; (2) request that the Department of Human Resources (DHR) place a copy of CDPH’s findings in the former staff assistant’s personnel file along with a copy of the IGO’s report; and (3) request that DHR code the former staff assistant as resigned under inquiry. The IGO also requested that DHR: (1) place and maintain a copy of the IGO’s report in the former staff assistant’s personnel file for review in the event that she applies for re-employment with the City; and (2) notify the IGO in the event that the former staff assistant is being considered for employment by the City.

The IGO further recommended that CDPH assess the nurse practitioner’s suitability for supervisory or management responsibilities, and take any such further action, including but not limited to possible disciplinary sanctions, as it deemed warranted in accord with CDPH’s criteria for such action.

Finally, the IGO recommended that CDPH revise its gift card purchasing and monitoring policies based on the information contained in the IGO’s report to ensure that those policies: (1) uniformly and accurately account for CDPH’s gift card purchases and distribution; and (2) provide for robust gift card monitoring mechanisms that will minimize, if not eliminate gift card theft. As part of that review, the IGO further recommended that CDPH create a bright line rule

barring the practice of using gift cards for internal City purchases and transition to a vouchering system for such purchases.

CDPH concurred with the IGO’s recommendation to discharge the CDPH public health administrator III and subsequently terminated her employment. CDPH also concurred with the IGO’s recommendation to discharge the current CDPH staff assistant. After CDPH provided the staff assistant his pre-disciplinary notice, the staff assistant resigned. His resignation was coded “resigned under inquiry.” CDPH requested that DHR place a copy of the IGO’s Summary Report of Investigation in the personnel files for both employees and categorize the employees as ineligible for future hire.

With respect to the CDPH nurse practitioner, CDPH stated that the Department would assess her suitability for supervisory or management responsibility, and develop a performance improvement plan should it be required.

Lastly, CDPH concurred that the Department should revise its gift card purchasing and monitoring policies based on the findings in the IGO’s report and provided the IGO with a draft policy titled “Use of Program Incentives for CDPH Clients.” The draft policy’s stated purposes are to: (1) “Define CDPH’s policy for all Programs that manage and disburse incentives to clients”; (2) “Create uniform internal controls for all Programs providing incentives to clients”; (3) “Ensure that the policies and frameworks for offering incentives to clients occur objectively and consistently”; and (4) “Prevent any exploitation in the administration of the incentives.”

With respect to the DOF customer account representative, DOF concurred with the IGO’s recommendation but stated that the employee had been included in DOF’s reduction in force initiative and was soon to become a CPD employee. According to DOF, CPD would therefore have to complete the termination process. The employee passed away prior to the commencement of disciplinary proceedings.

IGO Case # 10-0129

While under surveillance, a CDPH Building/Construction Inspector responsible for inspecting the homes of children with high blood-lead levels was observed wasting several hours at his/her home and running personal errands. The employee concealed his/her misconduct by submitting falsified daily timesheets that claimed he/she was working at the same times surveillances observed him/her engaging in time-fraud. In addition, the employee failed to submit a Dual Employment Form until the date of his/her interview with IGO investigators – at least 17 months after his/her employment as a private security guard. The IGO recommended that the employee be terminated.

CDPH terminated the employee.

IGO Case # 10-0863

An IGO investigation determined that a Building Inspector with the Conservation Bureau of the Department of Buildings (DOB) improperly signed off on building permits associated with three

properties that were the subject of Administrative Hearing cases because of building code violations. In doing so, the inspector indicated that the mandated repair work was completed and the properties were in compliance despite the fact that the inspector had not conducted valid inspections. The evidence also showed that the same general contractor performed work on these three properties and that the inspector had a personal relationship with that general contractor. These findings showed a pattern of misrepresentation and preferential treatment by the inspector which not only constituted personnel rule violations, but also fundamentally undermined the inspector's trustworthiness. For these reasons, the IGO recommended that the inspector be discharged and considered ineligible for hire.

DOB discharged the employee and the employee has appealed to the Human Resources Board. The hearing is scheduled for late April.

In addition, during the course of this investigation, the IGO sought testimony from the general contractor about the properties at issue in this matter and the inspector's actions. Based on documentary and testimonial evidence, the IGO determined that the general contractor lied to the IGO about the extent of the general contractor's relationship with the inspector in his first interview. In addition, in his second interview, the general contractor refused to answer questions after being shown telephone records reflecting extensive communications between the two, which contradicted the prior denials. The general contractor's actions constituted a failure to cooperate as mandated of all City licensees. Based on the lies and failure to answer questions, the IGO recommended that the City initiate the process to revoke any licenses the general contractor had obtained personally or in the name of the general contractor's business, and that neither the general contractor nor the business be permitted to apply for a general contractor license for a period of four years.

The IGO also recommended that DOB evaluate whether it should conduct complete re-inspections of any wooden porches allegedly inspected by this inspector. Finally, the IGO recommended that DOB ensure that the work rule prohibiting conflicts of interest be reinforced among its inspectors, and that the potential conflict of interest prohibition be affirmatively extended to prohibit inspecting the construction work performed by friends or relatives and not simply the property owned by friends or relatives.

In its response, the DOB noted that it is emphasizing the prohibition on conflict of interest with personal training of DOB inspectors in the first quarter of 2013. It also requested that the City Department of Business and Consumer Protection (DBACP) initiate revocation of the general contractor's licenses, and tasked a Chief inspector with determining if DOB should conduct re-inspections.

IGO Case# 11-0469

While driving a City truck in the parking lot of a DWM facility, a DWM Motor Truck Driver (MTD) struck the personal vehicle of another City employee and did not report the accident to his/her supervisor or DWM's Safety Section as DWM's policy and the City Personnel Rules require. Instead, the MTD promised the vehicle's owner, a CDOT Hoisting Engineer, that he/she would pay for the repairs if the Hoisting Engineer refrained from making a formal accident

report to the City. The Hoisting Engineer agreed and, for more than one year, never reported the accident to anyone in the City. The Hoisting Engineer eventually filed a complaint with the IGO after the MTD continued to refuse to pay for the repairs.

The IGO recommended that DWM suspend the MTD without pay for a period of three to five days and that CDOT issue the Hoisting Engineer a written reprimand for agreeing not to report the accident as the Personnel Rules required him/her to do.

DWM issued the MTD a three-day suspension.

CDOT refused to issue the Hoisting Engineer a written reprimand. As the complainant, the Hoisting Engineer made his/her allegations against the MTD by letter and, subsequently, in an interview. Because he/she was the complainant, IGO investigators did not read the Hoisting Engineer an advisement of administrative rights at the interview. In its Summary Report of Investigation, the IGO noted this issue to CDOT's commissioner. The report explained that the Hoisting Engineer's letter and the MTD's statements were sufficient evidence that established the Hoisting Engineer's violation and that his/her statement did not factor into its recommendation. CDOT's commissioner agreed that the Hoisting Engineer's letter was clear and independent evidence of a violation. But the commissioner would not issue the written reprimand because the Hoisting Engineer was not read an advisement at his subsequent interview.

The IGO also found that a DWM Foreman (since promoted to Assistant District Superintendent) violated the Personnel Rules because he/she was told about the accident but failed to report it to DWM's Safety Section because, as he/she said, "no one was up in arms about it."

The IGO recommended that DWM suspend the employee without pay for one day. DWM issued the foreman a written reprimand.

The IGO also recommended that DWM heighten its employees' awareness of, and hold them accountable to, the department's and City-wide policies that require the reporting of motor vehicle accidents.

IGO Case # 11-1017

A recent IGO investigation revealed that the City allowed a Department of Streets and Sanitation (DSS) refuse collection coordinator (RCC), who had suffered a disabling event and was declared medically unfit to drive, to operate a City vehicle in 2011 and 2012 without documented medical clearance.

More specifically, the RCC suffered a disabling event in 2007. In a series of letters tendered to DSS in 2008, 2009, and 2010, a physician certified that the RCC was medically unable to drive (or do manual labor or lift anything more than five pounds). The RCC did not seek a formal accommodation, but rather worked outside of his title in the position of acting district supervisor in Graffiti Removal Services. In order to fulfill the duties of that acting position, the RCC was regularly chauffeured by other City employees in a City vehicle. In 2011, however, DSS, after consulting with the Department of Law, informed the RCC that he had to perform all of the

duties of an RCC, including driving a City vehicle. The RCC, after presenting a valid driver's license to DSS, subsequently began driving a City vehicle again as part of his regular RCC duties. Only after the IGO interviewed the RCC in 2012 as part of its investigation did the RCC obtain medical clearance to operate a vehicle.

To avoid a reoccurrence of this event, the IGO recommended that the City:

- (1) Require employees who have ceased driving as part of their duties due to medical reasons to provide documented medical clearance before they resume driving in the course of official duties, either in a City vehicle or their own vehicle;
- (2) Require City employees who operate vehicles as part of their City duties to report when they become unable to drive due to medical reasons;
- (3) Ensure that, absent proper written authorization, DSS (or other Department) employees are neither serving as chauffeurs for other City employees who are medically unable to drive nor allowing themselves to be chauffeured when medically unable to drive; and
- (4) Review the RCC position to determine whether the RCC job description should explicitly include driving as one of the position's essential duties.

The IGO did not make any disciplinary recommendations regarding the chauffeuring because the Managing Deputy Commissioner under whose supervision the activity occurred retired from City employment in June 2012.

DSS and DHR issued a joint response to the IGO's recommendations. They first noted that the RCC should have been provided with the paperwork to request a reasonable accommodation as soon as he notified DSS that he had medical restrictions that may have impacted his ability to perform the essential functions of his position. According to DSS and DHR, the failure to commence the accommodation process caused all the other issues identified by the IGO. They further stated that DHR recently hired a Disability Officer who will be working with the Law Department and the Mayor's Office of People with Disabilities to overhaul the City's reasonable accommodation policy and procedures. DHR will be conducting training on the new policies and procedures once they are completed and is hopeful that the training and new policies will prevent similar issues from occurring in the future.

With respect to the IGO's four above described recommendations, the joint response stated specifically as follows:

- (1) DHR and DSS are currently working on a Fitness for Duty Policy that will include language clarifying that any time an employee has indicated that they cannot perform essential duties of their position due to a medical condition, they will need to provide the appropriate medical clearance prior to performing those duties again;
- (2) Although there is not a specific Personnel Rule that covers an employee's duty to report when he or she becomes unable to drive due to medical reasons, according to DHR and

DSS, the workplace safety sections of Personnel Rule XVIII apply to such a situation. In addition, DHR and DSS will make sure that this type of circumstance is addressed in the Fitness for Duty Policy;

- (3) DSS has issued a memorandum to their Deputy Commissioners reminding them of the requirements of the City’s Vehicle and Equipment Policy;
- (4) DHR’s Classification section is undertaking a review of the RCC position and will update it to make it clearer that driving is an essential duty of the position.

IGO Case # 11-1469

An IGO investigation revealed that two CFD supervisors violated the Illinois Local Records Act (LRA) and the City’s Personnel Rules by disposing of CFD records without authorization from the Local Records Commission. Accordingly, both supervisors performed their duties below the level ordinarily expected of other employees in their position. The IGO recommended that CFD suspend both supervisors for at least three days without pay.

CFD issued written reprimands to both supervisors.

The investigation also revealed a number of red flags with respect to CFD’s compliance with the LRA department-wide. The IGO recommended that CFD broadly communicate record retention procedures to CFD personnel, ensure that each CFD bureau and facility has a designated LRA coordinator, and obtain additional employee training on proper document retention and destruction procedures.

CFD reported that it will draft a new department order regarding record retention and is coordinating with the Law Department to provide additional training for CFD employees on record retention. CFD further reported that it is considering whether to designate a LRA coordinator for each bureau and facility.

City Departments took disciplinary action on 3 administrative cases the IGO sustained this quarter. They are summarized below.

IGO Case #10-1002

The IGO conducted an investigation that revealed that in the Spring of 2009, a former DPS contracts compliance coordinator (CCC) promoted and approved what in essence was a minority-owned/woman-owned/disadvantaged business enterprise (M/W/DBE) pass-through scheme in which a contractor for several O’Hare and Midway Residential Sound Insulation Program (RSIP) contracts purchased windows from non-M/W/DBE suppliers, but used M/W/DBE subcontractors as unnecessary middle-men in those transactions to inappropriately obtain M/W/DBE credit. More specifically, the evidence establishes that the CCC, concerned about the possible existence of an M/W/DBE pass-through scheme, held a meeting with the contractor, the M/W/DBE subcontractors and the company that manages RSIP. Prior to that meeting, one of the M/W/DBE subcontractors was having windows sent directly from the

window vendor to the contractor's warehouse, whereupon the contractor's employees would install the windows. At the meeting, the CCC told the subcontractors that they could continue to order windows and have them shipped to the contractor's warehouse to be installed by the contractor, but that in order to receive M/W/DBE credit they needed to lease their own space at the warehouse and keep a full-time employee at that space to receive the supplies from the vendor. Under this arrangement, which the parties acknowledge they carried out, the subcontractors clearly did not perform a commercially useful function pursuant to the M/WBE or DBE Special Conditions incorporated into the RSIP contracts. DPS, through the CCC, nevertheless authorized the companies to receive M/W/DBE credit for their role as a pass-through.

Based on these findings, the IGO would have recommended that the CCC be suspended for incompetence in the performance of the duties of his position in having directed and approved an M/W/DBE pass-through scheme, but he is no longer a City employee. The IGO therefore recommended that the Chief Procurement Officer make a finding respecting the CCC's performance as established by this investigation and, to the extent she concurs, direct that a copy of the finding (and the IGO's report) be placed in the CCC's personnel file for appropriate consideration in the event he seeks re-employment with the City. Finally, the IGO recommended that DPS adjust its historic M/W/DBE compliance figures to eliminate any inappropriate M/W/DBE credits given to the subcontractors, or any other RSIP window supplier.

In response, DPS sent a memo to the Department of Human Resources (DHR) informing DHR that if the allegations in the IGO's report were true, the CCC's conduct would have been cause for disciplinary action had he still been employed by DPS. Accordingly, DPS requested that DHR make DPS' memo and the IGO's report part of the CCC's employment file and give those documents appropriate consideration should the CCC seek re-employment with the City. DPS also agreed to adjust its historic M/W/DBE compliance figures to eliminate any inappropriate M/W/DBE credits given to the subcontractors, or any other RSIP window supplier.

IGO Case # 11-0058

An IGO investigation determined that a supervisor with the Department of Water Management (DWM) failed to ensure that an employee's three separate, on-duty vehicle accidents were reported to the department's safety section or that the employee received drug and alcohol testing as required by DWM policy. The IGO found that the supervisor, who had previously been training on the accident reporting policy, performed below the level ordinarily expected of other employees in the same position. The IGO recommended that DWM suspend the supervisor for 1 to 2 days without pay.

DWM declined to issue a suspension, noting that the supervisor had held the specific supervisory position for just two weeks and was not the employee's direct supervisor, despite the fact that the supervisor was the only manager on-site at the time. Instead, the department retrained the supervisor on the department's accident reporting policy.

In addition, the IGO's investigation identified four areas of concern regarding DWM's policies regarding vehicle usage, accident reporting, and acting up. First, the IGO recommended that

DWM ensure any employee authorized to act up meets all qualifications required to perform the duties of the position, including holding all the required valid licenses or certifications. Second, the IGO recommended that DWM remind its employees that any accident in a City vehicle or any on-duty accident in a personal vehicle must be reported and investigated by the Safety Section or a supervisor. The IGO also recommended that DWM review its employees' use of personal vehicles in the course of their duties to ensure that it is approved by the DWM Commissioner and that the City is adequately insured against accident liability arising from the authorized use of personal vehicles in the performance of official duties. Finally, the IGO recommended that DWM internally review the prevalence of the practice of supervisors signing off on a certain daily work log before any work is performed and ensure it is stopped.

In response, DWM reported that it would issue a memo to all DWM Deputies and Managing Deputies reminding them that they must ensure that any employee who acts up possesses all the required licenses and would reissue the DWM Accident Directive, reminding all employees that any accident in a City vehicle or any on-duty accident in a personal vehicle must be reported and investigated. DWM also stated that it would investigate whether there is a practice of employees signing DWM work logs at the start of the work day.

With respect to employees' use of personal vehicles for work, DWM reported that it follows the City's Vehicle and Equipment Policy, which applies to City-owned, leased, and rented vehicles, and the Automobile Allowance provision contained in the City's Salary Resolution, which applies when mileage reimbursement is requested. DWM stated that, when employees are required to drive and request mileage reimbursement, they are required to have insurance showing the City as an additional insured. The IGO followed up to clarify that the City's policies apply to employees who are "authorized" to drive their personal vehicles and that the City may equally be at risk of liability if the City informally or customarily allows its employees to voluntarily drive their personal vehicles while on City time and in the performance of their City duties and fails to take steps to ensure that the personal vehicle is properly insured to protect the City.

IGO Case # 11-1457

An IGO investigation determined that an Animal Control Officer with the Commission on Animal Care and Control (ACC) repeatedly falsified work logs and timekeeping records to conceal the fact that he was routinely trapping stray cats and relinquishing them directly to a private shelter, rather than impounding them at ACC as required by ACC policy. The investigation established that, without authorization, the employee relinquished at least 29 animals in a four-month period directly to the private shelter while on duty for ACC. The IGO recommended that ACC terminate the Animal Control Officer and designate him permanently ineligible for hire.

In addition, records obtained from the private shelter raised some concern regarding the shelter's compliance with applicable animal control laws and regulations. The IGO therefore recommended that the Executive Director of ACC review the shelter to ensure its compliance with all applicable laws and regulations and take any action deemed appropriate by ACC.

ACC agreed with the IGO’s recommendation and discharged the Animal Control Officer. The Animal Control Officer grieved the discharge but the union eventually withdrew that grievance. ACC also conducted an inspection of the private shelter and noted several issues for correction.

D. CRIMINAL CASES, ADMINISTRATIVE APPEALS, GRIEVANCES, AND RECOVERIES

The IGO investigates both administrative and criminal allegations.

In criminal cases, the IGO partners with a prosecuting agency, such as the U.S or State’s Attorney’s Office, which prosecutes the case. For the purposes of IGO quarterly reports, criminal cases are concluded when the subject of the case is indicted.

In administrative cases, a City employee may be entitled to appeal or grieve a departmental disciplinary action, depending on the type of corrective action taken and the employee’s classification under the City’s Personnel Rules and/or applicable collective bargaining agreements. The IGO monitors the results of administrative appeals before the Human Resources Board (HRB)² and grievance arbitrations concerning our disciplinary recommendations.

1. Synopses of Criminal Cases

None of the IGO cases concluded this quarter produced criminal charges.

2. Developments in Prior Criminal Cases

During the quarter, there were developments in two of the IGO’s prior criminal investigations.

(A) Update of IGO Case # 08-0028

On March 13, 2013, Karen Huff, a former project coordinator for a senior citizen center was found guilty of forgery, official misconduct, and attempted theft of government property for her attempted use of City funds earmarked for official purposes to instead buy \$544 worth of food for a “booze-cruise” for co-workers and friends.

The IGO partnered with the Cook County State’s Attorney’s Office in the investigation.

Huff is due to be sentenced on April 23, 2013.

(B) Update of IGO Case # 07-2077

² HRB definition: A “three-member board is appointed by the Mayor and is charged with the responsibility of conducting hearings and rendering decisions in instances of alleged misconduct by career service employees. The Board also presides over appeal hearings brought about by disciplinary action taken against employees by individual city departments.”

City of Chicago. Department of Human Resources – Structure.

http://www.cityofchicago.org/city/en/depts/dhr/auto_generated/dhr_our_structure.html (accessed April 13, 2010)

On January 6, 2011, Jesse Brunt (the president and founder of “Brunt Bros. Transfer Inc.”), Brunt Brothers, and Anthony Duffy, the former manager of one Illinois corporation and president of another, were indicted on three counts of Federal Mail Fraud stemming from an alleged MBE “pass-through” scheme. The indictment claimed that Brunt Brothers fraudulently received more than \$3 million from the City after being hired to clean and videotape city sewers south of 63rd Street, when, in fact, it did not actually perform the work specified by the contract.

On March 12, 2013, Brunt Bros. Transfer Inc., Brunt’s company, pleaded guilty to one count of mail fraud related to the company’s role as a “pass-through” on the sewer cleaning contracts.

Previously, on February 25, 2012, Anthony Duffy plead guilty to lying to the Federal Bureau of Investigations about his failure to disclose two key investors in a sewer company that performed work on behalf of the City. On February 20, 2013, he was ordered to pay \$428,438.74 to the City, and was permanently enjoined from seeking contract work with the City.

On December 6, 2012, Brunt plead guilty to one count of mail fraud for acting as a minority “pass-through” on the sewer cleaning contracts.

All three parties are scheduled to be sentenced on May 10, 2013.

The IGO partnered with the Federal Bureau of Investigation and the U.S. Attorney’s Office in the investigation.

3. Synopses and Results of Administrative Appeals or Grievances

To date, the IGO has been notified of 2 of the subjects involved in the 10 investigations that were summarized in this report have appealed his/her discipline to the Human Resources Board (HRB).

The IGO will continue to provide updates as appropriate on appeals or grievances concerning IGO disciplinary recommendations in future quarterly reports.

(A) Update of IGO Case # 12-0080

As reported in an earlier quarterly report, the Independent Police Review Authority (IPRA) discharged an employee based on an IGO investigation which found that the employee routinely took a City vehicle home without authorization. The employee was also found to have misused the Chicago Police Department logo to avoid paying for parking, failed to pay for parking in metered parking spots, failed to park the City vehicle in the designated IPRA parking lot, and violated traffic laws while driving the City vehicle. Finally, the employee lied to IGO investigators while under oath, thereby tarnishing the employee’s credibility, a key requirement of the employee’s specific position.

The employee sought arbitration of the discharge. In February 2013, the arbitrator upheld the discharge, finding that the violations constituted “just cause” for termination. The arbitrator specifically noted that the employee had “seriously aggravated the offense by lying under oath to

the Inspector General’s investigators, after being warned that lying during the interview would be separate grounds for discipline.”

(B) Update of IGO Case #10-0314

In a prior quarterly report, the IGO reported that it had determined that an operating engineer with the DWM violated the City’s Residency Ordinance by residing in Berwyn, Illinois while employed by the City.

As the City’s Residency Ordinance mandates discharge for residency violations, the IGO recommended that the City terminate the DWM employee and place the employee on the ineligible for hire list. The Law Department subsequently drafted a statement of charges and DWM, after receipt of that statement, discharged the DWM employee.

The DWM employee appealed the discharge to the HRB.

A subsequent quarterly report noted that a hearing officer found that “the City ha[d] not proven by a preponderance of the evidence that the Respondent was not an actual resident of the City from the time [Respondent] began to work for the City in 2008 until [Respondent’s] discharge in September 2012.”

More recently, the City requested oral argument before the Human Resources Board (HRB) and, after that oral argument, the HRB sustained the DWM employee’s discharge. The DWM employee subsequently filed a complaint in the Circuit Court of Cook County, asking the Court to set aside the HRB’s decision. That lawsuit remains pending and will be reported on in a future report.

4. Recoveries

IGO investigations and audits can lead to financial recoveries for the City. This quarter, there were three financial recoveries.

(A) Update of IGO Case # 10-1613

A previously reported 2011 IGO investigation found that an applicant to the City’s Tax Increment Financing (TIF) program submitted two forged bank letters to the City in an attempt to fraudulently obtain \$1 million in TIF funding for a not-for-profit corporation. Upon the IGO’s recommendation, the Department of Procurement Services debarred the individual. The IGO also recommended that the Law Department review the case for possible false statement prosecutions under the Municipal Code of Chicago § 1-21-010.

In March 2013, the Law Department reported that it had successfully obtained an administrative judgment of \$2,390 in fines and costs against the individual for two counts of false statements.

(B) Update of IGO Case #10-0712

A previously reported 2012 investigation found that a Public Health Nurse employed by the Chicago Department of Public Health falsified City time, official daily activity logs, and mileage reimbursement records. Upon being presented with charges seeking discharge the nurse resigned from the City. The IGO investigation further determined that, as a result of those falsifications, the employee defrauded the City.

The IGO requested that the Law Department pursue a cost recovery action to recover the money that the employee improperly received. In response to that request, the Law Department issued a demand letter seeking reimbursement for \$624.68, and the employee paid the City the full amount requested.

(C) Update of IGO Case #07-0831

A previously reported 2011 investigation found that in 2006 a Department of Water Management employee (now working as a Plumber) falsely represented having sufficient work experience with a private plumbing contractor to take the Chicago Plumber’s Exam. The IGO investigation found that the plumbing contractor did not have any records of the DWM employee’s work and that he issued a “courtesy letter” attesting to the work experience as a “favor.” The IGO recommended discharge. DWM discharged the employee but following a hearing before the Human Resources Board, the HRB found that there was not sufficient evidence to support discharge but that because the DWM employee lied to the IGO it imposed a time-served suspension.

The IGO also recommended that the City take further action against the DWM employee and the private plumbing contractor including false statements recovery. The Law Department filed complaints against the plumbing contractor and his business for falsely certifying the DWM employee’s employment and for providing a false reference letter for the DWM employee. The matter was settled in March 2013 with a fine and costs being assessed against the plumbing contractor’s business in the amount of \$1,040.

E. AUDITS, PUBLIC REPORTS, & ADVISORIES

In addition to confidential disciplinary investigations, the IGO produces a variety of public reports and performance audits. This work includes independent, objective analysis and evaluations of City programs and operations with recommendations to strengthen and improve the delivery of City services. These engagements focus on the integrity, accountability, economy, efficiency and effectiveness of each subject. The IGO is also now publishing advisory letters sent to City leadership. These letters provide a summary of a management problem observed by the IGO that we believe the City should be apprised of in an official capacity. We have summarized 7 advisories, audits, and public reports that were released this quarter.

1. Advisories

(A) IGO Advisory re: Employee Indebtedness Program

On January 17, 2013, the IGO sent the Mayor’s Chief of Staff an advisory regarding the City’s Employee Indebtedness Program.

The advisory noted that over the last two decades, the City periodically has launched various initiatives to reduce or eliminate employee indebtedness (EI)—the overdue debt City and sister agency employees owe to the City. In October 2011 the City announced an initiative to increase enforcement activities at City departments and sister agencies, at a time when citywide EI was nearly \$3.0 million. Despite these efforts, the City’s EI balance totaled over \$3.2 million as of October 31, 2012.

Noting the various divergent practices City departments uses for EI notification, discipline, and collections, the IGO identified the following issues for the City’s consideration:

- (1) Whether the City should provide for additional EI staff or, alternatively, reduce the City’s EI staff and rely instead on outside entities (*e.g.*, the State Comptroller’s offset procedures or collection agencies) to reduce EI;
- (2) Whether it is feasible to create standardized and automatized EI notification procedures and train all City departments regarding those procedures to ensure their uniform implementation and administration;
- (3) Whether to generate and report standardized metrics (in addition to the information currently provided on the City’s Data Portal) across all departments and sister agencies to better identify the departments and practices that result in a lower incidence and more timely elimination of EI; and
- (4) Whether the Law Department should provide annual training regarding the EI disciplinary guidelines to ensure their uniform execution.

In its February 22, 2013 reply, the City noted its appreciation for the IGO’s review of the EI program and its implementation in various departments and agencies. According to the City, it was already conducting certain of the actions recommended by the IGO. In addition, among other actions, the City acknowledged that it could expand its yearly training session for EI liaisons and perform additional training sessions for new liaisons throughout the year.

(B) IGO Advisory re: Fiscal Intermediaries

On July 31, 2012, CDPH Commissioner Choucair requested that the IGO assist his department in determining whether using a fiscal intermediary (FI) to improve the department’s grant administration would conform to the City’s rules and regulations.

On January 30, 2013, the IGO sent its response in the form of an Advisory. It covered areas of grant administration that could be improved with an FI, areas of concern regarding laws and regulation related to the use of an FI by CDPH, and questions for CDPH to ask when determining whether an FI would be helpful to grant management. The IGO recommended that CDPH gather more information about current resources expended on each stage of its grant administration in order to accurately weight the costs and benefits of using an FI to administer grants.

CDPH provided the IGO with a response on March 8, 2013. It noted that one of CDPH’s Spring 2012 Quality Improvement Initiatives should enable the department to collect a significant amount of the information necessary to answer several of the question raised in the IGO Advisory. Once appropriate enhancements are adopted and needed information is collected and analyzed, CDPH intends to re-examine whether the use of an FI would be cost beneficial and, if so, what structural and legal changes might be required.

(C) Update of IGO Advisory re: Case # 10-1265

In September 2012, the IGO published findings and recommendations related to the DOB’s certificate of occupancy (C of O) acquisition process, together with DOB’s response. On March 28 2013, the IGO issued a follow-up letter summarizing the additional actions DOB has taken pursuant to the IGO recommendations since that September 2012 publication.

The IGO’s initial inquiry revealed that in recent years as many as 48% of the City properties that received building permits failed to subsequently obtain a C of O. The IGO also learned that DOB did not know what percentage of the properties that received building permits but did not subsequently obtain a C of O were being illegally (and potentially unsafely) occupied in violation of the Municipal Code of Chicago. In addition, the IGO determined that as of 2012, DOB no longer ran queries for properties whose building permits had been inactive for more than six months (i.e., properties for which there had been no DOB inspection activity). Previously, DOB ran, and subsequently disseminated, the reports to the DOB department chiefs, who could then provide the reports to DOB’s building inspectors with instructions to check whether the identified properties were still in development. Finally, the IGO found that DOB’s website does not have a searchable database for C of Os, meaning the public cannot input an address into a database and determine if DOB has issued a C of O for that property.

Based on the above findings, the IGO recommended in September 2012 that DOB:

- (1) Run regular, periodic inactive building permit queries and disseminate the resultant reports to inspectors for property checks;
- (2) Consider conducting an audit of the properties that received building permits in the last five years but never obtained C of Os, in order to determine how many of those properties are being occupied in violation of City ordinance;
- (3) Advise building permit holders when their permit has been inactive for at least six months (such a notice would remind permit holders of their obligations under the City ordinance and demonstrate to property owners that DOB closely monitors property developments, thus encouraging compliance with pertinent rules and regulations); and
- (4) Consult with the City’s Department of Innovation and Technology (DoIT) to explore the creation of a searchable, public database for C of Os so that members of the public considering buying a property could confirm that the building had been certified as suitable for occupancy.

In response, DOB stated that:

- (1) It had met with DoIT preliminarily to determine how to create a report that notifies all DOB bureaus when a building permit has not had an inspection after six months;
- (2) At DOB request, DoIT was creating a report of all building permits DOB issued from 2006 to 2011 that have no inspections on record so that DOB could conduct an audit of those properties and determine whether work had been performed and whether those buildings were occupied;
- (3) As DOB and DoIT design the system requirements for version eight of DOB's Hansen software, DOB would ensure that triggers are included that automatically void building permits that have had no inspection activity within 180 days and generate a letter to the property owners and contractors informing them that the permit is no longer valid, and;
- (4) Once hired, DOB's new Director of Information Systems would be made responsible for determining whether a searchable website for C of Os is feasible.

In follow-up consultations between the IGO and DOB representatives in January and February 2013, DOB's Managing Deputy Commissioner stated that DOB had effectuated the following measures responsive to the IGO's findings:

- (1) DOB implemented a permit data review process that allows DOB to generate a report of all the properties that (a) were issued a building permit; (b) required a C of O; and (c) had not had an inspection in over 181 days.
- (2) DOB's Supervisor of Building assigns inspectors to conduct inspections of those properties.
- (3) In the 85 such inspections DOB conducted from September 20, 2012 to November 30, 2012 alone, DOB inspectors had yet to encounter a property that had been fully constructed and occupied.

DOB also provided the IGO a report of all the properties to which DOB issued a building permit from 2006 to 2011 that failed to obtain C of Os. DOB represented that it is reviewing that report to identify which of those properties actually required C of Os. Once DOB completes its review, the Department will send out inspectors to inspect the properties that the report indicated had failed to obtain a C of O. DOB expected the inspections to begin in March 2013.

In addition, DOB noted that it had hired a new director of information systems, but that person had not yet had an opportunity to examine the possibility of creating a searchable C of O database. Finally, DOB indicated that it had not implemented the IGO-recommended 180-day notice to owners and contractors that their building permit is no longer valid because it had yet to install the latest version of the Hansen software, which should be capable of automatically generating such notices, and was unlikely to do so until 2014.

Based on DOB’s original and follow-up responses, the IGO concluded in its March 2013 letter that DOB had made significant progress in addressing the IGO’s original findings respecting the C of O acquisition process. However, work still remains in implementing a number of systems and controls recommended by the IGO. Specifically, the IGO encourages DOB to complete its 2006 to 2011 building permit inspection audit, and continue working toward the creation of a searchable C of O database and the generation of a 180 day “void” notice that is automatically sent to property owners and contractors.

2. Audits

(A) DWM Material Truck Haul Program

On February 15, 2013, the IGO released an audit that found the DWM Material Truck Haul Program (MTHP) to be generally well administered, yet still susceptible to risk of fraud arising from two specific operational practices.

MTHP, a successor to the scandal-plagued Hired Truck Program, ensures material delivery to sewer and water facilities and job sites, as well as the removal of debris from those same sites. In 2011, MTHP was used to haul 999,076 tons of materials/debris to and from the job sites, resulting in \$16,707,955 of billings by MTHP vendors.

Specifically, the audit, which focused solely on work done in 2011, also found that almost 95% of the signatures given to confirm material pick up or delivery did not match DWM’s authorized signature list. The audit further concluded that DWM underpaid vendors by more than \$600,000 in 2011, as well as delayed paying vendors for nearly \$10 million worth of goods and services for up to 7 months.

The IGO found MTHP to be well administered due to the audit’s first two findings: the program’s invoices were accurate and the MTHP coordinator appropriately assigned service requests to the lowest-priced vendors.

DWM has indicated it has begun to review its payment processes, as well as develop procedures to ensure vendors are paid both in a timely and an accurate manner. The department has also stated it is reviewing its authorized signature procedures to mitigate the risk of fraudulent transactions.

3. Public Reports

(A) Public Report Recommending Civilianization of 292 Police Office Positions

On January 23, 2013, the IGO issued a report recommending that CPD civilianize 292 positions to save the City an estimated \$6.4 to \$16.6 million annually.

The report analyzed opportunities to civilianize certain positions in 30 separate CPD units, and found that at least 292 full-time positions of the 370 reviewed could be filled by civilians.

The 30 units reviewed were primarily non-law-enforcement units the IGO deemed likely to contain positions that could be civilianized. This assumption bore out in the analysis, as the IGO uncovered sworn law enforcement officers performing purely administrative tasks such as travel arrangement (Finance Division), data entry (Records Inquiry Section), nursing (Medical Services Section), graphic design (General Support Division), accounting (Bureau of Organized Crime), timekeeping (Office of the First Deputy Superintendent), and grant writing (Research and Development Division).

Based on similar initiatives in other cities, the IGO used a series of questions to determine which positions within the non-enforcement units of CPD should be recommended for civilianization. The IGO asked the following four questions for each position currently filled by a full-duty sworn officer:

1. Does the position require the exercise of law enforcement powers?
2. Are the skills, training, or experience of a sworn officer required to fulfill the duties of the position?
3. Would assigning sworn staff be helpful for other reasons?
4. Can the requirements of the position be fulfilled by a specially trained civilian?

If the answer to the first three questions was “no” and the answer to the fourth question was “yes”, the position was recommended for civilianization.

Depending on the replacement civilians’ salaries, the City could save an estimated 16 to 41 percent per position through civilianization (or \$6.4 million to \$16.6 million annually). Even if the replacement civilians were to receive the same salary as the sworn officers they replace, the City would achieve savings due to both the more generous fringe benefits that sworn officers receive, as well as the non-salary compensation provided to sworn officers.

(B) Public Report Describing City’s Spending for 2012 NATO Summit

On February 1, 2013, the IGO published a report describing the sources and uses of funding for the 2012 Chicago North Atlantic Treaty Organization (NATO) Summit.

The IGO did not make any recommendations in the report, but instead provided the public with a simplified summary of the origin and final uses of \$27.4 million the City spent on the event.

Report highlights included:

- The City spent almost \$19 million on overtime for City employees doing work related to the Summit.
- For the use of their police forces, three municipalities received \$691,106 in compensation from the City.
- The City used funds from 8 government sources, including 7 federal grants, in addition to the \$7 million provided by the NATO Host Committee to help cover costs for the Summit.

- With federal approval, the City used several repurposed Federal Emergency Management Agency grants originally awarded to Chicago for post-9/11 infrastructure security.

(C) Follow-Up Report to 2012 IGO Recommendations for Improving the Emergency Procurement Process

On March 28, 2013, the IGO published a follow-up report to its 2012 recommendations for improving the City’s emergency procurement process. Emergency procurements include increased fiscal and operational risks due to their expedited and non-competitive nature. In response to the 2012 report, the City’s Department of Procurement Services (DPS) stated that it would adopt the IGO’s recommendations, including the use of a standard emergency contract request form to ensure City departments provide a more thorough written justification for emergency contracts.

The IGO’s follow-up report reviewed the City’s emergency contracting activities in the six months following the IGO’s 2012 report. The review found that, to DPS’s credit, the department authorized just one emergency contract, a significant reduction from the previous year. However, the IGO’s follow-up also found that the single emergency contract approved during this period did not meet DPS’s own requirements for an emergency procurement. DPS failed to require that the department use the new standard request form that DPS pledged to use to ensure emergency contract requests are adequately documented and justified. The IGO, therefore, reiterated its recommendation to DPS that it require user departments to use the emergency contract request form and take the necessary steps to ensure that DPS employees follow relevant emergency contracting policies.

In its response, DPS noted that there have been no additional emergency contracts awarded since the IGO’s review period. Regarding the one emergency contract reviewed by the IGO, DPS emphasized its determination that the need for the services requested—investigating and televising work to ensure the integrity of the City’s sewer system—constituted a bona fide operational emergency, despite the fact that the request did not meet the terms of DPS’s emergency procurement policy. DPS did not specifically address, and the IGO therefore viewed as a tacit admission, the fact that it did not administer the emergency procurement in accordance with its own policy and procedure and failed to document the justification for the emergency procurement as required.

The IGO encouraged DPS to ensure the standardized form is completed for any future emergency contract requests to ensure justification for the contract is fully documented. The IGO’s review otherwise confirmed that this issue is trending strongly in a positive direction. The IGO thanked DPS and Chief Procurement Officer Rhee for their cooperation and responsiveness to the report.

4. Open Chicago Updates

The IGO did not publish any Open Chicago updates this quarter.

F. HIRING COMPLIANCE

On June 24, 2011, the City of Chicago filed the 2011 City of Chicago Hiring Plan (“General Hiring Plan”). The General Hiring Plan, which was agreed to by the parties and approved by the Court on June 29, 2011, replaced the 2007 City of Chicago Hiring Plan which was previously in effect. The City of Chicago also filed the 2011 Chicago Police Department Hiring Plan (CPD Hiring Plan) on October 14, 2011, and the 2011 Chicago Fire Department Hiring plan (CFD Hiring Plan) on December 15, 2011.

Under Chapter XII of the new City of Chicago General Hiring Plan, Chapter XI of the CPD Hiring Plan, and Chapter IX of the CFD Hiring Plan, IGO Hiring Oversight is required to review and audit various components of the hiring process and report on them on a quarterly basis.

This quarter, IGO Hiring Oversight conducted reviews of the following matters to ensure compliance with the hiring processes:

1. *Contacts by Hiring Departments.* Review of all reported or discovered instances where hiring departments contacted DHR to lobby for or advocate on behalf of actual or potential Applicants or Bidders for Covered Positions or to request that specific individuals be added to any referral or eligibility list except as permitted in this Hiring Plan.

In the last quarter, IGO Hiring Oversight did not receive any reports of direct departmental contacts from DHR.

2. *Exemptions.* Review of adherence to exemption requirements and Exempt Lists and propriety of Exempt List³ modifications.

The Exempt List was last updated by DHR on February 8, 2013 and provides for 1,280 City positions to be classified as *Shakman-Exempt*. Specifically, these 1,280 *Shakman-Exempt* positions cover various titles for which the City is allowed to fill a specific number of slots using the *Shakman-Exempt* Hire Process outlined in Chapter VIII of the General Hiring Plan. IGO Hiring Oversight currently receives notification of and reviews all *Shakman-Exempt* appointments and modifications to the Exempt List. In addition to these ongoing reviews, IGO Hiring Oversight conducts annual audits of the Exempt List to ensure that the City is complying with the Exempt List requirements and to determine whether DHR is maintaining an accurate record of *Shakman-Exempt* employees and titles.

IGO Hiring Oversight recently conducted the 2013 annual Exempt List audit (2013 Audit) utilizing: (1) The February 8, 2013 Exempt List currently published on DHR’s Website⁴ (Exempt List); (2) DHR’s Exempt List database which tracks employees with a *Shakman-Exempt* status and *Shakman-Exempt* titles (DHR List); and (3) A report from

³ The Exempt List is a list of all City positions that are exempted from the requirements governing Covered positions (*Shakman-Exempt*). *Shakman-Exempt Positions are those where any factor may be considered in actions covered by the City’s Hiring Plans and Other Employment Actions, unless otherwise prohibited by law.*

⁴ The link to the current Exempt List can be viewed [here](#).

the Chicago Integrated Personnel and Payroll System (CHIPPS) of all employees who have a *Shakman*-Exempt status (CHIPPS List). The 2013 Audit compared the DHR List with the CHIPPS List as well as the Exempt List to determine the consistency of the information across the three lists. Generally, the 2013 Audit found DHR’s records of Exempt employees and titles to be thorough and substantially accurate. IGO Hiring Oversight did, however identify some discrepancies and issues during the course of our audit, including: (1) instances where employees were accounted for on the CHIPPS List but not the DHR List and vice versa; (2) discrepancies in employee titles; (3) discrepancies in the number of slots available for various positions; and (4) other miscellaneous discrepancies between the DHR, CHIPPS, and Exempt Lists.

IGO Hiring Oversight issued a memorandum to DHR which detailed the results of the 2013 Audit to which DHR will provide a response in the next quarter. A summary of the 2013 Audit findings and DHR’s response to those findings as well as any additional information regarding the 2013 Audit will be provided in the next quarterly report.

3. Senior Manager Hires. *Review of hires using Chapter VI, the Senior Manager Hiring Process.*⁵

Of the 49 hire packets we reviewed this past quarter, eight were for Senior Manager positions. None of these Senior Manager hire packets contained any errors. We did not monitor interviews for any Senior Manager hiring sequences this past quarter.

4. Written rationale. *Review of any written rationale when no consensus selection was reached during a Consensus Meeting.*⁶

Consensus selections were reached during all Consensus Meetings that occurred during the 1st Quarter of 2013.

5. Emergency Appointments. *Review of circumstances and written justifications for any emergency hires made pursuant to the Personnel Rules and Section 2-74-050(8) of the Chicago Municipal Code.*

The City made no emergency appointments during the 1st Quarter of 2013.

This quarter, IGO Hiring Oversight conducted audits of the following matters to ensure compliance with the hiring processes:

⁵ Senior Managers are (1) not covered by a collective bargaining agreement; (2) at-will employees; (3) not *Shakman* Exempt; and (4) perform significant managerial responsibilities. These positions are filled pursuant to a Court-approved process.

⁶ A Consensus Meeting is a discussion that is led by the DHR Recruiter held at the conclusion of the interview process. During the Consensus Meeting, the interviewers and the Hiring Manager review their respective interview results and any other relevant information to arrive at a hiring recommendation.

1. Modifications to Class Specifications⁷, Minimum Qualifications, and Screening and Hiring Criteria.

IGO Hiring Oversight currently reviews most modifications to class specifications, minimum qualifications, and screening/hiring criteria. In the last quarter, the City changed the minimum qualifications or included equivalencies for four positions in the Department of Innovation and Technology (DoIT), CDPH, DPS, and the Department of Family and Support Services (DFSS). Additionally, the City updated the class specifications for six Budget Analyst related positions in the Office of Budget and Management. IGO Hiring Oversight reviewed the changes and raised no objections to them.

2. Referral Lists. *The lists of Applicants/Bidders who meet the predetermined minimum qualifications for the Position that are generated by DHR.*

In previous quarters, IGO Hiring Oversight reviewed the referral lists for most hiring sequences. In the 4th Quarter of 2012, IGO Hiring Oversight implemented an audit model under which we examine a risk-based sample of referral lists. Using this audit model, we reviewed 26 referral lists and provided commentary to DHR whenever potential issues arose. Of the 26 referral lists reviewed in the past quarter, two contained errors. Both errors occurred in the area of candidate assessment. We recognize that aspects of candidate assessment can be subjective and that there can be differences of opinion in the evaluation of a candidate’s qualifications. Therefore, our designation of “errors” is limited to cases in which applicants who, based on the information they provided, (1) did not quantitatively meet the minimum qualifications and were referred; (2) failed to provide all of the required information and/or documents listed on the job posting and were referred; or (3) quantitatively did meet the minimum qualifications and were not referred.

3. Testing. *Test Administration and Scoring.*

IGO Hiring Oversight continues to receive prompt notification from DHR regarding approvals of new tests and proposed changes to existing tests. IGO Hiring Oversight did not review any tests developed prior to their administration; however, IGO Hiring Oversight did monitor the administration of 9 tests during the past quarter. Although we did not identify any errors while monitoring these tests, IGO Hiring Oversight identified or received notification of two errors through other means as discussed below.

Chicago Department of Transportation Test

⁷ Class Specifications are descriptions of the duties and responsibilities of a Class of Positions that distinguish one Class from another. They are, in effect, the general descriptions utilized to determine the proper level to which a Position should be assigned, and they include the general job duties and minimum qualifications of the Position. Class Specifications shall include sufficient detail so as to accurately reflect the job duties.

DHR notified IGO Hiring Oversight that it had determined that the Testing Administrator had inadvertently omitted certain technical questions from the Part II of a foreman promotional process in the Chicago Department of Transportation (CDOT). In order to address this error, the candidates were given a supplemental test, which consisted solely of the omitted questions. IGO Hiring Oversight monitored the delivery of this supplemental test and did not observe any irregularities. After the test, DHR informed IGO Hiring Oversight that the results of the supplemental test did not affect the overall ranking of the candidates. DHR also provided the documents that DHR used in its analysis. Based on this information, IGO Hiring Oversight had no further questions or recommendations concerning this test.

Chicago Department of Aviation Test

The Federal Monitor’s Office notified IGO Hiring Oversight of a scoring error that the office had identified as part of its monitoring of a foreman promotional test in the Chicago Department of Aviation (CDA). IGO Hiring Oversight reviewed the documentation related to this test administration and identified an incorrect answer on the answer key and an error with respect to tabulating the scores. After receiving notice that these issues were resolved, IGO Hiring Oversight indicated that it did not have any objections to the selected candidate(s) continuing through the hire process.

In addition to monitoring tests and reviewing test documentation on an ad hoc basis, IGO Hiring Oversight plans to implement regular audits of scored tests. A process guiding such audits was finalized in the past quarter, and the first audit is scheduled for the 2nd Quarter of 2013.

4. *Selected Hiring Sequences. 10% in the aggregate of in-process and completed (at least 5% of completed) hiring sequences from the following departments or their successors: Streets and Sanitation, Water Management, Aviation, Transportation, Buildings, Fleet, and six other City departments selected at the discretion of IGO Hiring Oversight.*

In prior quarters, IGO Hiring Oversight reviewed the hire packets for most hiring sequences. The hire packets include all documents and notes maintained by individuals involved in the selection and hiring process. In the 4th Quarter of 2012, IGO Hiring Oversight implemented an audit model under which we examine a risk-based sample of hire packets. A portion of the hire packets are examined on an ongoing basis prior to the hires being completed. The remaining hire packets are examined after the hires have been completed. During the 1st Quarter of 2013, IGO Hiring Oversight completed a review of hire packets for 49 hiring sequences. Of the packets reviewed, seven contained at least one error. All of these errors included missing or invalid documentation (for example, an expired driver’s license) and missing Hire Certifications. These errors were not considered violations of the Hiring Plan. A final hire packet, which we selected for review, is still under examination. We will address this packet in a subsequent quarterly report.

In addition to reviewing hire packets, IGO Hiring Oversight reviews hiring sequences through in-person monitoring of intake meetings, interviews, and consensus meetings. The implementation of the audit model for hire packets has facilitated an increase in such monitoring activities. During the past quarter, we monitored 17 intake meetings, 6 job interviews, and 7 consensus meetings. IGO Hiring Oversight did not identify any errors while monitoring these hiring activities.

Despite the absence of errors in monitored sequences, it is still imperative that IGO Hiring Oversight receive advance notification of all hiring activities as required by Section II.C.8 of the City’s General Hiring Plan. In one sequence during the first quarter, IGO Hiring Oversight did not receive notification of a multi-day test until after some of the candidates had already tested. Because the Federal Monitor’s Office had received advanced notification and was able to monitor the tests, IGO Hiring Oversight did not recommend any corrective action for this sequence; however, we will continue to watch for and report on any failures to provide our office with advance notification.

5. Hiring Certifications. *The required certifications attesting that no Political Reasons or Factors or other Improper considerations were taken into account in the applicable action.*

Of the 49 hire packets reviewed in the last quarter, seven contained missing, invalid, or late Hiring Certifications from DHR and/or the Hiring Department. After reporting the omissions to DHR, the missing or invalid certifications were provided and included in the packets. The “Selected Hiring Sequences” section above included these errors in its tally.

6. Acting Up.⁸ *Review of the City’s compliance with Chapter XI and any implementing procedures.*

IGO Hiring Oversight reviews the City’s compliance with Chapter XI of the General Hiring Plan⁹, the Acting Up Policy, and all Acting Up waivers processed by DHR.

DHR is currently working to finalize its Acting Up Policy. As the policy approaches its final form, IGO Hiring Oversight has worked with DHR, the Department of Finance, and the *Shakman* Monitor’s Office to ensure that it contains language that will enable the IGO to efficiently audit Acting Up data to determine whether departments are administering and reporting on Acting Up properly.

In the past quarter, IGO Hiring Oversight and the *Shakman* Monitor’s Office reviewed a substantial amount of 2012 Acting Up data and reports in anticipation of the new policy. Our review has revealed conflicting data between Acting Up reported to DHR and the City’s payroll records detailing wages earned for Acting Up in nearly every department.

⁸ Acting-up is where an employee is directed to, and does perform, or is held accountable for, substantially all of the responsibilities of a higher position.

⁹ Chapter VIII of the CFD Hiring Plan and Chapter X of the CPD Hiring Plan follow the same guidelines as Chapter XI of the General Hiring Plan.

To make auditing of Acting Up more effective, departments must receive targeted training to ensure they understand their responsibilities under the new policy. DHR has expressed its commitment to develop these department-specific workshops, and IGO Hiring Oversight will work with DHR and the Department of Finance to ensure the trainings are effective and that departments fully understand their obligations.

The following chart details waivers to the City’s 520-hour Acting-Up limit approved by DHR in the last quarter:

Department	Position	Number of Employees	Date of Response	Duration of Waiver
Water	Chief Operating Engineer	1	3/26/2013	Through 6/30/2013

7. *Arbitrations and Potential Resolution of Grievances by Settlement. Audit of all arbitration decisions arising out of Accord complaints, as well as any other arbitration decisions and potential grievance settlement agreements that may impact the procedures under this Hiring Plan.*

IGO Hiring Oversight is required to conduct audits of all arbitration decisions and grievance settlement agreements that arise out of Accord complaints or that may impact the procedures under the City’s Hiring Plans or Other Employment Actions.¹⁰ Currently, IGO Hiring Oversight is only notified of arbitration decisions and settlement agreements that require approval from DHR and/or the Department of Law (Law). However, settlement agreements that do not result in arbitration or require a change in the City’s Personnel Database (CHIPPS) are mostly handled on the departmental level and therefore IGO Hiring Oversight does not receive notification of these settlement agreements even when they may have impact on Other Employment Actions.

To better understand the grievance settlement process and discuss concerns regarding settlements on the department level, IGO Hiring Oversight recently met with the Labor Relations and the Labor Litigation Divisions in Law. IGO Hiring Oversight will continue to receive notifications from Law and DHR of arbitration awards and settlement agreements which require their approval. In addition, IGO Hiring Oversight plans to conduct quarterly audits of departments’ labor relations activities as they pertain to the City’s Hiring Plans and Other Employment Actions. The results of these audits will be detailed in future quarterly reports.

In the last quarter, IGO Hiring Oversight received and reviewed seven settlement agreements from DHR and Law. The following chart details: (1) the Union involved in the settlement agreement; (2) the City Department(s) affected by the settlement

¹⁰ An Other Employment Action is any change in the terms and conditions of employment in addition to those detailed in this Hiring Plan and includes, but is not limited to: hiring, firing, promotion, demotion, lay-off, reinstatement, reemployment, transfer, reclassification, granting overtime, assignment, withholding of any job benefit and imposition of any employment sanction or detriment.

agreement; (3) the position(s) affected by the settlement agreement; and (4) a brief description of the terms of the settlement agreement.

Union	City Department	Position	Settlement Description
Chicago Firefighters Union, Local 2	CFD	Paramedic-in-Charge (PIC)	Two grievants were removed from the original settlement agreement entered on 9/12/2012, after City discovered they had waived promotion to PIC.
Laborers Union, Local 1001	CDOT	Asphalt Laborer, Laborer - Transportation	City agreed to: (1) post and fill 10 seasonal Asphalt Laborer and 7 seasonal Laborer-Transportation positions and send those seasonal employees to a Union sponsored training program; and (2) appoint in seniority order 18 seasonal Asphalt Laborers to Probationary Career Service Asphalt Laborers by January 2014. Possible new CDOT/Local 1001 sponsored training programs were also discussed.
Laborers Union, Local 76	CDOT	Concrete Laborer	City agreed to: (1) post and fill 14 seasonal Concrete Laborer positions and send those seasonal employees to a Union sponsored training program; and (2) appoint in seniority order 13 seasonal Concrete Laborers to Probationary Career Service Concrete Laborers.
Service Employees International Union, Local 73	DHR, DWM	Custodial Worker, Station Laborer	City agreed to post and fill 7 Custodial Worker, 1 Foreman of Custodial Workers, and 4 Station Laborers positions. Additional settlement agreement terms: (1) Custodial Workers on layoff will be allowed to bid on Station Laborer positions; (2) suspensions for two individuals were reduced; and (3) certain additional work rule changes were discussed.
Service Employees International Union, Local 73	DHR	Detention Aide; Traffic Control Aide (TCA)	City agreed to: (1) post and fill 3 TCA positions through recall; and (2) post and fill 25 Detention Aide positions. Additional settlement agreement terms: (1) certain laid-off TCAs and certain other titles will be allowed to bid on Detention Aide vacancies; and (2) Posting period for all above vacancies will be shortened by 7 days.
Service Employees International Union, Local 73	DHR, DWM	Custodial Worker	(Addendum to settlement agreement above re: Custodial Workers). City agreed that Custodial Workers on lay-off, as well as Custodial Workers returned to work at Aviation for a lower rate of pay, are eligible for recall.
Chicago Journeyman Plumber's Union, Local 130	DWM	Seasonal Plumbers	City agreed to: (1) post and fill 17 seasonal Plumber positions and send those seasonal employees to a Union sponsored training program. Additional settlement agreement terms: (1) seasonal Plumbers will have a seasonal employment status and will only have the rights of seasonal employees.

QUARTERLY REPORTING OF CONTRACTING ACTIVITY

IGO Hiring Oversight is required to review City departments’ compliance with the City’s “Contractor Policy” (Exhibit C to the City’s Hiring Plan). In our previous quarterly report, we expressed concern that the City was failing to notify IGO Hiring Oversight of all draft contracts and other agreements “prior to offering any contract or other agreement terms to any Temporary Employment Agencies, not-for-profit agencies, for-profit contractors and other organizations and entities providing services to the City,” as required under Section II.B.2.b. of the City’s Contractor Policy.

Following meetings with Law and DPS, we saw a substantial increase in the number of notices of draft contracts that we received. Over the past quarter, however, these notifications appeared to drop off, and a cursory review of all contracts executed by the City in the first quarter of 2013 on the City’s website showed that the City failed to notify us of several contracts, including a \$140 million program management contract for the City’s capital improvement program in the DWM. Even though we had previously reviewed the request for qualifications (RFQ) for the contract and expressed concerns about language that may have common-law employee *Shakman* implications, we did not receive notice of the final draft of the contract until after it was executed.

Despite our concerns above, we did receive notice of several draft contracts and agreements in the last quarter. Per the Contractor Policy, we may choose to review the drafts to assess whether the draft contract or agreement terms are in compliance with the Policy. The following chart details these contract notifications:

Name of the Contractor, Agency or other Organization	Name of Contracting Department	Duration of such Contract or Agreement	Approved by DHR?
Multiple (16 agencies)	DHED	1/1/13 - 12/31/13	N/A
Multiple (18 agencies)	DHED	1/1/13 - 12/31/13	N/A
Historic Chicago Bungalow Association	DHED	1/1/13 - 12/31/13	N/A
Multiple (15 agencies)	DHED	1/1/13 - 12/31/13	N/A
Multiple (89 agencies)	DHED	1/1/13 - 12/31/13	N/A
Northeastern Illinois Public Safety Training Academy	CFD	8/1/13 (unless extended)	N/A
Ameresco	2FM	unknown	N/A
Jacobs Engineering	CDOT	unknown	N/A
EJM Engineering	CDOT	unknown	N/A
Professional Dynamic Network	Procurement	2 Months (02/04/2013 - 04/04/2013)	Yes

REPORTING OF OTHER IGO HIRING OVERSIGHT ACTIVITY

1. *Review of Escalations. Recruiters and Analysts in DHR must escalate concerns regarding improper hiring to IGO Hiring Oversight. IGO Hiring Oversight evaluates the circumstances surrounding the escalation and may do one or more of the following: investigate the matter, conduct a review of the hiring sequence, refer the matter to the DHR Commissioner or appropriate Department Head for resolution, and/or refer the matter to the Investigations Section of the IGO.*

IGO Hiring Oversight received three escalations in the last quarter, and concluded one escalation from the 4th quarter of 2012, which are detailed below. Additionally, two escalations are still pending from 2012 and one escalation is pending from 2011. The details of these pending escalations will be reported in a future quarterly report once IGO Hiring Oversight’s review is complete.

Department of Water Management Escalation (initiated 4th Quarter of 2012)

IGO Hiring Oversight was contacted on December 11, 2012, by a DHR Recruiter who reported that the DWM failed to hold the required DHR-facilitated consensus meeting for a recent hire sequence in the mistaken belief that the position was subject to the Senior Manager hire process. After reviewing the hiring documentation and communicating with DWM and DHR, IGO Hiring Oversight found no evidence that DWM attempted to manipulate the hiring sequence or that Political Reasons or other Improper factors affected the process. Following IGO Hiring Oversight’s recommendation, DHR facilitated a new consensus meeting for the position. IGO Hiring Oversight monitored this consensus meeting and did not identify any violations of the Hiring Plan. In the future, DHR will ensure that a position’s correct selection process is reiterated in the Intake Meeting with the department.

Department of Housing and Economic Development Escalation

IGO Hiring Oversight was contacted on January 3, 2013, by a DHR Recruiter who reported that an interviewer in a recent Department of Housing and Economic Development (DHED) hire sequence had recorded interview notes on the candidates’ résumés rather than on the candidate assessment forms. The same interviewer also did not sign hire certifications for the interviews until several months after the interviews had been conducted. After reviewing the hiring documentation, IGO Hiring Oversight found no evidence that DHED attempted to manipulate the hiring sequence or that Political Reasons or other Improper factors affected the process. However, IGO Hiring Oversight recommended the DHR Recruiter have a discussion with the interviewers to clarify that their notes should be taken on the candidate assessment forms and hire certifications should be completed on the day of the interviews as required by the City’s Hiring Plan and DHR’s Interview and Consensus Meeting Training. IGO Hiring Oversight further recommended that the Recruiter discuss several other issues that IGO Hiring Oversight identified in the hiring documentation. The Recruiter met with the interviewers as recommended, and, following IGO Hiring Oversight’s recommendations, DHR allowed the hire sequence to proceed through the approval process.

Department of Streets and Sanitation Escalation

IGO Hiring Oversight was contacted on February 8, 2013, by a DHR Recruiter who reported that interviewers attempted to reference a candidate's work history during a consensus meeting for a position in the Department of Streets and Sanitation (DSS). The Recruiter explained to the interviewers that previous work history cannot be considered when making hiring decisions in the absence of uniform performance evaluation system. After receiving this instruction, the interviewers provided a justification for their evaluations based on the candidate's responses during the interview. In response to an inquiry from IGO Hiring Oversight, the Recruiter stated her belief that the interviewers did not consider any Political Reasons or Factors or other Improper considerations in making their final recommendations. IGO Hiring Oversight determined that no violation of the Hiring Plan had been alleged. In addition, IGO Hiring Oversight monitored the consensus meeting and did not find any evidence to justify additional investigation in the absence of an allegation. IGO Hiring Oversight, therefore, closed the escalation without a specific recommendation but noted that the interviewers' attempt to reference past work history was symptomatic of a larger City-wide issue—the lack of a uniform performance evaluation system which forecloses the consideration of otherwise relevant job-selection information. DHR is currently exploring potential avenues to document performance evaluations. Performance evaluation is also an area of interest to IGO Hiring Oversight, and our office looks forward to working with DHR in developing ideas and proposals on this subject.

Department of Procurement Services

IGO Hiring Oversight was contacted on February 22, 2013, by a DHR Recruiter who reported that a portion of the interviews for a hire sequence in DPS had been conducted with an interview panelist who had not participated in Interview and Consensus Meeting Training (I & C Training) within the last year as required by DHR. DHR requires City employees who participate in interviews to attend I & C Training annually on a rolling basis. Further, City employees are only permitted to participate in interviews if they have attended I & C Training within one year of the date(s) of the interview(s) they will conduct. In this instance, the interviewer's I & C Training attendance expired one day prior to the first interview date and by the time DHR discovered this error, the interviewer had conducted two out of the 15 scheduled interviews.

In DHR's escalation of this issue, they recommended that DPS be allowed to continue the interviews as scheduled using the same interview panelists¹¹ and the panelist in question would receive I & C Training before the next scheduled interview. IGO Hiring Oversight did not object to this recommendation and further recommended that all DHR Recruiters: (1) inquire whether the interview panelists have received updated I & C Training during the intake meeting; and (2) verify that interviewers have attended I & C Training prior to the start of the interview for a position. DHR agreed with our first recommendation and

¹¹ DHR made this recommendation in order to satisfy Section II.C.7 of the General Hiring Plan and to prevent unnecessary delays in the hire process.

stated that DHR Recruiters will continue to remind departments of the I & C Training requirement. However, DHR disagreed with our second recommendation explaining it is more efficient for department human resources liaisons to verify I & C Training attendance. They further detailed that placing the burden on Recruiters would insert another point of DHR approval in the hire process and would cause unnecessary delays.

2. *Processing of Complaints. IGO Hiring Oversight receives complaints regarding the hiring process, including allegations of unlawful political discrimination and retaliation and other Improper influence in connection with any aspect of City employment.*

Complaints made to IGO Hiring Oversight may be resolved in several different ways depending upon the nature of the complaint. If there is an allegation of misconduct, the complaint may be referred to the Investigations Section of the IGO. If there is an allegation of a breach of policy or procedure, IGO Hiring Oversight may conduct an inquiry into the matter to determine if such a breach occurred. If a breach of policy or procedure is found, IGO Hiring Oversight may resolve the matter by making corrective recommendations to the appropriate department or referring the matter to the Investigations Section of the IGO. If no breach of policy or procedure is found, IGO Hiring Oversight may refer the matter to DHR and/or the appropriate department for resolution or close the complaint.

IGO Hiring Oversight received 29 complaints in the past quarter. Of those complaints, five were referred from the *Shakman* Monitor’s Office. The chart below summarizes the disposition of these 29 complaints as well complaints from the previous quarter which were not closed when we issued our last report.

Status	Number of Complaints
Complaints Pending from the 4 th Quarter of 2012	44
Complaints Received in the 1 st Quarter of 2013	29
Total closed in the 1 st Quarter	68
Closed by Referral to IGO Investigations	6
Closed by Referral to DHR	1
Closed with Recommendations to the Hiring Department and/or DHR	0
Pending with IGO Hiring Oversight as of 3/31/2013	5