



OFFICE OF THE INSPECTOR GENERAL *City of Chicago*

Joseph M. Ferguson
Inspector General

180 N. Michigan Avenue, Suite 2000
Chicago, Illinois 60601
Telephone: (773) 478-7799
Fax: (773) 478-3949

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CONTACT: (773) 478-0534
Jonathan Davey

Inspector General Releases Follow-Up Report on CDPH Pharmaceutical Audit

The City of Chicago Office of Inspector General (IGO) today released the findings of a follow-up report from a February 2009 audit that showed significant deficiencies in the Chicago Department of Public Health's (CDPH) inventory management at its pharmacy warehouse.

The report shows that although the warehouse is now closed, and CDPH clinics now order and store their own inventory, the CDPH has still failed to implement 10 of 11 IGO recommendations it had initially agreed to address.

In a February 2, 2009 press conference addressing the IGO audit report, then-CDPH Commissioner Dr. Terry Mason said the problems found by the IGO had been fixed in December 2008 because the warehouse operations had closed. However, today's follow-up report reveals Dr. Mason's statement to be inaccurate. The warehouse was not closed until December 31, 2010, fully two years later than was publicly claimed.

The 2009 audit determined that CDPH procedures for keeping track of vaccine, drug, and clinical supply inventory were highly defective. This led to inefficient reorder points, waste due to expired goods, unreliable physical inventory, and poorly maintained documentation. The procedures did not require the warehouse or fiscal administration section to reconcile inventory records. Additionally, warehouse practices failed to segregate incompatible duties which could allow for errors or irregularities to occur and go unnoticed. As a result, the items received and distributed by the warehouse were not properly safeguarded against theft and loss. In fact, a full and complete audit of the warehouse inventory was impossible because adequate records were not available for significant portions of the inventory.

The IGO appreciates there was significant turnover in CDPH leadership a year after the publication of the audit in February 2009. With that said, it is clear the departmental leadership transition appears to have neglected appropriately briefing incoming executives on the operational deficiencies found by the IGO audit and how to address those deficiencies. As such, the IGO believes that lax oversight from the Administration is to blame rather than current department leadership.

The IGO again recommends that CDPH management implement all recommendations from the 2009 audit as soon as possible. The IGO will conduct a second follow-up in the coming months.

The full report can be found [online](#) at the IGO website: www.chicagoinpectorgeneral.org. Follow the IGO on Twitter at [ChicagoIGO](#) for the latest information on how the IGO continues to fight waste, fraud, abuse, and inefficiency in Chicago government.

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