



**OFFICE OF THE INSPECTOR GENERAL**  
*City of Chicago*



***REPORT OF THE INSPECTOR GENERAL'S OFFICE:***

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***QUARTERLY REPORT OF THE INSPECTOR GENERAL'S OFFICE***

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**OFFICE OF THE INSPECTOR GENERAL**  
*City of Chicago*

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April 15, 2010

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 Inspector General's Office (IGO) during the first quarter of 2010, filed with the City Council pursuant to Section 2-156-120 of the Municipal Code of the City of Chicago. In order to provide more detail on the IGO and its activities, the enclosed report includes among other things, summaries of IGO investigations sustained this quarter. Given the confidentiality of IGO investigations as prescribed by City ordinance, the summaries do not reveal the subjects of investigations, but do detail the general nature and subject matter of the IGO investigations and the results of those investigations.

The revision of the IGO quarterly report was undertaken to better ensure that the activities of the IGO are transparent and accountable to both the City's elected officials and the City's residents. The report is also being distributed to heads of City Departments, for further distribution as they deem appropriate, in the hope that their employees may come to a more informed understanding of conduct governed by the City Personnel Rules and Department policies and procedures and the importance of executing official duties within those prescribed parameters.

The enclosed report is the IGO's inaugural foray into a more detailed reporting regimen to be further developed in future reporting cycles. The office therefore welcomes any suggestions or comments you may have on how it might improve future reports as part of achieving the shared goal of providing the public with a clearer, more informed understanding of City government, and the City's ongoing efforts to uncover and prevent fraud, corruption mismanagement and waste in pursuit of a more effective and efficient provision of City services.

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, 2010 through March 31, 2010. The report includes statistics that the IGO is required to report per the City’s Municipal Code, as well as a narrative description of the IGO’s activity.

**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 effectiveness and efficiency in the City of Chicago. The IGO is a watchdog for the taxpayers of the City, and has jurisdiction to conduct investigations and audits over most aspects of City government.

The IGO accomplishes its mission through investigations, audits, inspections, 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 Investigations 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**

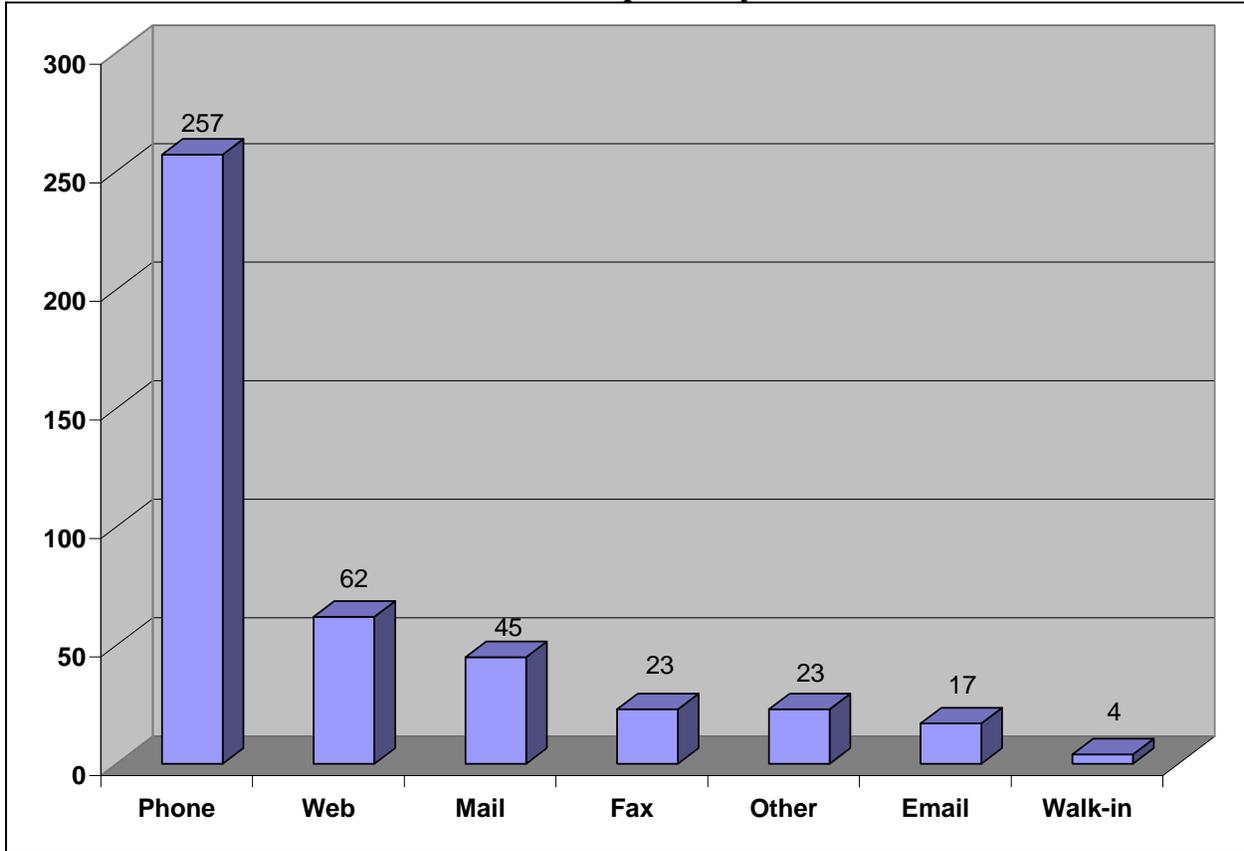
The IGO received 431 complaints over the preceding quarter. The following table provides detail on the actions the IGO has taken in response to these complaints.

**Table #1 – Complaint Actions**

Status	Number of Complaints
Declined to open an investigation	308
Investigation opened	80
Referred to another department/agency	43
<b>Total</b>	<b>431</b>

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. 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**



**2. Newly Opened Investigations**

Over the quarter, the IGO opened files in 123 complaints, all of which involved allegations of misconduct as opposed to allegations of waste or inefficiency. Of these 123 opened matters, 43 were immediately referred to other departments or investigative agencies. Thus, of 431 complaints received in the quarter, 80 proceeded to full IGO investigation, or 18.6% of all complaints received. Of the 80 newly opened investigations, 8 were found to be not sustained before the end of the quarter, while 72 remain open. The table below categorizes the 123 matters logged by the IGO based on subject.

**Table #2 – Subject of Investigations**

Subject of Investigations	Number of Investigations
City Employees	109
Contractors, Subcontractors, and Persons Seeking City Contracts	7
Appointed Officials	4
Elected Officials	3

**3. Cases Concluded in Quarter**

During the quarter, 117 matters were concluded. Forty-three of these were the aforementioned referrals to City departments or other investigative agencies. Of the remaining concluded matters, 20 were closed as sustained and 54 were closed not sustained. A case is sustained when the IGO determines that the available, credible evidence establishes proof of wrongdoing. 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 72 pending investigations initiated this quarter, the IGO has a total of 319 pending investigations.

**5. Investigations Not Concluded in Six Months**

Under the Municipal Code, the IGO must report on any investigations that are not concluded within six months of being opened. Of the 319 pending investigations, 224 investigations have been open for at least six months. The table below shows the general reasons that these investigations are not yet concluded.

**Table #3 – Reasons Investigations are not Concluded in Six Months**

Reason	Number of Investigations
Additional complaints were added during the course of the investigation.	9
Complex investigation. May involve difficult issues or multiple subjects.	117
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.	36
On hold, in order not to interfere with another ongoing investigation.	5
Under review by the Legal Section or the Director of Investigations prior to closing.	57
<b>Total</b>	<b>224</b>

**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<sup>1</sup> – a thorough summary and analysis of the evidence and a recommendation for disciplinary or other corrective action.

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<sup>1</sup> Per *Chicago Municipal Code*, sec. 2-56-060 (American Legal 2009), “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.”

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 recommending administrative action based on criminal conduct.

**1. Synopses of Cases**

The following are brief synopses of investigations completed and reported as sustained matters during the quarter. 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.<sup>2</sup>

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.<sup>3</sup> 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.

Given that this process can take several weeks, for some cases departments will not have had a chance to fully act on IGO recommendations. For cases in which the department has responded to the IGO but has not yet had a chance to act, this will be noted. For cases in which the department has not yet responded, the response will be listed as pending. 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.

Nineteen administrative cases were sustained this quarter. They are summarized below.

IGO Case # 05-0669

An IGO investigation uncovered evidence that a not-for-profit organization submitted false documents to the Department of Public Health (CPDH) for the purposes of supporting its activities and obtaining continued funding. In addition, the IGO found evidence that an employee of the not-for-profit sold HIV test kits which CDPH supplied to the not-for-profit at no cost.

Furthermore, the IGO’s investigation determined that a CDPH employee responsible for contract oversight of the not-for-profit failed to discover apparent errors and inconsistencies in quarterly

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<sup>2</sup> Per *Chicago Municipal Code*, sec. 2-56-110 (American Legal 2009), “All investigatory files and reports of the office of inspector general should be confidential and shall not be divulged to any person or agency, except to the United States Attorney, the Illinois Attorney General or the State’s Attorney of Cook County, or as otherwise provided by this chapter.” The synopses provided in this quarterly report in no way waive the confidential status of the IGO’s investigative files and reports.

<sup>3</sup> Departments may request an extension of up to 30 days.

reports submitted to CDPH, which, if detected, would have immediately alerted CDPH to the misconduct and mismanagement taking place. The IGO recommended that the not-for-profit employee be debarred<sup>4</sup>, and that the CDPH employee receive a three-day suspension.

CDPH imposed the IGO’s recommended three-day suspension and debarred the not-for-profit employee. In addition, CDPH took action against three other CDPH employees.

IGO Case # 05-1488

An IGO investigation found that a supervisory employee in the Mayor’s Office of Workforce Development (MOWD)<sup>5</sup> accepted \$2,200 for an international trip, and failed to disclose the gift on his/her Statement of Financial Interest (SFI). The employee resigned from City employment prior to the conclusion of the IGO’s investigation.

IGO Case # 05-1798

An IGO investigation revealed that two firms improperly collaborated on their City bids to ensure that their companies were selected for City business. In addition, one of the firms, in order to avoid a 2% automatic increase of its bid amount, falsely claimed to be a local business on its bid submission to the Department of Procurement Services (DPS) when in fact it was located outside the City. The IGO recommended that both companies be permanently debarred from all future City business.

DPS’s response to the IGO recommendation is pending.

IGO Case # 06-0407

An IGO investigation revealed that four employees of the Department of Human Services (DHS)<sup>6</sup> fraudulently altered the results of a departmental audit of delegate agencies which received millions of dollars in federal grant money through a program administered by DHS. Three of the four employees resigned during the IGO’s investigation. The IGO recommended that the remaining employee be suspended for one week and demoted.

The Department of Family and Support Services (DFSS) imposed the recommended week-long suspension, but declined to demote the employee, citing his/her performance at the newly created DFSS.

IGO Case # 06-0436

An IGO investigation showed that a Department of Streets and Sanitation (DSS) employee abused his/her official status by improperly providing a member of the public’s personal information to a third party in order to improperly steer business to the third party. The IGO recommended the employee be suspended for one week.

DSS gave the employee an oral reprimand.

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<sup>4</sup> In City contracting, debarment means to exclude a contractor or person from receiving any City contract.

<sup>5</sup> MOWD was folded into the newly created Department of Family and Support Services (DFSS) in 2009.

<sup>6</sup> DHS was folded into the newly created DFSS in 2009.

IGO Case # 06-0925

An IGO investigation found that several CDPH employees improperly accepted meals and other gifts from prospective vendors in excess of the amounts permitted by the City’s Ethics ordinance. Also, certain of the CDPH employees failed to comply with the City’s Dual Employment Policy and/or failed to properly complete their SFIs to reflect income from such secondary employment. The IGO recommended discipline ranging from written reprimands to five-day suspensions.

CDPH imposed the recommended discipline for several employees. For the remaining employees, CDPH has indicated that it intends to impose the recommended discipline, but the actions have not yet been taken.

IGO Case # 07-1021

An IGO investigation determined that an employee of the Department of Buildings (DOB), while on duty, was observed by a member of the public urinating in the gangway of his/her residence and other conduct unbecoming a City employee. The IGO recommended the employee’s termination.

DOB imposed the recommended termination.

IGO Case # 07-1388

An IGO investigation determined that an employee of DSS, Employee A, improperly obtained the log-on identification code of a retired co-worker and used that code to improperly access and edit computerized time records. In addition, the investigation determined that another DSS employee, Employee B, failed to timely deactivate the relevant log-on identification code when the employee to whom it belonged retired. The IGO recommended that Employee A be suspended for 14 days and that Employee B receive a written reprimand.

DSS’s responses to the IGO’s recommendations are pending.

IGO Case # 07-1555

An investigation revealed two supervisory Department of Water Management (DWM) employees were complicit in a broad and sustained effort to award *Shakman*-covered City jobs to candidates based upon political factors. The investigation further revealed that one of the employees mismanaged and wasted City funds. Additionally, during the course of the investigation, both employees made false, inaccurate, or deliberately incomplete statements to the IGO. The IGO recommended that both employees be terminated and not rehired.

One of the employees retired after the IGO report was issued and the other resigned.

IGO Case # 07-1684

An IGO investigation found that an employee of the Department of Aviation (DOA) failed to ensure that airport controlled-access badges issued by DOA were properly stored and secured. The IGO recommended that the employee be suspended for one week.

DOA’s response to the IGO recommendation is pending.

IGO Case # 08-0197

An investigation found that a DSS employee improperly used sick time while in police custody for two days. The IGO recommended that the employee be suspended for 14 days.

DSS's response to the IGO's recommendation is pending.

IGO Case # 08-0353

An IGO investigation found that an employee of DSS inappropriately sought out a member of the public at his/her home, and offered him/her a gift card in an effort to get him/her to intervene on the employee's behalf with DSS to avoid discipline for a previous incident involving the member of the public. The IGO recommended that the employee be suspended for 30 days.

DSS imposed the recommended 30-day suspension.

IGO Case # 08-0574

An IGO investigation revealed that an Office of Emergency Management (OEMC) employee, Employee A, knew or should have known that an OEMC filing to the Federal Communications Commission (FCC) by a supervisor was false. The false filing was made to obtain new radio channels.

During its investigation, the IGO discovered that a firm OEMC hired as a consultant for FCC issues did not have a contract with the City. Instead OEMC paid the firm by routing payments through unrelated contracts with other vendors who did have City contracts, effectively serving as pass-throughs, and charging the City an additional premium for doing so, all in clear violation of the City's procurement policies and procedures. The investigation found that Employee B failed to ensure that the contractual payments OEMC made to the firm were appropriate. In addition, the firm failed to fully cooperate with the IGO's investigation.

The IGO recommended that: (i) Employee A be suspended for 30 days, (ii) Employee B be suspended for 14 days, (iii) the firm be permanently debarred, and (iv) the pass-through contract vendors be required to return their mark-up premiums to the City.

OEMC's responses to the IGO's recommendations are pending.

IGO Case # 08-0774

An investigation determined that a DWM employee falsified a substantial amount of time on a regular basis by leaving his/her assigned route and engaging in personal activities. In addition, the investigation determined that the employee's supervisors failed to take adequate action to stop the employee's misconduct. The IGO recommended that the employee be suspended for 14 days, and the supervisors receive one to three day suspensions.

DWM's response to the IGO recommendation is pending.

IGO Case # 08-1371

An IGO investigation found that two supervisory Office of Compliance (Compliance) employees mishandled an intern's sexual harassment complaint against an OEMC employee for whom they

were already advocating on a separate personnel issue. The subject employees failed to objectively review the allegation, and neglected, overrode, and/or bypassed multiple City policies and procedures regarding the handling of such complaints. The IGO recommended each employee be suspended for a minimum of 30 days.

One of the employees resigned while the Mayor's disciplinary decision was pending. The Mayor imposed the recommended 30-day suspension on the second employee.

IGO Case # 08-1665

An IGO investigation revealed that an employee of the Department of General Services (DGS) improperly changed the work location of a subordinate in retaliation for the subordinate filing a Violence in the Workplace complaint against another employee. The IGO recommended that the employee be terminated for this misconduct.

DGS has indicated that it intends to impose the recommended termination, but the termination has not yet been imposed.

IGO Case # 08-2142

An IGO investigation showed that a supervisory Department of Transportation (CDOT) employee used the CDOT vehicle assigned to him/her for personal use. The IGO recommended that the CDOT employee be suspended for 30 days.

CDOT imposed the recommended 30-day suspension.

IGO Case # 09-0629

An IGO investigation showed that two employees of DGS, who were given responsibility for interviewing employees for promotion, improperly manipulated the grading sheets to favor a particular candidate. The IGO recommended that one of the employees be terminated and the other receive a 30-day suspension.

DGS has indicated that it intends to impose the recommended termination and 30-day suspension, but both actions have not yet been taken.

IGO Case # 09-1260

An IGO audit discovered that two televisions intended for a City facility went missing. An employee of a firm contracted to renovate the facility admitted to IGO investigators that he/she took the televisions and the firm terminated the employee following the IGO's investigation. The IGO recommended that the firm reimburse the City for the value of the televisions.

The firm reimbursed the City for the value of the televisions.

## 2. Policy Recommendations arising from IGO Investigations

One of the functions of the IGO is to recommend “to the mayor and the city council policies and methods for the elimination of inefficiencies and waste, and the prevention of misconduct.”<sup>7</sup> If IGO investigations reveal misconduct that is not being addressed by a City policy or procedure, the IGO recommends policy changes to the Mayor and the relevant department either in the summary reports that detail the investigation or in separate policy-focused reports. In the 19 sustained cases that were filed this quarter, there were two policy recommendations.

- (A) *CDPH Should Develop Better Oversight Procedures for Monitoring Outside Companies’ Interaction with CDPH Staff.*

### Recommendations to CDPH

The IGO recommended that CDPH prohibit gifts to individual employees or divisions from vendors who provide goods that employees can order or prescribe for their patients. The IGO also recommended that CDPH set up guidelines for acceptable training by outside sources to ensure that such training is beneficial, does not present a conflict of interest, and will not interfere with patient care. To ensure uniformity and consistency, these trainings should be coordinated from CDPH central management.

### CDPH Response<sup>8</sup>

CDPH indicated its intent to implement a total gift ban policy, and will work in consultation with the Board of Ethics (BOE) to develop said gift ban. Furthermore, CDPH also said it would implement a central intake procedure for logging, reporting and tracking the acceptance of samples from suppliers of goods which employees can order or prescribe for patients. Said central intake will be administered by central management office staff that do not order or prescribe medication for CPDH patients. Finally, CDPH intends to implement a procedure for logging, reporting and tracking the attendance by CDPH staff at professional training opportunities.

- (B) *CDPH Should Develop a Procedure for Receiving Complaints Against Its Vendors*

An IGO investigation revealed that CDPH lacked a clear process for reporting allegations of wrongdoing, and it had no process for tracking the resolution of complaints. As a result, the IGO recommended that CDPH should develop a formal protocol for receiving and documenting all complaints against an organization, and tracking any actions or follow-up made on those complaints. In addition, a supervisor, such as a director or assistant commissioner, should be responsible for acknowledging any responses to a complaint or allegation.

The IGO also recommended that CDPH remind all of its employees of their legal obligation to promptly report any allegations of wrongdoing to the IGO and of the potential consequences of

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<sup>7</sup> *Chicago Municipal Code*, sec. 2-56-030(c) (American Legal 2009).

<sup>8</sup> The departmental responses are from memos sent to the IGO. The responses are summarized and edited to ensure that no confidential information is revealed.

their future failure to do so. Finally, the IGO recommended that CDPH include language within all of its contracts with community-based organizations that expressly prohibits the resale of any equipment and/or materials provided by CDPH.

CDPH Response

CDPH indicated that it was developing a system for receipt and processing of feedback including compliments, complaints, and suggestions from its customers and vendors. That process will flow up to the appropriate deputy commissioner level. Deputy commissioners will be tasked with bringing any reports of serious wrongdoing to the executive team which consists of CDPH's deputy commissioners, the first deputy commissioner and the commissioner. In addition, CDPH will provide clear documentation of the matter and the process.

The new CDPH administration said it would issue a new letter to all CDPH employees regarding the duty of all city employees to promptly report any allegations of wrongdoing to CDPH and the IGO and the potential consequences for failure to do so. Additionally, CDPH will go beyond the recommendation and include language prohibiting the resale of any equipment and/or materials provided by CDPH, not only in contracts with community-based organizations, but in all of its contracts.

**3. Disciplinary and Other Corrective Action Recommendations**

In the 19 sustained cases, the IGO made 53 discipline or other corrective action recommendations. The number of recommendations can exceed the number of cases because cases can have more than one subject. The table below details the discipline or corrective action the IGO recommended.

**Table #4 – Discipline Recommendations**

Type of IGO Recommended Discipline	Number of subjects
<i>Employee Discipline</i>	
Reprimand	3
Suspension less than or equal to 10 days	15
Suspension 11 to 29 days	3
Suspension equal to 30 days	7
Termination	5
<i>Other Corrective Action</i>	
Debar	7
Do not (re)hire	7
Other	5
Cost Recovery	1
<b>Total</b>	<b>53</b>

(A) *Departmental Action*<sup>9</sup>

Of the 53 recommendations contained in this quarter’s 19 summary reports:

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<sup>9</sup> This data is as of April 14, 2010.

- In 13 instances, departments imposed the same discipline/corrective action recommended by the IGO.
- In 2 instances, a department imposed less discipline/corrective action than the IGO recommended.
- In 1 instance, a department imposed more discipline/corrective action than the IGO recommended.
- In 6 instances, subjects of the investigation resigned during the inquiry.
- For the remaining 31 recommendations, departments have not yet acted.

In 3 instances, a department imposed discipline/corrective action when the IGO did not recommend any discipline.

*(B) Results of Appeals or Grievances*

Under the City’s Personnel Rules and/or applicable collective bargaining agreements 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. The IGO monitors the results of administrative appeals before the Human Resources Board (HRB)<sup>10</sup> and grievance arbitrations concerning our disciplinary recommendations.

To date, one of the subjects involved in the 19 investigations that were completed in the quarter appealed his/her discipline to the HRB and a hearing has been set.

In future quarterly reports we will provide updates as appropriate on appeals or grievances concerning IGO disciplinary recommendations.

**D. CRIMINAL CASES**

As discussed above, in addition to administrative allegations, the IGO also investigates 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.

**1. Synopses of Cases**

One of the IGO cases concluded this quarter was criminal and is discussed below.

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<sup>10</sup> 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](http://www.cityofchicago.org/city/en/depts/dhr/auto_generated/dhr_our_structure.html) (accessed April 13, 2010)

(A) *Minority and Women Business Enterprise Fraud*

On February 4, 2010, the owner of a Chicago company certified as a minority and woman-owned business, her husband, and her company were indicted on federal fraud charges for allegedly steering minority contracts through the company and collecting more than \$9.5 million in fraudulent payments from three projects, including two at O’Hare International Airport. The company, Azteca Supply Co., allegedly fraudulently received \$9,695,168, between 2001 and July 2008 while being hired as a sham contractor on runway and restroom projects at O’Hare for the City of Chicago, and on a landscaping project at a new Metra commuter rail station for the south suburban Village of Orland Park.

Aurora Venegas, 61, president and sole owner of Azteca, and the company itself were each charged with five counts of mail fraud in a six-count indictment returned by a federal grand jury. Thomas Masen, 65, the comptroller and secretary of a Franklin Park concrete pipe manufacturing company, was charged with two counts of mail fraud and one count of making false statements to federal agents.<sup>11</sup>

*The public is reminded that an indictment contains only charges and is not evidence of guilt. The defendants are presumed innocent and are entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.*

**2. Developments in Prior Criminal Cases**

During the quarter, there were resolutions in several of the IGO’s prior criminal investigations.

(A) *Operation Crooked Code*

*Operation Crooked Code* is an ongoing federal corruption investigation undertaken jointly by the IGO and the U.S. Postal Inspection Service, the Federal Bureau of Investigation, and the U.S Attorney’s Office for the Northern District of Illinois, which became public in 2007 and has resulted in charges against more than two dozen defendants including 13 city inspectors. In the last quarter there have been several developments in pending federal cases.

(i) *City Plumbing Inspector Found Guilty of Bribery and Conspiracy*

On January 5, 2010, following a jury trial, Mario Olivella, a City Plumbing Inspector, was convicted of one count of bribery and one count of conspiracy for taking bribes to overlook code violations at a building at 1637 W. Granville in Chicago, Illinois. Sentencing is currently set for May 2010.

(ii) *Zoning Investigator and City Ventilation Inspector Found Guilty of Bribery*

On March 18, 2010, following a jury trial, Anthony Valentino, a City Zoning Investigator, and Thomas Zirola, a City Ventilation Inspector, were each found guilty of one count of bribery for

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<sup>11</sup> To view a copy of the indictment visit the following link.  
[http://www.chicagoinspectorgeneral.org/pdf/indictment\\_usndil\\_Azteca.pdf](http://www.chicagoinspectorgeneral.org/pdf/indictment_usndil_Azteca.pdf) (accessed April 7, 2010).

taking bribes to overlook code violations at a building at 2754 W. Washington Blvd. in Chicago, Illinois. Sentencing is currently set for July 2010.

*(iii) Real Estate Developer/Contractor Pled Guilty to Bribery*

On March 2, 2010, Patrick Gravin, a real estate developer and contractor, pled guilty to one count of bribery for paying bribes to obtain a Certificate of Occupancy for a building at 2827 W. Congress Parkway in Chicago, Illinois. Sentencing is currently set for May 2010.

*(iv) Former City Worker Sentenced for Bribery*

On March 10, 2010, Phyllis Mendenhall, formerly an Inquiry Aide II with the DOB, was sentenced to probation and home confinement following her February 2009 plea of guilty to two counts of bribery for taking bribes to issue Certificates of Occupancy at two properties: 922 N. Oakley and 5326-28 S. Prairie St. in Chicago, Illinois.

*(v) Former City Worker Sentenced for Bribery*

On February 23, 2010, Louis Burns, formerly a Clerk II with the Department of Construction and Permits (DCP), was sentenced to one year and a day following his November 2009 plea of guilty to one count of bribery for taking bribes in order to expedite the review of construction plans for a building undergoing renovation located at 1332 N. Milwaukee Ave. in Chicago, Illinois.

*(B) A Former City Worker Pled Guilty to Theft and Repaid the City \$20,000*

On March 4, 2010, a former project administrator for the Department of Cultural Affairs (DCA) pled guilty in Cook County Criminal Court to one count of felony theft. Ming Liu (now Ming Liu Bengtsson) was indicted last August for felony theft, forgery, and official misconduct, following an IGO investigation.

During the course of an unrelated investigation in July 2008, the IGO discovered a copy of a \$20,000 check, made out to the defendant. An inconsistency in the check's signature led to further scrutiny by the IGO. Investigators found that Liu had written the check to herself, forging the signature of the Chicago Tourism Fund's executive director. She then altered the payee of the check in the fund's electronic accounting system to avoid detection.

*(C) A Former Non-profit Executive Pled Guilty to Theft and Repaid the City \$100,000*

On January 28, 2010, the former head of a non-profit social service organization pled guilty to one count of felony theft of government funds. Patti Buffington, 51, of Chicago was arrested in October 2006 and charged for the misappropriation of city, state, and federal funds provided to Genesis House - an organization that assists women in leaving prostitution. Buffington pled guilty pursuant to a plea agreement negotiated with the Cook County State's Attorney's Office, under which she paid \$100,000 in restitution to the City of Chicago at the time of her plea. She will serve one year in state prison.

*(D) A Former City Worker Was Acquitted on Charges of Theft*

Following a joint investigation with the Cook County State's Attorney's Office, Kevin

O’Gorman, a former City worker with DGS who resigned in 2007, was charged with Felony Theft of Property (a Class 2 Felony) and Official Misconduct (a Class 3 Felony), for allegedly using City funds to obtain unauthorized materials for his personal use. On January 20, 2010, after a bench trial lasting several days, the trial judge acquitted the defendant of all charges.

**E. HIRING COMPLIANCE**

On February 8, 2010, the Mayor announced a proposal to transfer responsibility for monitoring of the City’s hiring and employment compliance with the law and protocols imposed under the *Shakman* Accord from Compliance to the IGO. On March 26, 2010, the City Council passed a budget neutral amendment to the 2010 Annual Appropriation Ordinance to give the IGO additional resources to fulfill this new responsibility. Specifically, the budget amendment provided for the transfer of six positions from Compliance to the IGO. This legislative action resulted in the transfer of two employees who previously worked in Compliance to the IGO and four vacant positions, which the IGO will fill as soon as the positions are opened for hire by the Office of the Mayor. Because this responsibility was only recently transferred to the IGO and the full provision of the necessary support resources is still pending, there is no information to report in this area. Future quarterly reports will fully detail these activities in this important new IGO function.

**F. AUDITS/REVIEWS**

The IGO Audit Section and the IGO’s Special Assistants conduct independent and professional audits, reviews, and evaluations of the operations of City departments, programs, functions, and those doing business with the City. These engagements focus on the integrity, accountability, economy, efficiency and effectiveness of each audit/review subject. No audits/reviews were released this quarter. The following are the quarterly statistics for the IGO’s audits and reviews.

**Table #5- Audit Statistics**

<b>Status</b>	<b>Number</b>
Audits/Reviews Initiated	0
Audits/Reviews Closed	0
Audits/Reviews Pending	15