



OFFICE OF INSPECTOR GENERAL
City of Chicago



REPORT OF THE INSPECTOR GENERAL'S OFFICE:

***CHICAGO POLICE DEPARTMENT
EVIDENCE AND RECOVERED PROPERTY SECTION
AUDIT***

SEPTEMBER 2012



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Inspector General

OFFICE OF INSPECTOR GENERAL *City of Chicago*

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

The City of Chicago Office of Inspector General (IGO) has completed an audit of the Chicago Police Department (CPD) Evidence and Recovered Property Section (ERPS).

The IGO audit found that ERPS personnel could not locate a significant number of evidence and property held in CPD custody. While conducting the audit, we determined that CPD had weaknesses in several areas that may have contributed to the shortfalls found in the audit. These included:

- A lack of written policies and procedures for day-to-day operation of the ERPS;
- No documented response to recommendations made to remedy operational deficiencies in the ERPS found in a 2005 internal audit conducted by CPD's Auditing and Internal Control Division;
- Present operations address only one of the eight recommendations advanced in the 2005 report; and
- A CPD directive designed to promote accurate recording and timely transfer of inventory to ERPS facilities was not being followed.

In the aggregate, the audit findings reflect that current CPD management inherited an evidence and property control system that for many years has operated with substandard controls and error rates substantially greater than the prevailing "zero tolerance" standard in the law enforcement community. This is a serious concern for a number of reasons, including:

- The potential for compromising of court proceedings—criminal and civil litigation—and administrative hearings due to inventoried evidence items that cannot be located;
- Possible challenges to the admission of and risk of suppression of even those evidence items that can be located as a result of the absence of formal written policies and procedures governing their handling and administration;
- Risk of potential litigation and damages awards against the City for property owners who are unable to recover lost or misplaced property held and maintained in CPD ERPS custody.
- Risk to the public safety and welfare posed by the loss, (including the possible theft), of dangerous items in ERPS custody.



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We also found that ventilation of narcotics storage areas had not been tested for compliance with industry standards notwithstanding complaints made to CPD management of physical symptomology by ERPS personnel working in close proximity to large amounts of stored narcotics substances. (The IGO referred this information to Illinois OSHA.)

This audit report is intended to assist CPD management in managing and improving operations. As reflected in CPD's management responses to the IGO audit recommendations, it is planning to take corrective action on many of the deficiencies found during the audit and has convened a task force to improve the electronic inventory records system. We note that CPD's ultimate success in bringing its evidence and property controls up to national standards may require additional resources and the cooperation and assistance of other components of the criminal justice community in the Chicago area including, among others, the Cook County States Attorney's Office.

The IGO thanks the CPD Bureau of Administration and particularly the Evidence and Recovered Property Section for their cooperation and assistance during this audit.

Respectfully,

Joseph M. Ferguson
Inspector General
City of Chicago

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I. AUDITOR'S REPORT

The Inspector General's Office performed an audit of the Chicago Police Department Evidence and Recovered Property Section (ERPS). We conducted the audit during the period from December 21, 2011 through July 20, 2012.

The authority to perform such an audit is established in the City of Chicago Municipal Code § 2-56-030 which states that the Inspector General's Office has the power and duty to review the programs of City government in order to identify any inefficiencies, waste, and potential for misconduct, and to promote economy, efficiency, effectiveness, and integrity in the administration of City programs and operations.

Our purpose was to observe, test, and evaluate inventory processes at ERPS to determine whether inventory is properly accounted for and the related procedures were effective and accurate. CPD management is responsible for establishing and monitoring effective internal controls to properly safeguard and account for evidence and property.

We conducted this audit in accordance with generally accepted Government Auditing Standards (GAS) issued by the Comptroller General of the United States, except standard 3.96 which requires a peer review of the audit organization.¹ Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit tests found that ERPS personnel could not locate all items and records sampled. The IGO and CPD management agreed that the standard used to determine if ERPS is maintaining inventory effectively is no errors in locating inventory or records. Therefore, we conclude that ERPS internal controls failed to ensure that evidence and property were adequately protected, properly documented, and readily available when required. In conducting the audit, we found that CPD lacked written policies and procedures for day-to-day operation of the ERPS. This deficiency may have contributed to the control shortfalls found in the audit. In addition, we found that: CPD had no documented response to recommendations made by CPD's Auditing and Internal Control Division in 2005 to remedy operational deficiencies in the ERPS; present operations address only one of the eight recommendations advanced in the 2005 report; and a CPD directive designed to promote accurate recording and timely transfer of inventory to ERPS facilities was not being followed. We also found that ventilation of narcotics storage areas had not been tested for compliance with industry standards notwithstanding complaints of physical symptomology made to CPD management by ERPS personnel working in proximity to large amounts of stored narcotics substances.

We thank the CPD and particularly the ERPS management and staff for their cooperation during the audit. Their assistance contributed significantly to the successful completion of the audit.

City of Chicago Office of Inspector General

¹ GAS 3.96 requires that organizations performing audits in accordance with GAGAS undergo a peer review of the organization at least once every three years. The IGO is scheduled for such an external review in 2012.

II. EXECUTIVE SUMMARY

The Inspector General's Office (IGO) performed an audit of the Chicago Police Department (CPD) Evidence and Recovered Property Section (ERPS) from December 2011 through July 2012. ERPS is responsible for the receipt, storage, safekeeping, release, and disposal of evidence and property (E&P) found or seized by CPD. ERPS records show over 2.2 million items stored at two facilities.

The objectives of the audit were to determine if:

- E&P are adequately protected, properly documented and readily available when required;
- controls are adequate to ensure that E&P are received at ERPS within seven days of being inventoried at a District location, as required by CPD Special Order S07-01-02; and
- ERPS implemented the recommendations made by the CPD Auditing and Internal Control Division in its June 2005 audit of Inventoried Weapons and Narcotics.

Audit tests found that ERPS personnel could not locate 2.8% of items sampled from inventory records and were unable to find documentation for 3.8% of physical inventory sampled. Therefore, we conclude that ERPS internal controls failed to ensure that evidence and property were adequately protected, properly documented, and readily available when required. The lack of written policies and procedures for day-to-day operations may have contributed to this deficiency.

We also found the following deficiencies:

- CPD lacked documented response to recommendations made by the CPD Auditing and Internal Control Division in 2005 and current operations address only one of the eight recommendations made in 2005.
- Special Order S07-01-02 Item V-C-2 regarding the transfer of property to ERPS within seven days of approval at a District location is not being followed.
- Ventilation in the ERPS narcotics storage area had not been evaluated for compliance with industry standards notwithstanding complaints of physical symptomology made to CPD management by ERPS personnel working in proximity to large amounts of narcotic substances stored in the ERPS facilities.

As a result of these findings we recommend that CPD management immediately design and implement internal controls to ensure that all physical inventory and records are accurately tracked and can be readily located at all times. We also recommend that CPD management implement the recommendations made by the Internal Auditing and Control Division of in 2005, implement the necessary changes to ensure inventory is transported timely to ERPS and its location is accurately recorded, and adopt the standards established by the International Association for Property and Evidence related to ventilation systems within the narcotics storage area.

III. BACKGROUND

The Chicago Police Department (CPD) Evidence and Recovered Property Section (ERPS) is responsible for the receipt, storage, safekeeping, release, and disposal of evidence and property found or seized by CPD. ERPS performs the critically important function of ensuring proper chains of custody and physical integrity of evidence that may be used to support criminal prosecutions, and securing contraband, including items that may be harmful to the public health, welfare and safety. In September 2011 ERPS was transferred organizationally from the CPD Bureau of Detectives to the Bureau of Administration where the function remains as of the writing of this report. ERPS is led by the Chief of Administration, who reports to the Superintendent of Police. ERPS staff consists of 51 sworn officers and 13 civilian employees. Evidence and property (E&P) is stored at two locations: the main facility on Homan Avenue and a bulk storage facility on South Michigan Avenue.

Types of Evidence and Property

CPD has several Special Orders (i.e., directives) related to how E&P are taken into custody. These Special Orders describe the responsibilities of the arresting/recovering officer for the various types of E&P such as jewelry, narcotics, cash, and weapons, and provide related instructions to district officers and transporting officers.² They provide limited guidance on responsibilities and procedures for ERPS personnel.

When an E&P item is taken into custody, it is classified into a category that determines its ultimate disposition and availability for return to the owner. The categories are marked on receipts provided to property owners as follows:³

- 1. Property available for return to owner:** A receipt is given to the owner marked "Property Available for Return to Owner." If the owner or owner's designee does not claim the property within 30 days of the date on the receipt, it is considered abandoned under Chicago Municipal Code Section 2-84-160 and subject to forfeiture under Illinois statute (*see* 765 ILCS 1030/1, et seq.).
- 2. Property held for evidence or investigation:** A receipt is given to the owner marked "Hold for Investigation and / or Evidence." If the property is neither money nor subject to forfeiture laws (e.g., items related to narcotics, gambling or prostitution offenses are subject to forfeiture), the owner may claim the property after obtaining a court order from a criminal court judge (*see* 725 ILCS 5/108, et seq.). Under Chicago Municipal Code Section 2-84-160 the owner has 30 days from the date of receipt if no legal proceedings are involved, or 30 days from the final court date of the proceedings in which their property was inventoried to claim it before the forfeiture process begins.

² The two primary Special Orders related to property are S06, "Processing Persons," and S07, "Processing Property." Special Orders are available on the CPD web site at <http://directives.chicagopolice.org>.

³ The categories are summarized from "Notice to Owners of Property Inventoried by Chicago Police Department," accessed July 23, 2012, https://portal.chicagopolice.org/portal/page/portal/ClearPath/About%20CPD/Police%20Records%20%20Procedures/CPD-34,523_Part_4_English.pdf.

- a) **Money held for evidence or investigation:** A receipt is given to the owner marked “Hold for Investigation and/or Evidence.” Money not subject to forfeiture may be reclaimed “on the 31st day after the date it was inventoried unless the CPD, the Cook County State’s Attorney or another applicable authority obtains a court order or search warrant to retain custody of the money.” If the money is not picked up within 60 days from the date it becomes available, a check is mailed to the address provided on the receipt.
 - b) **Property that may be subject to forfeiture:** If a receipt is marked “Hold for Investigation and/or Evidence” and the incident involves a forfeitable offense (e.g., narcotics, gambling, or prostitution offenses), the property may be subject to forfeiture. If a forfeiture probable cause hearing determines that the property may be returned to the owner, the CPD sends a letter to the owner stating how to claim the property.
- 3. Found Property:** Lost or abandoned property is disposed of according to Illinois statute, which requires CPD to attempt to locate the owner and return the property. If after six months the owner has not been identified, CPD may sell, donate, or transfer custody of the property to the State (*see* 765 ILCS 1030).⁴

Storage and Security

E&P items are first secured at the Police District level using various types of sealed packages depending on the type of item (see Special Order S07-01). Handguns and ammunition, for example, are secured separately in evidence envelopes. These envelopes are heat sealed with a list of the contents attached and a record maintained at the District where the E&P were recovered and initially recorded.

There are separate locked areas within the Homan Ave. building to house the various types of E&P. There are separate secured rooms for weapons and ammunition, narcotics, cash and other E&P including an area for arrestee personal property. Each room is secured floor-to-ceiling with steel cages. To gain entry, employees assigned to the areas must enter a password and scan their palm and fingers in a biometric security device. Employees’ access is limited to their assigned areas and approved by the ERPS commanding officer. Employees working in the room where guns and ammunition are stored do not have access to the narcotics room.

Prior to September 2007, all arrestee personal property not held for evidence or subject to forfeiture accompanied the arrestee upon his or her transfer to Cook County custody. Effective September 16, 2007, the Cook County Sheriff placed restrictions on accepting arrestees’ personal property from other law enforcement agencies. CPD Special Order S06-01-12 complies with the County restrictions by allowing transfer of very limited personal property with the arrestee.⁵ All other items of arrestee personal property are inventoried by the arresting/assisting CPD officer and remain in CPD custody.

⁴ As noted in the Scope section of this audit report, the audit scope included items in categories 2 and 3 but excluded property available for return to owner.

⁵ CPD Special Order S06-01-12 V (A). Outer garments may also remain with the arrestee and not be inventoried unless they pose a safety threat to arrestees or other persons, per S06-01-12 V (B).

As a result of this 2007 change ERPS established a separate inventory section to handle arrestee personal property acceptance and disposal. The increase in the amount of arrestee personal property that ERPS must store has reduced space available for other property.

Disposal

Some items released from ERPS are returned to their owners, as described above. Special Order S07-01-03 titled “Administrative Disposal of Property” allows ERPS management to dispose of any found property or arrestee personal property held longer than 30 days, as well as items associated with felonies or misdemeanors where the appeals process or the statute of limitations for prosecution has expired.⁶ Items approved for disposal may be auctioned, donated, destroyed, or distributed to the Department or other City agencies for their use. Items not eligible for Administrative Disposal of Property generally require a court order in order to be released for disposal.

Recordkeeping

CPD has two recordkeeping systems for inventory: a legacy paper-based system called “Chicago Evidence Recovery Tracking System” (CERTS) and an electronic system called “eTrack” introduced in 2001. Prior to 2001, E&P were inventoried through CERTS using a five-part form in conjunction with an inventory book maintained at the police district locations, as summarized in S07-01.

When the inventory item arrived at ERPS, employees compared two forms in order to verify that the item received matched the item originally recovered by the field officers. The storage location within ERPS was then written on one form and filed in file cabinets at each ERPS facility. CERTS inventory records are converted to eTrack when inventory is signed out for a criminal proceeding and returned to ERPS or when ERPS personnel dispose of the inventory. A manual search must be conducted for hard copy documentation associated with inventory still in CERTS.

Pursuant to Special Order S07-01-02, E&P are now inventoried using eTrack, a web-based software application designed to allow data entry of and access to inventoried property records from any CPD computer. Although access is available to all CPD officers, controls have been created to limit data changes depending on the officer’s rank and position.

As of March 1, 2012, active inventory in eTrack totaled over 2.2 million records, excluding arrestee personal property. The additional number of items recorded in CERTS that have not been converted to eTrack is unknown since CERTS is a manual system.

⁶ The retention period for found property and arrestee personal property was reduced from 60 days to 30 days in May 2012. CPD Special Order S07-01-03, accessed August 8, 2012, <http://directives.chicagopolice.org/directives/data/a9fe0202-12ce5c17-7e612-ce69-74af6e04be9ff877.html?ownapi=1>.

IV. OBJECTIVES, SCOPE, AND METHODOLOGY

A. Objectives

The objectives of the audit were to determine if:

1. E&P are adequately protected, properly documented and readily available when required;
2. controls are adequate to ensure that E&P are received at ERPS within seven days of being inventoried at a District location, as required by CPD Special Order S07-01-02; and
3. ERPS implemented the recommendations made by the CPD Auditing and Internal Control Division in its June 2005 audit of Inventoried Weapons and Narcotics.

B. Scope

The scope of this audit included:

- E&P classified as “Received” (i.e., stored at an ERPS location) in either CERTS or eTrack as of March 1, 2012;
- E&P physically present at ERPS main facility (Homan Ave.) and bulk storage facility (South Michigan Ave.) during field work in April and May 2012 regardless of date the inventory was received;
- processes, procedures, and data systems used by ERPS in recording and receiving E&P;
- environmental and loss protection controls for inventoried E&P; and
- verification that inventory is transferred to ERPS within seven days in accordance with Special Order S07-01-02.

The scope of this audit did not include inventory held by other CPD divisions (e.g., Asset Forfeiture, Forensic Services), arrestee personal property that is not being held for evidence or investigation, or inventory intake procedures prior to E&P acceptance at ERPS (other than adherence to Special Order S07-01-02).

C. Methodology

Audit steps included:

1. selecting samples from eTrack⁷ and CERTS systems and tracing to physical inventory at ERPS facilities;
2. selecting samples from ERPS physical inventory and tracing to eTrack and CERTS systems;
3. obtaining from CPD Data Systems a database query related to compliance with Special Order S07-01-02;
4. interviewing employees of ERPS and other CPD sections with knowledge of ERPS processes and procedures; and
5. reviewing the CPD Auditing and Internal Control Division 2005 Audit Report of Inventoried Weapons and Narcotics.

⁷ To assess the reliability of the eTrack inventory data, we (1) reviewed related documentation such as the user manual and Special Orders, and (2) talked with CPD data systems officials about data quality control procedures. The results of our testing showed that the data were sufficiently reliable for the purposes of this report.

V. AUDIT FINDINGS AND RECOMMENDATIONS

A. **Finding 1: Inventory Could Not Be Located**

The inability to locate inventoried items may result in evidence not being available for criminal trials, civil litigation or administrative hearings, making such prosecutions more difficult or potentially impossible. It could also result in property owners being unable to reclaim items no longer held for evidence with consequent legal exposure to the City in the form of compensatory damages to owners of lost or misplaced property. Therefore, the standard used to determine if ERPS is maintaining the inventory effectively and appropriately is no errors in locating inventory or records. CPD management agreed that there should be no errors.

As described in the Background section of this report, CPD uses two different inventory systems to maintain evidence and property at the ERPS facilities: the paper-based CERTS system and the electronic eTrack system. We sampled from both systems in order to test whether the records accurately reflected the actual inventory (records-to-physical inventory testing) and whether the actual inventory was accurately recorded in the databases (physical inventory-to-records testing).⁸

To test the CERTS system we randomly selected 52 inventory items stored in the ERPS facilities and traced them back to the records. We were unable to locate two inventory records, or 3.8% of the items sampled. We also randomly selected 60 CERTS records from the file cabinets and searched for the related items in the facilities. We were able to readily locate all of the items.

To test the eTrack system we randomly selected 150 inventory items stored in the ERPS facilities and traced them back to the eTrack database provided by the CPD Data Systems Division. We were able to locate all 150 related records in the database. We also randomly selected 249 eTrack records and searched for the related items in the facilities. We were unable to locate seven inventory items, or 2.8% of the records sampled.

Inventory Test Results

Inventory System	Recorded Inventory not Found in Physical Inventory (percent of sample)	Physical Inventory not Found in Records (percent of sample)
CERTS	0%	3.8%
eTrack	2.8%	0%

ERPS personnel did not know why 2.8% of the items could not be located, but offered the following possibilities: theft, destruction or sale, the records were not updated, or the inventory item location listed in the database was inaccurately recorded.

We asked if there are written policies and procedures provided to ERPS personnel for their day-to-day activities, including the recording and updating of inventory records and the disposal of

⁸ Sample sizes for testing were designed to obtain a representative sample from the population sufficient to provide a reasonable determination as to the accuracy of the inventory, accommodate auditor resources available for physical testing, and minimize disruption to ERPS operations.

property. ERPS management responded that while there are Special Orders related to some ERPS responsibilities, there are no written policies and procedures for such day-to-day operations.

Professional standards established by the International Association for Property and Evidence (IAPE) state that there should be written operations manuals detailing procedures for the receipt, handling, storage, and disposal of E&P for personnel working in evidence and property units.⁹

The lack of a written operations manual for day-to-day ERPS activities may be a significant contributing factor to the inaccurate inventory recording and tracking deficiencies encountered in our audit.

Recommendation: We recommend that CPD management design and implement internal controls to ensure that all physical inventory and records can be located. These controls should include a written operations manual for procedures used by ERPS personnel, in accordance with IAPE standards. This manual should be used to enforce correct practices among existing employees and train new employees.

Management Response: *“The Chicago Police Department [CPD] has initiated processes to update the current ‘e Track’ inventory system to ensure an accurate accounting of all inventoried property is maintained within the ‘e Track’ system.”*

⁹ Joseph T. Latta and Robert E. Giles, “International Association for Property and Evidence, Inc.: Professional Standards,” Standard 2.1, revised March 29, 2010, accessed July 23, 2012, <http://www.iape.org/pdfFiles/IAPE-standards-2-10.pdf>.

B. Finding 2: CPD 2005 Internal Audit Report Recommendations Were Not Implemented

In 2005 the CPD Auditing and Internal Control Division conducted an audit of weapons and narcotics inventoried by ERPS. The audit had four findings:¹⁰

1. “Approximately 66% of the CERTS inventories have not been converted to the eTrack inventory system due to manpower constraints.”
2. “The fact that ERPS is using a dual inventory system often creates delays in tracking the status of inventories and physically locating them.”
3. “Based upon the age of many of the inventories, indications in the computer system that some of the inventories have already been destroyed and the massive amount of paper files, it is highly probable that documentation has either been misfiled through the years or destroyed in accordance with the rules of record retention.”
4. “Factors contributing to ERPS property backlog are: 1) failure to properly categorize the property when initially completing the inventory; 2) the failure of the courts to formally release inventoried property for disposal; and 3) lack of an adequate tracer system. As a result, the Homan Ave. facility is nearing its current maximum capacity level for inventory storage.”

The table below summarizes the 2005 audit recommendations and the status of corrective actions as reported to the IGO by the CPD Inspections Division (the division currently responsible for internal audits). Neither the Inspections Division nor ERPS could locate any documented response to the 2005 audit recommendations. The Inspections Division Commander researched the extent of corrective action at the request of the IGO and, as shown in the following table, determined that only one of the eight¹¹ audit recommendations was implemented: new recruits and newly promoted sergeants now receive eTrack training.

Recommendation	Corrective Action Taken
1. (a) Recruits in the Police Academy and newly promoted sergeants should receive eTrack training, and (b) an informational video should be created to periodically remind all CPD personnel about inventory categories and procedures.	1. (a) <u>Implemented</u> . Recruits and newly promoted sergeants now receive eTrack training. 1. (b) <u>Not Implemented</u> . No video could be located.
2. CPD should work with the Chief Justice and Cook County State’s Attorney’s office to establish a blanket court order for the disposal of inventory connected to eligible adjudicated cases, found property, and weapon turn-ins.	2. <u>Not Implemented</u> . No court order was obtained.

¹⁰ Chicago Police Department Auditing and Internal Control Division, “Audit of Inventoried Weapons and Narcotics,” A&ICD Task #2005-090, November 10, 2005, 7.

¹¹ The 2005 audit report listed seven recommendations but the first had two discrete parts, only one of which has been implemented, so we count eight total recommendations.

3. CPD should create a temporary task force to convert all remaining CERTS inventory records to eTrack.	3. <u>Not Implemented.</u> Anecdotally, there have reportedly been attempts to convert more CERTS records to eTrack but any such efforts, to the extent they may have been undertaken, have not been sustained.
4. CPD should work with the Chief Justice and Cook County State's Attorney's office to create a computer link showing case dispositions and enabling online orders for disposal of inventories related to adjudicated cases.	4. <u>Not Implemented.</u> No link has been created.
5. CPD should reinforce use of "tracers" (i.e., reminders to determine whether or not property may be disposed of) so that inventory will be disposed of frequently. This would create more storage space, reduce opportunities for inventory loss, and possibly generate more income through property auctions.	5. <u>Not Implemented.</u> Tracers are not regularly used.
6. ERPS should work with the CPD Data Systems Division to incorporate an automatic tracer system into eTrack.	6. <u>Not Implemented.</u> Automatic tracer system has not been created.
7. Random and periodic inventory audits should be performed to ascertain whether items are in the correct locations and paperwork matches physical inventory.	7. <u>Not Implemented.</u> The Inspections Division conducts occasional audits of inventory storage at district locations and during unit-level shift changes but is not aware of any ERPS internal audits.

The majority of recommendations in the 2005 audit suggest ways to relieve the property backlog through timely disposal of inventory. In May 2008 CPD management attempted to reduce the backlog by introducing an Administrative Disposal Policy. The Bureau of Administrative Services Deputy Superintendent requested a policy for disposal of certain types of ERPS inventory in order to alleviate storage problems at the two ERPS facilities, stating in a memo to the Superintendent of Police that "both are at capacity and expansion is not feasible at the present time." The Superintendent approved the new Administrative Disposal Policy. Special Order S07-01-03 currently allows ERPS management to dispose of any found property or arrestee personal property held longer than 30 days, as well as items associated with felonies or misdemeanors where the appeals process or the statute of limitations for prosecution has expired.¹²

Despite the introduction of the Administrative Disposal Policy it does not appear that the storage space problems at ERPS facilities have been alleviated. We observed inventory stacked almost

¹² The retention period for found property and arrestee personal property was reduced from 60 days to 30 days in May 2012. Special Order S07-01-03, accessed August 8, 2012, <http://directives.chicagopolice.org/directives/data/a9fe0202-12ce5c17-7e612-ce69-74af6e04be9ff877.html?ownapi=1>.

to the ceiling at the Homan Ave. facility, obstructing security cameras in some areas.¹³ ERPS personnel stated that in order to create enough space for incoming items, existing inventory often had to be disposed of first. We also noted instances where a recovering officer had failed to properly categorize property when completing the initial inventory record, resulting in items remaining in storage for years unnecessarily.

In addition, ERPS and Inspections Division personnel identified to the IGO two barriers to timely disposal specifically of inventoried money:

- 1) There is no police directive instructing ERPS personnel how to dispose of special money inventory when the original owner cannot be found. For example, rare coins, stamps, and silver certificates could be auctioned, but instead have been retained.
- 2) ERPS cannot deposit money subject to forfeiture without obtaining approval from the CPD Asset Forfeiture Division, which is at least one year behind in its forfeiture approvals.

In summary, we conclude that the factors contributing to the ERPS property backlog reported in the 2005 CPD internal audit report still existed at the time of the IGO audit fieldwork in April and May 2012. Only one of the recommendations made in the 2005 report had been implemented, and CPD management could not locate any documented response to the audit recommendations.

Recommendation: We recommend that CPD implement the recommendations made by the Auditing and Internal Control Division in its 2005 audit, and take any additional actions that will alleviate the storage space constraints at ERPS facilities.

Management Response: “CPD 2005 Internal Audit Report recommendations were not implemented. This finding has four [4] issues addressed.”

Sub Finding #1 / CERTS Inventories not converted to ‘e Track’: – An internal CPD Task Force has been tasked with ensuring all CERTS inventories are converted into the ‘e Track’ application in as timely a manner as possible. **Due to a lack of personnel resources and funding the 2005 audit recommendation was not completed.**

Sub Finding #2 / Use of dual inventory system creating delays: – Issues surrounding the dual inventory systems of CERTS and ‘e Track’ will be corrected once all CERTS inventories have been converted to ‘e Track’. The CPD is determining whether this can be done ‘in house’ or if the process needs to be out sourced.

Sub Finding #3 / Missing or misfiled information on inventoried items: – The age of many inventories suggests that the inventories have either been destroyed or information regarding their location has been misfiled. The ERPS has been tasked with conducting an audit of all CERTS inventories to establish the status of the items in question.

¹³ During the IGO audit, CPD management was in the process of reviewing ERPS security systems and had obtained a vendor proposal that included adding security cameras and realigning existing cameras for improved visibility.

The CPD constructed a listing of all outstanding inventories identified as 'open' and created an inventory checklist for these inventories. Each CPD Patrol Division District was provided with a listing of all outstanding inventories in need of a status determination.

Sub Finding #4 / Factors contributing to the ERPS property backlog: – Three factors were found to have contributed to the property backlog:

1) **Failure to properly categorize the property when initially completing the inventory.** This issue will be addressed in a threefold manner: a) establishment of new processes within the overall inventorying process to ensure proper categorization of items in question; b) placing stringent supervisory responsibilities on approving members to ensure items are properly categorized; c) aggressive training processes – *increased training for Probationary Police Officers during their initial training – *additional on-line training through the CPD's Training Division "e learning" portal – *increased emphasis on ensuring adequate supervisory oversight is present during the approval of each inventory.

2) **The failure of the courts to formally release inventoried property for disposal.** The CPD will work with the Chief Judge of the Circuit Court of Cook County and the Cook County State's Attorney's Office to create interfaces to court and state's attorney systems to provide case disposition information which can enable an online determination for disposals of inventories.

3) **Lack of an adequate tracer system.** Reinforce the 'tracer' process through automated notifications to officers identifying outstanding inventories requiring disposition status. Items in question can be determined in part by interfaces created to court and state's attorney systems indicating case dispositions. Develop automated follow-up reminders to officers (i.e. 'tracers') that are sent to officers requiring a response to inventoried items."

C. Finding 3: Police Directive Designed to Promote Timely Transfer of Evidence and Property to ERPS and Accurate Recordkeeping Was Not Being Followed

CPD Special Order S07-01-02 titled “Phase 2-ETrack Inventory System for Property Taken into Custody” describes procedures for recording and transporting inventory. One of the responsibilities prescribed in S07-01-02 Item V-C-2 is for desk sergeants to query the eTrack system at the beginning of each second watch shift for any inventories that have been approved for transfer to ERPS facilities but have not been transferred within seven days of approval.¹⁴ If the query shows any approved items have not been transferred within seven days, the desk sergeant must determine the reason for the delay and “take the necessary action to ensure that the property is made ready for transport or that the eTrack system is appropriately updated.” This procedure promotes timely transfer of inventory to ERPS facilities and accurate inventory recordkeeping.

In order to test adherence to S07-01-02 Item V-C-2, the IGO audit team requested and received an eTrack system report as of April 11, 2012 from the Data Systems Division of CPD. The report was created using the same query that would be run by a desk sergeant executing S07-01-02 Item V-C, but for all CPD facilities.

The report showed 41,302 items in approved status of which 38,394 or 93% were past the seven-day period. We were unable to determine how many of 38,394 items past the seven-day approval period shown in the query had in fact arrived at ERPS but were erroneously recorded in eTrack, or had not arrived at ERPS. CPD management began to investigate these query results during the IGO audit and stated that it believed employees may not always accurately update changes of custody in eTrack, or they may create duplicate records rather than deleting or correcting erroneous records.

It is clear from the query result that CPD management has not monitored or enforced the procedures required by S07-01-02 Item V-C-2 to promote accurate recordkeeping and timely transfer of E&P to ERPS facilities. If eTrack records do not accurately reflect the location of inventory, this could delay retrieval of inventory for use in court or return to owner, and may impact chain of custody such as to render evidence inadmissible or subject to challenge in criminal or administrative proceedings.

Recommendation: We recommend that CPD management enforce compliance with Special Order S07-01-02 Item V-C-2 as a control measure and implement any additional actions necessary to ensure that inventory is transported timely to ERPS facilities and its location is accurately recorded.

Management Response: *“CPD to hold its command staff accountable for compliance with all of the conditions and processes outlined in Special Order S07-01-02, Item V-C-2. The CPD Inspections Division will be tasked with auditing inventory processes in conjunction with their normal facilities audits.”*

¹⁴ CPD has three work shifts, or “watches”. The second watch begins at either 7am or 8am. See <https://portal.chicagopolice.org/portal/page/portal/ClearPath/FAQ/Glossary>.

D. Finding 4: Ventilation in Narcotics Storage Area Had Not Been Tested for Compliance with Industry Standards

ERPS employees working in the narcotics storage area stated to an IGO auditor that they have had respiratory problems and have complained to CPD management about the issue. The auditor noted a strong odor in the narcotics storage area, which CPD management said was from marijuana.

ERPS personnel were asked if any air quality testing had been done to determine if the narcotics room was ventilated properly. None of the ERPS personnel had any knowledge of air quality testing being performed.

The IAPE standards state that narcotics storage rooms should have a ventilation system that vents odors and fumes to the exterior of the building in order to prevent health and environmental hazards. The IAPE standards further state that the proper design of a narcotics storage area should include a “negative pressure” ventilation system that completely replaces the air in the storage room approximately ten to twelve times per hour.¹⁵

Not providing a properly ventilated area for the storage of narcotics creates avoidable health risks for employees. Poor employee health could reduce the number of employees available for duty and increase health-related costs to taxpayers.

CPD management was unaware of the IAPE standard for narcotics room ventilation and believed that the City of Chicago Department of Fleet and Facilities Management would be responsible for air quality in the facility. However, no air quality testing had been requested by CPD.

Recommendation: We recommend that CPD adopt the IAPE standards for ventilation systems in narcotics storage areas and immediately work with the Department of Fleet and Facilities Management to implement them.

Management Response: *“The viability of the ventilation standards recommended by the IGO will be evaluated by the City of Chicago Department of Fleet and Facilities Management [2FM].”*

¹⁵ Joseph T. Latta and Robert E. Giles, “International Association for Property and Evidence, Inc.: Professional Standards,” Standard 9.5, revised March 29, 2010, accessed July 23, 2012, <http://www.iape.org/certificationPDF/standardsSECTION-9.pdf>.

VI. ADDITIONAL MANAGEMENT RESPONSE INFORMATION AND PROPOSALS

“A task force has been convened consisting of representatives from each CPD Bureau who will develop a scope of work to begin implementing corrective enhancements to ‘e Track.’

In addition to the specific audit recommendations, the group will explore:

Development of tracking dashboards and reports that will allow supervisors and managers to quickly determine the status of inventory items by unit and individual officer for enhanced accountability and process control.

- Possible modification of Department procedures to streamline the inventory process. For example, it may not be necessary to inventory items recovered during minor Administrative Notice of Violation (ANOV) offenses such as drinking on the public way, which will save time and reduce storage requirements.*
- Reduce the number of steps required for property turn-over. The Department has developed a new Station Supervisor role that has replaced the Watch Commander. ‘e Track’ will be modified so that its functions better match the new role structure as it exists at police districts.*
- Explore upgrades to district scanners and electronic signature equipment, which have not been replaced or upgraded since ‘e Track’ was implemented in 2002.*
- Explore further automation to ERPS processes, including the potential use of hand-held wireless scanners that could reduce the number of steps required during inventory processes at ERPS.*

The ‘e Track’ focus group will work to define a specific, detailed scope by the end of October, 2012. The remainder of the year (Nov-Dec) will be spent performing the actual enhancements to the system, for roll-out and training beginning January, 2013.

The projected time line for this initiative:

<i>Today - 31 October 2012</i>	<i>Scope development and approval</i>
<i>1 Nov - 31 December 2012</i>	<i>Programming and Testing</i>
<i>1 Jan - 31 Jan 2013</i>	<i>Training - begin roll out”</i>

CITY OF CHICAGO OFFICE OF THE INSPECTOR GENERAL

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- Administrative and Criminal Investigations
- Audits of City programs and operations
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From these activities, the IGO issues reports of findings, and disciplinary and policy recommendations to assure that City officials, employees and vendors are held accountable for the provision of efficient, cost-effective government operations and further to prevent, detect, identify, expose and eliminate waste, inefficiency, misconduct, fraud, corruption, and abuse of public authority and resources.

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