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### **OIG Releases Audit of DSS's Garbage Service Enforcement**

The City of Chicago Office of Inspector General (OIG) has completed an audit of the Department of Streets and Sanitation's (DSS) enforcement of service eligibility (MCC § 7-28-240). Specifically, OIG looked at the provision of garbage service to not-for-profit organizations and to multi-unit residences covered by the ordinance's "grandfather" clause. OIG found that DSS service enforcement in these areas, which according to DSS's own estimates costs the City over \$6.5 million each year, was inefficient and ineffective.

#### *City Collection for Certain Not-for-Profit Organizations*

The audit found that the collection service to not-for-profits, provided based on a list of 1,393 properties, is not legally authorized under the Municipal Code.

"DSS did not know why or when service to not-for-profits began or the current list was created," said Inspector General Joseph Ferguson, "There is no documentation setting forth the legal authority for this service or the criteria or procedures for providing and tracking it. This is ultimately a provision of free service at taxpayer expense, provided without legal authority." OIG recommends that DSS use recent legislation on the provision of free water service to not-for-profits as an instructive guide in addressing the program's current lack of legal authorization and program standards.

#### *Grandfather Exemption for Certain Multi-Unit Properties*

The audit also found that DSS's enforcement of the grandfather clause was inefficient. Under this clause the City provides collection service to certain multi-unit residential properties that otherwise would be required to procure private refuse collection service.

The grandfather clause, MCC § 7-28-240, which was enacted in 2000, provides that a residential property with five or more units may continue to receive City garbage service if certain conditions are met, one being that the building was receiving service prior to July 2000. Such multi-unit properties that do not meet all of the parameters must secure private collection service. Despite the normal attrition expected over time, and particularly in light of Chicago's fluid real-estate market, DSS's list of 2,402 eligible properties remained unreviewed and unchanged from at least 2007 through 2013.

Beginning late in 2013, DSS partnered with the City’s Law Department to review and update the 2007 grandfather list. Based on those ongoing efforts, DSS believes that the list of properties may be cut to less than half of the 2007 total of 2,402 listed properties. “Since OIG first alerted it to concerns about the grandfather list, DSS has been proactive in its efforts to curb waste that has run into the millions, extending back many years,” said Inspector General Ferguson, “Unfortunately, DSS’s admirable waste-cutting measures are themselves time and resource intensive and thus may be impractical on a forward-going basis. The original policy objectives of the grandfather clause are not reflected in the legislative history sufficiently enough to inform us of what purpose this exemption is serving 14 years after the fact. But so long as this obscure program that appears to benefit a select few at general taxpayer expense continues in operation, our audit recommends that DSS implement a more efficient process.”

DSS agrees with OIG’s recommendations and, in its response, notes that it is working to develop a self-certification and audit process that will allow the department to better maintain the grandfather list in the future.

“The combined findings and recommendations of this audit highlight an opportunity for the City to free up millions of dollars in taxpayer resources expended annually for garbage collection service by recalibrating existing law and policy,” said Inspector General Joseph Ferguson.

Datasets for the grandfather and not-for-profit lists are available on the OIG website along with the full audit, and the department’s response to the findings: [www.ChicagoInspectorGeneral.org](http://www.ChicagoInspectorGeneral.org)

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