



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



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

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***QUARTERLY REPORT OF THE  
OFFICE OF INSPECTOR GENERAL  
SECOND QUARTER 2017***

**JULY 2017**

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## OFFICE OF INSPECTOR GENERAL *City of Chicago*

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July 15, 2017

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 (OIG) during the second quarter of 2017, filed with the City Council pursuant to Section 2-56-120 of the Municipal Code of Chicago.

This quarter resulted in the disposition of significant administrative investigations, among other matters. More specifically, an OIG investigation found egregious, offensive racist and sexist emails distributed by and among employees of the Department of Water Management (DWM) that extended to senior levels of department management and that suggested the existence of an unrestricted culture of overtly racist and sexist behavior and attitudes within the department. OIG recommended that DWM discharge multiple employees and refer them to the ineligible for rehire list maintained by the Department of Human Resources. This led to the resignation of several senior DWM officials. Additionally, an OIG investigation established that multiple Office of Emergency Management (OEMC) employees engaged in a preferential treatment scheme operating with the knowledge, approval and coordination of certain members of senior management that involved routinely and programmatically closing off a city street from the public to reserve it for free parking for friends and family attending events at the United Center. OIG also identified two OEMC employees and one Department of Streets and Sanitation (DSS) employee who received free street parking at United Center events. A number of subjects of the disciplinary matter lied about their knowledge or role in the scheme in the course of the investigation. OIG recommended OEMC discharge some employees involved and discipline others. OEMC determined lesser disciplinary actions than OIG recommended.

Additionally, the office published three reports from the Audit and Program Review Section addressing issues ranging from the Aldermanic Menu Program to the registration of lobbyists with the Board of Ethics. The reports addressed ways City government could work more efficiently to serve the people of Chicago and challenged departments to conduct holistic assessments of needs, establish more rigorous controls to identify issues and actors, and transfer to electronic systems where necessary. OIG also released a number of advisories and notifications. One advisory, stemming from an investigation into unsustained allegations of cheating in a recently administered CPD Lieutenant's Exam, identified the need for additional procedural controls in CPD test administration. The OIG notifications from this quarter addressed recurring issues that we identified at different departments such as the management of each employees' duty to report when on the Sex Offender List, the need to update the process to

ensure that City contractors hold appropriate trade or professional licenses, and the importance of contractor licenses remaining valid throughout the life of a contract.

Our office also published a selective review of the City's numerous expiring collective bargaining agreements in which it identified provisions that warrant close reassessment because they may result in significant waste of taxpayer money or unduly constrain the ability of the City to make the most efficient and effective use of its dedicated workforce for the optimal delivery of services to the public. The report describes the current CBAs and suggests where modifications may improve economy, effectiveness, and integrity. Our hope in publishing this report was to aid the negotiation process by identifying contract elements that warrant particularly careful consideration and to serve the public interest by providing a general overview of what is at stake in the negotiations. For example, as the report details, for the last ten years, the collective bargaining agreement with Teamsters Local 726 has obligated the City to employ 200 motor truck drivers that the City does not need operationally, at a cost of approximately \$200 million dollars in taxpayer money over the ten-year life of that agreement. The new labor bargaining round provides the City with a generational opportunity to right-size its CBAs to balance the immense value of Chicago's unionized public servants with the City's operational imperatives and fiscal realities in a ways that meet our collectively shared responsibilities to the taxpaying public.

During the third quarter, OIG will be taking the final steps in fully staffing the new Public Safety Section, headed by Dr. Laura Kunard, who was confirmed by the City Council in this quarter to be the City's first Deputy Inspector General for Public Safety. To date, the office has hired 15 of the 21 dedicated Public Safety positions. The hires include twelve professionals with graduate degrees, six of whom have Ph.D.'s, from a variety of disciplines relevant to oversight analysis of police and police accountability systems and operations. In further support of the work of the Public Safety Section, OIG has increased staffing of its Center for Information Technology and Analytics (CITA) with additional advanced data and statistical analysts. Regardless of the form of outside monitoring the City engages in the wake of the Justice Department findings report on the Chicago Police Department, OIG's Public Safety Section will spearhead a new system of comprehensive accountability in police-related operations and activities. We are committed to engaging community and stakeholders to make this effort one that brings about change rooted in practicality, efficiency and transparency.

Changing systemic issues will take significant effort and comprehensive oversight moving forward. We take full responsibility for the leadership required to champion such a daunting task and will work, with your help, until every resident can feel the impact of these systems being rebuilt.

Respectfully,



Joseph M. Ferguson  
Inspector General  
City of Chicago

**TABLE OF CONTENTS**

**A. MISSION OF THE OFFICE OF INSPECTOR GENERAL.....2**

**B. INVESTIGATIONS.....2**

1. COMPLAINTS .....2

2. NEWLY OPENED MATTERS.....4

3. CASES CONCLUDED IN QUARTER .....4

4. PENDING MATTERS .....4

5. INVESTIGATIONS NOT CONCLUDED IN TWELVE MONTHS .....4

6. ETHICS ORDINANCE COMPLAINTS.....5

7. PUBLIC BUILDING COMMISSION COMPLAINTS AND INVESTIGATIONS .....5

**C. ADMINISTRATIVE CASES.....5**

1. CAMPAIGN FINANCE INVESTIGATIONS .....5

2. SUSTAINED ADMINISTRATIVE INVESTIGATIONS .....6

**D. CRIMINAL CASES, ADMINISTRATIVE APPEALS, GRIEVANCES, AND RECOVERIES .....13**

1. SYNOPSES OF CRIMINAL CASES .....13

2. DEVELOPMENTS IN PRIOR CHARGED CRIMINAL CASES .....13

3. SYNOPSES AND RESULTS OF ADMINISTRATIVE APPEALS, GRIEVANCES, OR OTHER ACTIONS .....14

4. RECOVERIES .....15

**E. AUDITS AND REVIEWS.....15**

**F. ADVISORIES AND DEPARTMENT NOTIFICATION LETTERS .....17**

**G. OTHER REPORTS AND ACTIVITIES .....22**

**H. HIRING OVERSIGHT .....24**

1. HIRING PROCESS REVIEWS .....24

2. HIRING PROCESS AUDITS .....27

3. REPORTING OF OTHER OIG HIRING OVERSIGHT ACTIVITY .....33

This quarterly report provides an overview of the operations of the Office of Inspector General (OIG) during the period from April 1, 2017, through June 30, 2017. The report includes statistics and narrative descriptions of OIG’s activity as required by the Municipal Code of Chicago (MCC).

#### **A. MISSION OF THE OFFICE OF INSPECTOR GENERAL**

The mission of OIG is to promote economy, effectiveness, efficiency, and integrity in the administration of programs and operation of City government.<sup>1</sup> OIG accomplishes its mission through investigations, audits, and other reviews. OIG issues summary reports of investigations to the appropriate authority or the Mayor and appropriate management officials, with investigative findings and recommendations for corrective action and discipline. Summaries of sustained investigations and the resulting department or agency actions are released in quarterly reports. OIG’s audit reports and advisories are directed to the appropriate agency authority or management officials for comment and then are released to the public through publication on the [OIG website](#). OIG’s department notifications are sent to the appropriate agency authority or management officials for attention and comment and are summarized, along with any management response, in the ensuing quarterly report. Finally, OIG issues reports as required by the Hiring Plan and as otherwise necessary to carry out its hiring oversight functions.

#### **B. INVESTIGATIONS**

The OIG Investigations Section conducts both criminal and administrative investigations into the conduct of governmental officers, employees, departments, functions, and programs, either in response to complaints or on the Office’s own initiative.

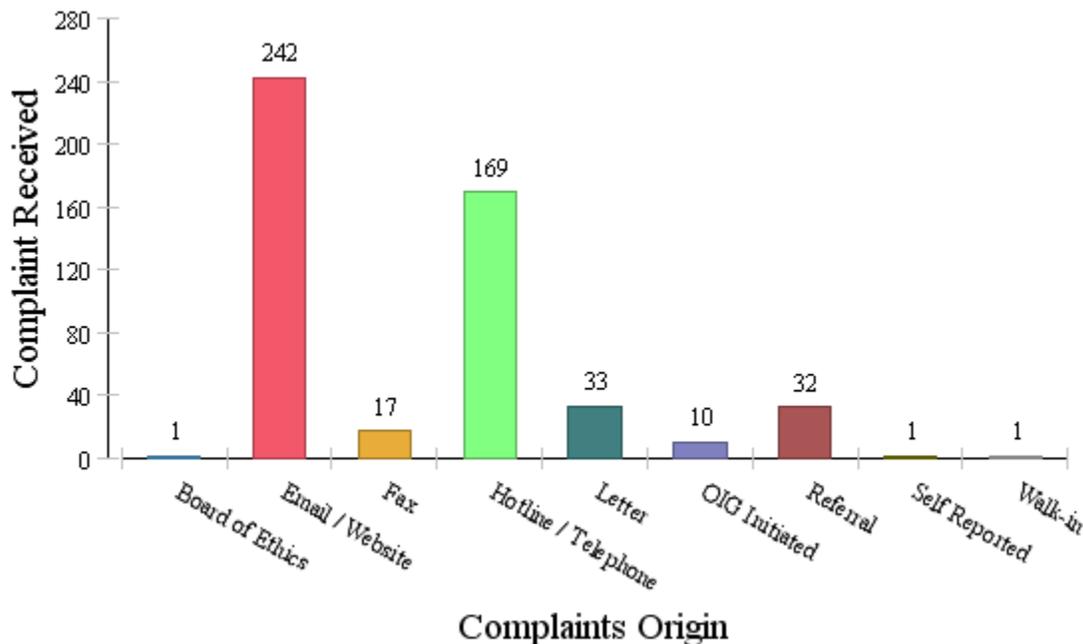
##### **1. Complaints**

OIG received 506 complaints during the quarter. The chart below breaks down the complaints OIG received during the past quarter by the method in which the complaint was reported.

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<sup>1</sup> “City government” includes the City of Chicago and any sister agency which enters into an Intergovernmental Agreement (IGA) with the City for the provision of oversight services by OIG.

**Chart #1 – Complaints by Reporting Method**



Among other factors, OIG evaluates complaints to gauge the investigative viability and potential magnitude or significance of the allegations—both individually and programmatically.<sup>2</sup> The following table outlines the actions OIG has taken in response to these complaints.<sup>3</sup>

**Table #1 – Complaint Actions**

Status	Number of Complaints
Declined	338
Opened Investigation	25
Referred	89
Pending	54
<b>Total</b>	<b>506</b>

<sup>2</sup> OIG’s complaint intake process allows it to assess the substance of a complaint prior to processing and, after thorough review, to filter out complaints that lack sufficient information or clarity on which to base additional research or action, or are incoherent, incomprehensible, or factually impossible.

<sup>3</sup> OIG also took action on complaints received in the prior quarter by declining 46 complaints, opening 9 OIG administrative or criminal investigations, referring 25 complaints to sister agencies. Additionally one complaint was referred to OIG’s Audit and Program Review section and one complaint remained pending.

## 2. Newly Opened Matters

During the quarter, OIG opened 159 matters. Of the 159 opened matters, 115 were referred to other departments or investigative agencies. A total of 44 cases (12 of which originated from two complaints) proceeded to an OIG investigation. Of those cases, 36 remained open at the end of the quarter, 5 investigations were closed administratively, 2 were closed as “sustained” and 1 was closed as “not sustained” during the quarter.

The following table categorizes the matters opened by OIG this quarter based on the subject of the matter.

**Table #2 – Subject of Investigations and Referrals**

Subject of Investigations and Referrals	Number of Investigations and Referrals
Employees	125
Contractors, Subcontractors, and Persons Seeking Contracts	7
Elected Officials	7
Appointed Officials	2
Other	18
<b>Total</b>	<b>159</b>

## 3. Cases Concluded in Quarter

During the quarter, OIG concluded 169 opened matters, 121 (115 from this quarter and 6 from the previous quarter) of which were referred to the following: 99 to a City department, 12 to a sister agency, and 10 to another external agency. Of the remaining concluded matters, 17 were closed as “sustained.” A case is sustained when the evidence sufficiently establishes that either an administrative or criminal violation has occurred or the case identifies a particular problem or risk that warrants a public report or notification to a department. A total of 18 matters were closed as “not sustained.” A case is not sustained when OIG concludes that the available evidence is insufficient to prove a violation under applicable burdens of proof. A total of 13 matters were closed “administratively.” A case is closed administratively when, in OIG’s assessment, it has been or is being appropriately treated by another agency or department, the matter was consolidated with another investigation or, in rare circumstances, OIG determined that further action was unwarranted.

## 4. Pending Matters

At the close of the quarter, OIG had a total of 174 pending matters, including investigations opened during the quarter.

## 5. Investigations Not Concluded in Twelve Months

Under MCC § 2-56-080, OIG must provide quarterly statistical data on pending investigations open for more than 12 months. Of the 174 pending matters, 77 investigations have been open for at least 12 months.

The following table shows the general reasons that these investigations remain active.

**Table #3 – Reasons Investigations Were Not Concluded in Twelve Months**

<b>Reason</b>	<b>Number of Investigations</b>
Additional complaints were added during the course of the investigation.	2
Complex or resource intensive investigation. May involve difficult issues or multiple subjects.	42
On hold, in order not to interfere with another ongoing investigation.	5
Extended due to higher-risk, time sensitive investigations.	28
<b>Total</b>	<b>77</b>

**6. Ethics Ordinance Complaints**

OIG received 1 ethics ordinance complaint this quarter. Six individual cases were opened based on this complaint.

**7. Public Building Commission Complaints and Investigations**

OIG received no complaints related to the Public Buildings Commission (PBC).

**C. ADMINISTRATIVE CASES**

OIG investigations may result in administrative sanctions, criminal charges, or both. Investigations leading to administrative sanctions involve violations of City rules, policies or procedures, and/or waste or inefficiency. For “sustained” administrative cases, OIG produces summary reports of investigation<sup>4</sup>—a summary and analysis of the evidence and recommendations for disciplinary or other corrective action. OIG sends these reports to the appropriate authority or the Office of the Mayor, the Corporation Counsel, and the City departments affected by or involved in the investigation. When officials are found to be in violation of campaign finance regulations, the law affords them the opportunity to cure the violation by returning excess funds.

**1. Campaign Finance Investigations**

The MCC bans City vendors, lobbyists, and those seeking to do business with the City from contributing over \$1,500 annually to any City official or candidate political campaigns. Potential violations of the cap are identified through complaints and OIG analysis. Other rules and regulations such as Executive Order 2011-4 place further restrictions on donations. Once a

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<sup>4</sup> Per MCC § 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.”

potential violation is identified, OIG notifies the donor and the donation recipient of the violation and, in accordance with the MCC, provides the individual or entities 10 days to challenge the determination or cure the violation by returning the excess donation. If the excess donation is returned in a timely manner, or it is determined that a violation did not occur, OIG closes the matter administratively. In the event the matter is not cured or rightfully challenged, OIG will sustain an investigation and deliver the case to the Board of Ethics for adjudication.

This quarter OIG resolved 8 campaign finance violation matters that involved over \$32,000 in disallowed contributions. Details of the cases are provided in the chart below.

**Table #4 – Campaign Finance Activity**

Case #	Donation Amount (Year) <sup>5</sup>	Donation Source	Amount of Returned Funds; Other Resolution
17-0298	\$10,600 (2015)	City Contractor	\$9,100
17-0299	\$2,958 (2015)	City Contractor	Determined no violation
17-0300	\$3,500 (2015)	City Contractor	\$2,000
17-0301	\$2,000 (2015)	City Contractor	\$500 (2015)
	\$6,000 (2016)		\$4,500 (2016)
17-0302	\$2,500 (2015)	City Contractor	\$1,000
17-0302	\$2,500 (2015)	City Contractor	\$1,000
17-0303	\$11,550 (2015)	City Contractor	\$10,050
17-0303	\$5,000 (2015)	City Contractor	\$3,500

**2. Sustained Administrative Investigations**

The following are brief synopses of administrative investigations completed and reported as sustained investigative matters. These synopses are intended to illustrate the general nature and outcome of the cases for public reporting purposes and thus may not contain all allegations and/or findings for each case.

In addition to OIG’s findings, each synopsis includes the action taken by the department in response to OIG’s recommendations. City departments have 30 days to respond to OIG recommendations.<sup>6</sup> This response informs OIG of what action the department intends to take. Departments must follow strict protocols, set forth in the City’s Personnel Rules, Procurement

<sup>5</sup> This column includes the total of all donations to a candidate from the relevant source over the course of a calendar year, which may consist of multiple separate donations.

<sup>6</sup> PBC has 60 days to respond to a summary report of investigation by stating a description of any disciplinary or administrative action taken by the Commission. If PBC chooses not to take action or takes an action different from that recommended by OIG, PBC must describe that action and explain the reasons for that action. If OIG issues a report to the Chairman of the City Council Committee on Committees, Rules and Ethics, the Chairman must forward the report to the appropriate City Council authority within 14 days. After receiving the report, that individual has 30 days to provide a written response to the Inspector General (or 60 days if a full extension has been granted or if action by the Chairman of the Committee on Committees, Rules and Ethics is required).

Rules, and/or applicable collective bargaining agreements, prior to imposing disciplinary or corrective action.

In deference to the deliberative processes of City departments and the contractual rights of employees relating to discipline, OIG does not report on cases regarding current City employees until the subject’s department has acted on and/or responded to OIG’s report. For cases in which a department has failed to respond in full within 30 days (or 60 days if a full extension has been granted), the response will be listed as late. As of the end of the quarter, there were nine concluded matters that were pending department action and/or response. The following chart lists concluded matters for which OIG has received a department response.

**Table #5 – Overview of Cases Completed and Reported as Sustained Matters**

Case Number	Department or Agency	Number of Subjects	OIG Recommendation	Department or Agency Action
14-0588	Water Management	1	Discharge	Resigned in Lieu of Discharge/Ineligible for Rehire
17-0221	Water Management	1	Discharge	Resigned in Lieu of Discharge/Ineligible for Rehire
15-0181	Water Management	1	Discharge	Termination
			<b><u>5 OEMC employees</u></b> Discharge	<b><u>5 OEMC employees</u></b> 1 – 30-day Suspension 4 - 14-day Suspensions
			<b><u>6 OEMC employees</u></b> Appropriate Discipline	<b><u>6 OEMC employees</u></b> 3 – 10-day Suspensions, 2 – 7-day Suspensions 1 – 5-day Suspension,
			<b><u>1 OEMC employee</u></b> Designate as Resigned Under Inquiry	<b><u>1 OEMC employee</u></b> Designated as Resigned Under Inquiry
15-0023	Office of Emergency Management and Communications/ Streets and Sanitation	13	<b><u>1 DSS employee</u></b> Appropriate Discipline	<b><u>1 DSS employee</u></b> 14-day suspension
14-0398	Office of Emergency Management and Communications	1	Discharge	Discharge
15-0192	Finance	1	Appropriate Discipline	29-day Suspension
15-0532	Board of Ethics	1	Find Probable Cause and Impose Sanctions	Preliminary Finding of Probable Cause
15-0484	Buildings	1	Appropriate Discipline	5-day Suspension

(A) *Hateful and Sexually Explicit Emails, Misuse of City Resources (OIG Record #14-0588)*

An OIG investigation established that a supervisory Department of Water Management (DWM) employee used a City email account to repeatedly send and receive racist and offensive emails.

A few of the emails in question are described below:

- The employee sent an email with the subject line “Chicago Safari Tickets” to multiple high-ranking DWM employees. The body of the email states: “If you didn’t book a Chicago Safari adventure with us this 4th of July weekend this is what you missed,” and then lists the number of people shot in neighborhoods such as Englewood, Garfield Park, Austin, Lawndale, South Shore and Woodlawn. The email further states: “Remember all Chicago Safari packages include 3 deluxe ‘Harold’s Chicken’ meals a day” and concludes: “We guarantee that you will see at least one kill and five crime scenes per three day tour. You’ll also see lots and lots of animals in their natural habitat. Call and book your Chicago Safari today.” The email contains an image of four white people in safari gear taking pictures of several black individuals who are trying to break into a car.
- The employee sent an email to a high-ranking DWM official with the subject line “Watermelon Protection.” The email contains an image of a Ku Klux Klan robe on a stick in the middle of a watermelon patch.
- The employee sent an email to a high-ranking DWM official with the subject line “U Know U Be In Da Hood.” The email contained several photographs, including one of a wheelbarrow full of watermelons with a sign stating “Apply for a Credit Card. Free Watermelon.”
- The employee forwarded an email from the employee’s City account to another City employee; the body of the email states, “As an apology – Paula Deen Opens Swimming Pool For Youth.” Below the text is a photo of a black baby in a bucket filled with water, holding a slice of watermelon in his hand;
- The employee repeatedly communicated via email with a high-ranking DWM official using purported Ebonics.

The employee also:

- repeatedly sent and received sexually explicit photos and videos;
- improperly sent via email a confidential Violence in the Workplace complaint that the employee received in a supervisory capacity to the subject of the complaint;
- used a City email account to negotiate personal purchases or sales of at least four firearms and five cars with private individuals; and
- used a City computer to access websites unrelated to City business on thousands of occasions over a four-month period, including accessing sexually explicit, age-restricted videos on YouTube.

OIG does not purport to have identified all improper emails sent and received by the employee. Under the current protocol imposed on OIG by the City’s Department of Law, OIG does not

have unfettered access to City emails, but instead must submit requests for emails using limiting search terms and date ranges and must pare down its request when the results of the terms exceed a protocol-based cap on the number of hits. Given the lack of direct access to emails, OIG cannot be certain it has identified all relevant documents. Nonetheless, OIG’s email review in this case, led it to open several other, related cases involving other DWM employees for which investigation is ongoing.

OIG recommended that DWM discharge the employee and refer the employee for placement on the ineligible for rehire list maintained by the Department of Human Resources.

The employee subsequently resigned after DWM initiated the discharge process. The employee was designated as having resigned in lieu of discharge and was placed on the ineligible for rehire list.

*(B) Hateful and Sexually Explicit Emails, Misuse of City Resources (OIG Record #17-0221)*

An OIG investigation established that a supervisory Department of Water Management (DWM) employee repeatedly sent, received, and responded to racist and hateful emails using a City email account and computer. For example, the employee sent emails:

- referring to Muslims as “rag head cock suckers”;
- describing African-Americans as “wild animals” who are “untamed,” when replying to an email that details a “Chicago Safari” of predominantly African-American neighborhoods, in which one would see “lots and lots of animals in their natural habitat”;
- suggesting that people should have thrown grenades at a black Italian politician instead of bananas.

The employee also sent and received sexually explicit photos and videos using a City email account and computer. OIG recommended that DWM discharge the employee and refer the employee for placement on the ineligible for rehire list maintained by the Department of Human Resources. DWM agreed with OIG’s findings and recommendations, however, the employee resigned before a scheduled pre-disciplinary meeting. The employee was designated as having resigned in lieu of discharge. The employee will be placed on the ineligible for rehire list.

*(C) Harassing and Threatening Communications (OIG Record #15-0181)*

An OIG investigation established that a Department of Water Management (DWM) chemist harassed a former DWM employee and a current DWM employee through the transmission of multiple text messages and phone calls, at least one of which occurred while the chemist was on duty at DWM. Specifically, the employee in question called the former DWM employee once in April 2015 and called and texted the current DWM employee eleven times from April 2015 through October 2015. The communications included derogatory and threatening messages and occurred after both employees had already filed multiple complaints—including with the Chicago Police Department, the Department of Human Resources, and OIG—against the chemist for aggressive and threatening behavior toward them. The chemist’s conduct was particularly egregious in light of their long and documented history of harassing other DWM

employees. Through these earlier incidents, the chemist had notice and knowledge of the City's Violence in the Workplace policies therefore the subsequent misconduct was knowing and intentional. The chemist also made numerous false, inaccurate, or deliberately incomplete statements during the OIG interview when the chemist denied sending the harassing messages, despite being presented with documentary evidence to the contrary. Accordingly, OIG recommended that DWM terminate the chemist's employment and refer the chemist for placement on the ineligible for rehire list maintained by DHR.

In response, DWM terminated the chemist. The chemist grieved the termination and arbitration is scheduled for July and August 2017.

*(D) Preferential Parking Scheme (OIG Record #15-0023)*

An OIG investigation established that a management-level Office of Emergency Management and Communications (OEMC) employee, a former management-level OEMC employee, and eight other OEMC supervisors and traffic control aides engaged in a preferential treatment scheme to reserve and provide free street parking for friends and family attending events at the United Center. OIG also identified two OEMC employees and one Department of Streets and Sanitation (DSS) employee who received free street parking at United Center events.

Between April 20, 2015 and February 11, 2016, OIG conducted 16 surveillances at the United Center. Thirteen surveillances were before and during Blackhawks games and three surveillances were before and during Bulls games. OIG conducted nine of the surveillances during the Blackhawks Stanley Cup playoffs prior to the June 2015 championship. OIG observed OEMC employees directing select individuals attending the games to park on the west side of Wood Street between Madison Street and Warren Boulevard, less than a quarter of a mile away from the United Center, on almost all of its surveillances. Signage on the street indicated that no parking was allowed except for media personnel. OEMC personnel routinely blocked off southbound access to Wood from Warren, only granting access to those who OEMC management granted permission to park and directing members of the public to park elsewhere. OEMC personnel sometimes placed traffic cones along the west side of Wood as placeholders for the vehicles they anticipated arriving at the location to park. Approximately 62 different, non-OEMC vehicles parked on the west side of Wood between Warren and Madison during the surveillances. Many of those vehicles parked on multiple occasions. The parkers included friends and relatives of management-level and supervisory OEMC employees.

The management-level employees often received requests to park on Wood on their City email. They would then notify OEMC supervisors working at United Center of the names and vehicle descriptions of parkers they should allow on Wood. The supervisors then relayed the same information to the traffic control aides who were posted on Warren and Wood and Madison and Wood.

Many of the supervising OEMC employees were candid with OIG regarding their involvement in the preferred parking arrangement and admitted their conduct, which was in violation of City personnel rules prohibiting the supervisors from directing other City employees to perform services for unauthorized purposes or accepting the benefits of such performance and giving

preferential treatment in the course of employment to any person. Further, an OEMC employee and DSS employee also acknowledged receiving preferred parking from other OEMC employees. Thus, OIG recommended OEMC and DSS impose discipline against these employees.

Some OEMC employees lied or were evasive during their interviews with OIG, which was also in violation of City personnel rules prohibiting City employees from making false, inaccurate or deliberately incomplete statements in an official investigation. For example, a management-level OEMC employee denied knowledge of any preferred parking arrangement despite multiple OEMC employees stating the employee was aware of the parking arrangement and personally arranged for individuals to park on Wood between Madison and Warren. Emails also confirm the management-level employee's knowledge and participation in the parking scheme. The individual not only actively engaged in the misconduct, but also allowed subordinates to engage in misconduct. For all those OEMC employees who, in addition to engaging in the preferential treatment scheme, lied or were evasive in their interviews, OIG recommended OEMC terminate their employment.

Finally, OIG's investigation established that the former management-level OEMC employee was the primary individual involved in arranging the scheme for preferred parking for friends and family. This individual retired shortly after OIG contacted the employee to schedule an interview regarding the allegations. Accordingly, OIG recommended OEMC designate the former employee as having resigned under inquiry.

Evidence suggested that the scheme was happening elsewhere in the City, including at other major venues, and involved other City departments. While OIG's report focused on the OEMC scheme at the United Center, OIG recommended that OEMC and the City take steps to ensure that the parking scheme was not continuing at other locations and events.

In response, DSS suspended its employee for 14 days for receiving benefits of the preferred parking arrangement. OEMC responded that it would impose suspensions between 30 days and 5 days against all the OEMC employees named in OIG's report, including the employees OIG recommended OEMC terminate, and designated the former OEMC employee as having resigned under inquiry. OEMC explained its reasons for choosing not to terminate each employee. For example, regarding the management-level employee, OEMC said it was "not fully convinced that [the employee] set out to deliberately mislead OIG" and thus imposed a 30-day suspension in lieu of termination. OEMC also stated that it would take several actions to eradicate the practice of providing preferred parking. For example, it will develop ethics training for the Traffic Management Authority (TMA) with the aid of the Board of Ethics. Further, the Executive Director will meet with all TMA superintendents and supervisors to make clear that no preferential parking will continue.

*(E) Residency Violation (OIG Record #14-0398)*

An OIG investigation established that, for nearly two years, an Office of Emergency Management and Communications (OEMC) employee lived in Calumet City in violation of the City's municipal code requiring its employees to live in the City. The employee claimed to live

at several different City addresses, but OIG investigators observed the employee leaving and returning to a Calumet City home. The investigators also observed the employee walk a dog and do household chores at this address. Phone records showed extensive contact between the employee and the property manager of the Calumet City home. The employee claimed to live in an apartment which was, in fact, owned by the attorney who represented the employee at an OIG interview. OIG recommended that OEMC terminate the employee, as mandated by the Residency Ordinance in the City's municipal code. OEMC concurred with OIG's recommendation, and terminated the employee.

*(F) Misuse of City Resources for Secondary Employment (OIG Record #15-0192)*

An OIG investigation established that a Department of Finance (DOF) employee conducted private work as a tax preparer during working hours and used City of Chicago resources to do so. The employee had not been granted appropriate approval for secondary employment. In violation of City rules, the employee brought a portable USB drive, holding the personal tax information of dozens of individuals, to work and used it in a City computer. OIG recommended that DOF impose discipline against the employee commensurate with the gravity of the employee's violations, past disciplinary record, and any other relevant considerations. DOF agreed with OIG's findings and issued the employee a 29-day suspension.

*(G) Conflict of Interest/Prohibited Employment Negotiations (OIG Record #15-0532)*

An OIG investigation established that a former high-ranking Department of Family and Support Services (DFSS) official violated the City's Ethics Ordinance, MCC § 2-156-111(c), by negotiating future employment with an entity at the same time the entity and its subsidiaries had multiple contracts for grant services and contract modifications pending for approval with the official. Accordingly, OIG recommended that, pursuant to its authority under MCC § 2-156-465, the Board of Ethics (BOE), find there is probable cause to conclude the former official violated the Ethics Ordinance and impose appropriate sanctions.

BOE issued a preliminary finding of probable cause and will set a meeting with the individual as provided under MCC § 2-156-385.

*(H) Inappropriate Conduct/Preferential Treatment (OIG Record #15-0484)*

An OIG investigation established that a Department of Buildings (DOB) inspector violated departmental rules by carrying and displaying in the course of official city work an unauthorized, unofficial badge and providing preferential treatment to two private contractors. Specifically, the inspector carried and displayed a star-shaped, silver metal badge bearing the City of Chicago seal and inscribed with "Dept. of Buildings" and "Inspector," which the inspector had privately purchased from a uniform store. In addition, the inspector violated the City rule against preferential treatment by referring a member of the public who needed home repairs to two specific private contractors. OIG recommended that DOB impose discipline against the inspector

commensurate with the gravity of the violations, the inspector’s disciplinary record, and any other relevant considerations. DOB imposed a five-day suspension and required the inspector to forfeit the unofficial badge.

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

Criminal investigations may uncover violations of local, state, or federal criminal laws, and may be prosecuted by the U.S. Attorney’s Office, the Illinois Attorney General’s Office, or the Cook County State’s Attorney’s Office, as appropriate. For the purposes of OIG quarterly summaries, criminal cases are considered concluded when the subject(s) of the case is publicly charged by complaint, information, or indictment.<sup>7</sup>

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. OIG monitors the results of administrative appeals before the Human Resources Board (HRB)<sup>8</sup> and grievance arbitrations concerning OIG’s disciplinary recommendations.

##### **1. Synopses of Criminal Cases**

During this quarter, no criminal charges resulted from or were related to OIG cases.

##### **2. Developments in Prior Charged Criminal Cases**

During this quarter, there was significant development in one previously reported criminal case.

- (A) *United States v. Timothy Mason and Mariana Gerzanych*, 15 CR 102 (USDC ND IL)

On May 2, 2017, Timothy Mason, owner of green tech startup 350Green LLC, pleaded guilty to fraudulently obtaining over \$1.7 million in federal grants. *United States v. Timothy Mason, et al.*, 15 CR 102 (U.S.D.C. N.D. Ill.). 350Green installed and maintained charging stations for plug-in electric vehicles in Chicago and elsewhere. As part of a 2010 contract with the City, 350Green applied for and received a contract worth \$1.9 million funded by grants from the U.S. Department of Energy. The company made similar arrangements with the Pennsylvania Department of Environmental Protection, the Association of Bay Area Governments, and the Bay Area Air Quality Management District totaling \$1 million. In order to obtain the grant funds, Mason falsely claimed that a company called Actium Power had supplied Level 3 DC fast chargers to 350Green and that 350Green had paid Actium Power for those chargers. However,

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<sup>7</sup> OIG may issue summary reports of investigation recommending administrative action based on criminal conduct prior to, during, or after criminal prosecution.

<sup>8</sup> DHR’s website describes HRB as follows, “The 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.” Chicago of Chicago, Department of Human Resources, “Our Structure,” accessed July 9, 2015, [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).

Actium Power did not supply the chargers and the actual manufacturer of the chargers was never paid. 350Green also submitted claims to the City of Chicago that falsely represented subcontractors and vendors had been paid.

Mason and 350Green co-owner Mariana Gerzanych had been charged following an investigation initiated by OIG and conducted jointly with the Federal Bureau of Investigations and the U.S. Attorney for the Northern District of Illinois. In exchange for her cooperation, the U.S. Attorney's Office deferred prosecution of Gerzanych. As part of her agreement, Gerzanych is required to pay a \$10,000 fine and serve 200 hours of community service.

Mason pleaded guilty to one count of mail fraud, 18 U.S.C. § 1343. The charge carries a maximum sentence of 20 years in prison and a maximum fine of \$250,000. Mason's sentencing is set for July 27, 2017.

### **3. Synopses and Results of Administrative Appeals, Grievances, or Other Actions**

To date, OIG has been notified of two updates regarding appeals to HRB or an arbitrator or other actions in the quarter regarding discipline imposed as a result of OIG investigations.

*(A) Update of OIG Record #12-1234 (Undisclosed Secondary Employment/Unauthorized Work)*

As reported in the third quarter of 2016, a Department of Buildings (DOB) employee worked at least four side construction jobs without obtaining written permission from DOB. Additionally, two of those jobs required DOB permits. The employee's work on them therefore violated DOB's 2012 Ethical Guidelines expressly prohibiting DOB employees from engaging in secondary employment on projects requiring DOB permits. The employee also falsely declared in two separate Department of Human Resources Outside Employment Forms that, among other things, the employee did not have outside employment.

OIG therefore recommended that DOB, at its discretion, impose discipline commensurate with the seriousness of the employee's misconduct, position of authority, discipline history, and department standards. DOB agreed with OIG's recommendation and suspended the employee for 15 days. The employee grieved the suspension and entered into a settlement agreement with the City reducing the suspension to seven days and paying the employee six days' compensation in the form of compensatory time for the suspension days already served.

*(B) Update of OIG Record #14-0242 (Political Hiring)*

As reported in the first quarter of 2017, a City contractor reserved jobs for individuals based on political considerations, in violation of City rules and the terms of its multimillion dollar contract with the City. In addition, on two occasions during OIG's subsequent investigation, a supervisor for the Contractor refused to answer relevant questions from OIG. Among other recommendations, OIG recommended that DPS and the Chicago Department of Aviation (CDA) bar the supervisor from performing any work pursuant to the company's contract with CDA. CDA subsequently reported that the supervisor was no longer performing work on the contract.

#### 4. Recoveries

This quarter OIG received no reports of cost recovery actions or other financial recoveries related to OIG investigations.

#### E. AUDITS AND REVIEWS

In addition to confidential disciplinary investigations, OIG produces a variety of public reports including independent and objective analyses 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 following summarizes the audit and two follow-up inquiries released this quarter.

(A) *Chicago Department of Transportation Aldermanic Menu Program Audit (OIG Record #14-0430)*<sup>9</sup>

OIG evaluated the Aldermanic Menu Program (Menu) to determine if the City adequately addressed residential infrastructure needs for all wards through effective planning and funding, and if CDOT effectively managed Menu through a uniform process.

OIG found that the Menu program did not meet best practices for multi-year capital planning and did not provide adequate funding to meet the City's overall residential infrastructure needs. Additionally, the City's practice of allocating funds equally to each ward regardless of actual infrastructure need meant that some wards were more severely underfunded relative to need than other wards – for example, there was a gap of \$9.5 million in additional funding needed between the best- and worst-funded wards. OIG recommended that while aldermen and their constituents may provide input, CDOT should have the authority to make the final determination of the most cost-effective strategies for maintaining the City's infrastructure. Furthermore, CDOT should incorporate residential infrastructure planning into a comprehensive, long-term strategic effort consonant with industry best practices.

OIG also found that from 2012 to 2015 the City allowed aldermen to spend \$15.1 million in program funds for projects not listed in Menu documents and not related to core residential infrastructure, which undermined CDOT's ability to fulfill its mission of keeping the public way "in a state of good repair and attractive." Finally, OIG found that CDOT did not effectively enforce project submission deadlines and that, in 2014, the City allowed aldermen to select projects outside of the ward boundaries to which they had been elected in 2011 but within boundaries that would go into effect in 2015.

In its response to the audit, CDOT management disagreed with the audit recommendations related to underfunding and off-Menu spending and the Department offered no corrective actions for these findings. CDOT did agree with the finding regarding submission deadlines and ward

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<sup>9</sup> Published April 20, 2017. See <http://chicagoinspectorgeneral.org/publications-and-press/cdot-aldermanic-menu-program-audit/>.

boundaries and stated that “programming will be limited to aldermen’s current ward boundaries, going forward.”

(B) *Board of Ethics Lobbyist Registration Audit Follow-Up Inquiry (OIG Record #17-0067)*<sup>10</sup>

OIG completed a follow-up to its March 2016 audit of the lobbyist registration process. Based on the Board of Ethics’s (BOE) responses, OIG concludes that BOE has partially implemented corrective actions related to two of the audit findings and fully implemented corrective actions related to a third audit finding.

The purpose of the March 2016 audit was to review BOE’s efforts to identify active lobbyists and to provide reasonable assurance as to the veracity of information in lobbyist disclosures. The audit also evaluated BOE’s process for levying fines against late-registering lobbyists. Our audit found that BOE did not provide reasonable assurance as to its identification of all active lobbyists or the veracity of information in lobbyist disclosures. In addition, process gaps and clerical errors related to hardcopy disclosures impeded BOE’s ability to identify and levy fines against late filers, and while BOE properly identified late, electronically-filed registrations in 2014, it declined to levy the full fine allowable under the Ethics Ordinance.

Based on BOE’s follow-up response, OIG concluded that BOE has partially implemented corrective actions related to the audit’s first finding. OIG continues to encourage the Board to identify and, if necessary, recommend amendments to the Ethics Ordinance that would boost the likelihood of identifying lobbyists who have failed to file or have provided inaccurate disclosures. OIG concluded that BOE fully implemented corrective actions on the audit’s second finding by transitioning to an electronic-only filing system in 2017. BOE partially implemented corrective actions on the third finding. The Board disagreed with our finding regarding the date when fines should be levied and thus took no action to address it. However, the Board did amend its guidelines with regard to what constitutes a suitable justification for a late filing by providing examples of circumstances in which the Executive Director may exercise his discretion to accept a late filing.

(C) *Department of Finance Emergency Medical Services Billing Audit Follow-Up Inquiry (#17-0102)*<sup>11</sup>

OIG completed a follow-up to its July 2016 audit of the Department of Finance’s (DOF) billing for emergency medical services. The purpose of the 2016 audit was to determine if DOF billed accurately and completely for emergency medical services through its contract with a billing vendor. Based on the Department’s responses, OIG concluded that DOF has implemented corrective actions to address the first and second audit findings, has partially implemented corrective actions to address the third finding, and has initiated corrective action to address the fourth finding.

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<sup>10</sup> Published May 9, 2017. See <http://chicagoinspectorgeneral.org/publications-and-press/follow-up-of-board-of-ethics-lobbyist-registration-audit/>.

<sup>11</sup> Published May 11, 2017. See <http://chicagoinspectorgeneral.org/publications-and-press/follow-up-of-dof-emergency-medical-services-billing-audit/>.

The purpose of the July 2016 audit was to determine if DOF billed accurately and completely for emergency medical services through its contract with a billing vendor. Our audit found that, DOF billed accurately for emergency ambulance transports but opportunities existed to strengthen its compliance practices. Additionally, DOF's billing for emergency ambulance transports was not complete, resulting in an estimated \$160,799 of missed fee revenue in 2014. Further, DOF could increase fee revenue by an estimated \$696,594 annually if it expanded the range of City-provided emergency medical services subject to fees. Finally, we found that DOF could reduce costs by eliminating incentive fees from future contracts or, if the fees are maintained, clarifying how they are awarded.

Among the implemented corrective actions, DOF has strengthened its compliance practices by performing a compliance plan evaluation and risk assessment, corrected software issues preventing billing of certain accounts, and implemented monthly reviews of a sample of unbilled accounts. In regard to the third finding, DOF decided not to bill for treat-no-transport at this time. The corrective actions addressing the fourth finding are pending implementation since DOF recently began negotiations with the selected vendor. Although fee and compensation structure have not yet been finalized in the new contract, DOF intends to include a compliance component to be paid to the vendor. DOF also stated it will ensure that the language is clear and eliminates any ambiguities, including those highlighted in the OIG's original audit response. Once fully implemented, OIG believes the corrective actions reported by DOF may reasonably be expected to resolve the core findings noted in the original audit.

#### **F. ADVISORIES AND DEPARTMENT NOTIFICATION LETTERS**

Advisories and department notification letters describe management problems observed by OIG in the course of other activities including audits and investigations. These are problems that OIG believes it should apprise the City of in an official manner. OIG completed one advisory and five notifications this quarter.

(A) *Advisory Concerning Allegations of Cheating on CPD's 2015 Lieutenant Promotional Exam (OIG Record #16-0042)*

An OIG investigation revealed that there are several control issues regarding CPD's process for administering the 2015 Lieutenant Promotional Exam and investigating allegations of cheating. In December 2015, OIG received several anonymous complaints alleging that, over a year earlier, a CPD Chief held study groups for the Exam and leaked Exam materials. In addition to these anonymous complaints, OIG received complaints from two sergeants also alleging that the Chief held an invite-only study group for the Exam and that members of this study group had close personal relationships with the Chief and other CPD command staff. Neither complainant had firsthand knowledge of the allegations.

In the course of its investigation, OIG interviewed 20 individuals. No first hand witnesses or accounts of cheating emerged prior to or during the course of OIG's investigation. OIG reviewed approximately 300,000 emails from 33 individuals' City email addresses, and conducted searches through approximately 600,000 files on the Chief's hard drive to locate relevant documents. No emails indicated that any sergeants received confidential Exam materials. OIG

also conducted its own test analysis based on the raw data the Exam vendor provided. Finally, OIG transcribed the audio-recorded answers to the oral section of the Exam for 15 individuals, including sergeants named in the complaint as well as randomly-selected test takers, for comparison. OIG analyzed the transcriptions for word choice and phrasing patterns. Overall, the analyses did not reveal any trends supporting the allegations of fraudulent behavior.

While OIG's investigation did not reveal evidence to support the allegations of individual misconduct, OIG did identify several control issues respecting CPD's process for administering the Exam and investigating allegations of cheating. First, OIG suggested that CPD consider other methods for ensuring the suitability and confidentiality of exams, such as using an outside individual/vendor to review the final version of exams or having an internal CPD representative approve a larger pool of questions from which the final test questions are then selected by the vendor. Second, OIG suggested that Exam Subject Matter Experts (SME's) be required to disclose personal relationships with any test takers. Third, OIG suggested that CPD make transparent how questions and concerns sent to the CPD HR email address will be handled. Finally, the original November 6, 2014 complaint sent to BIA should have been immediately forwarded to OIG, per the requirements of the City of Chicago Police Department Hiring Plan for Sworn Titles. OIG recommended that CPD remind its members that any hiring related complaint should be immediately forwarded to OIG Hiring Oversight for review, and conduct follow-up training if necessary.

In response, CPD agreed that ensuring the confidentiality of exam content is of paramount importance and welcomed a dialogue with the OIG regarding its proposals that would include consideration of other important factors, including preserving test validity. CPD acknowledged the importance of avoiding actual conflicts of interest in the testing process, but requested additional information regarding OIG's second recommendation. CPD agreed to provide CPD members with additional information concerning the purpose of and process behind the email address for test applicants with questions and concerns. CPD also will track the questions it receives and responses it provides. CPD agreed to specifically instruct test candidates not to contact individuals they know to be Subject Matter Experts regarding test content. Because test candidates may be unaware of who served as Subject Matter Experts, CPD will also continue to instruct Subject Matter Experts not to discuss test content with anyone with whom the SMEs are not authorized to discuss content. CPD agreed to remind its members that any hiring related complaint should be forwarded to OIG Hiring Oversight for review and agreed to conduct follow-up training if necessary. CPD acknowledges limitations in their promotional examination process and the concerns OIG raised, and are committed to implementing improvements. OIG looks forward to receiving their proposals in the coming days and working with them to create a fair and transparent process.

*(B) Notification Regarding Trade and Professional License Verification (OIG Record #15-0516)*

An OIG investigation revealed that there is no adequate process in place to ensure that City contractors hold appropriate trade or professional licenses or to ensure that a license which is valid at the time of contract award remains valid during the life of the contract. Specifically, OIG

found that the City awarded a roofing contract under a Department of Planning and Development (DPD) program to an unlicensed firm; its State of Illinois roofing license had lapsed before the contract was awarded. OIG's interviews of Department of Procurement Services (DPS) and DPD employees revealed confusion regarding who is responsible for verifying potential contractors' license status. User departments reportedly rely upon DPS to appropriately vet a contractor at the time of contract award and therefore do not take steps to verify a contractor's license at the time of contract initiation. According to DPS, it is the responsibility of the user department to ensure that a contractor is appropriately licensed over the life of the contract. OIG believes, therefore, that safeguards are needed both at the time of contract award and during a contract's term and that a solution may require the assistance of the Mayor's Office, given the likelihood that the confusion about ownership of this important responsibility exists across other departments.

OIG recommended that DPS work with the Mayor's Office to develop a process to verify that potential contractors hold all appropriate professional or trade licenses, and to establish who will ensure continued compliance in the event that a City contractor's license is set to expire during the life of the contract.

In response, DPS noted that it relies on user departments as subject matter experts in determining which licenses are required to do the work prescribed by any given contract. DPS and the Mayor's Office met with City Departments including Business Affairs and Consumer Protection (BACP), Chicago Department of Transportation (CDOT), Facilities and Fleet Management (2FM), Department of Water Management (DWM), Chicago Department of Aviation (CDA), Department of Streets and Sanitation (DSS), Department of Law (DOL), Department of Buildings (DOB), and Office of Emergency Management and Communication (OEMC). The departments in attendance discussed their processes to determine the validity of licenses at contract award and to monitor license validity over the life of a contract. Those present at the meeting "determined that the group should explore several possibilities for next steps," including the ability of user departments to identify all licenses required by a contract, the efficacy of placing the responsibility for license disclosure on potential contractors by requiring an affidavit at the time of bidding, and identifying best practices for license verification and monitoring. DPS, DOL, and the Mayor's Office committed to continue working on the issue.

*(C) Notification Regarding Registered Sex Offenders Employed by the City of Chicago (OIG Record #15-0408)*

An OIG investigation revealed that, since 2003, there have been at least eight individuals who have been, for some period of time, registered sex offenders while actively employed by the City, and that the City lacks an adequate system to ensure that the work duties of any such employees are appropriately managed to comply with the restrictions imposed by their sex offender status. The investigation revealed that, in at least one of those cases, an employee's direct supervisors were not aware of the employee's status, despite the underlying conviction being appropriately disclosed and recorded in the employee's personnel records. As a consequence, the employee's supervisors did not consciously manage that employee's work duties so as to comport with the restrictions imposed on sex offenders which resulted in the employee being directed to perform work in locations prohibited by the employee's sex offender status. These restrictions include prohibitions (with very limited exceptions) against a registered

sex offender being knowingly present in or near a school building, public park, school bus stop, or playground where there are children present.

OIG recommended that the City institute procedures to ensure that any registered sex offenders in the employ of the City hold assignments and duties, which are appropriate to their status and restrictions, and that direct supervisors regularly review assignments for appropriateness and make records of their reviews for successor supervisors.

In response, the City committed to instituting procedures to ensure that any employee who is a registered sex offender or who is subject to any other legal status, which restricts movement or location, is working within the restrictions attendant to that status. If a background check performed during the hiring process reveals that a candidate has been convicted of an offense which requires registration, the Department of Human Resources (DHR) will search the Illinois Sex Offender Database to confirm that the candidate is a registered sex offender; further, all candidates will be required to disclose if they are subject to any laws or court orders that restrict their movements or locations and, in all instances, the disclosed restrictions will be verified by the City. If a candidate who is subject to any such restrictions is ultimately hired, DHR will work with the hiring department to determine whether the essential job duties can be performed within the bounds of those restrictions and, if so, to “develop a plan for any measures that should be put in place to ensure continued compliance with such restrictions.” Finally, after the required notice to unions, the City will institute a Policy for Disclosure of Potential Court Order Violations, which will require any employee who is a registered sex offender to disclose this status to the City and to update that disclosure annually. Any employee who is subject to legal restrictions on movement or location will be required to immediately inform their department’s human resources liaison if they are at risk of violating these restrictions in the course of performing work-related duties

*(D) Notification Regarding Improper Gifts to CPD’s Medical Services Section employees (OIG Record #13-0377)*

An OIG investigation revealed a widespread practice among employees of the Chicago Police Department (CPD) Medical Services Section of soliciting and accepting gifts from medical providers who deliver services to injured or ill CPD employees. Over a period of several years, employees in the Medical Services Section received gifts including meals, event tickets, snacks, clothing, and office supplies from medical providers, which operate as vendors engaged by the City Council’s Committee on Finance.

OIG recommended that CPD ensure that employees in the Medical Services Section are properly trained on their obligations and prohibitions under the City’s Ethics Ordinance and CPD Rules and Regulations regarding gifts and that they be appropriately supervised on this issue. In particular, OIG recommended that CPD consult with the Board of Ethics to plan and institute appropriate training, and that CPD consider informing CPD and Committee on Finance vendors of the relevant rules limiting gift-giving to City employees.

In response, CPD partnered with the Board of Ethics to present to the Medical Services Section a training session, which covered topics including fiduciary duty, conflicts of interest, gifts and travel, management of confidential information, nepotism, and campaign finance rules.

*(E) Notification regarding DOF's Accounts Receivable Policies, Procedures, and Training (OIG Record #15-0314)*

An OIG investigation revealed a general lack of policies, procedures, and training for Department of Finance (DOF) Accounts Receivable employees. OIG concerns arose during a recent OIG investigation into allegations that a DOF Accounts Receivable employee advised a City licensee to pursue bankruptcy in order to avoid paying City debts.

OIG's investigation revealed conflicting views among DOF supervisors regarding DOF's ability to advise customers of their options for handling City debt. In addition, DOF's policies and training materials provided to collections employees contained no guidance on how to interact with customers or address common problems experienced by customers, except on two narrow topics—vehicle impoundment disputes and disputes involving the Department of Administrative Hearings.

Accounts Receivable employees interact on a daily basis with members of the public. For many DOF customers, City debt can have serious financial consequences and, if a business license is at stake, can affect one's ability to earn a living. Accounts Receivable employees who lack training on interacting with customers in high-stress situations and provide potentially unauthorized legal advice needlessly expose the City and DOF customers to risk. Providing Accounts Receivable employees with written policies and procedures as well as adequate training would help to ensure that City debt is collected effectively and efficiently, DOF employees provide customers with appropriate information, and employees and their supervisors share a common understanding about basic job functions.

OIG recommended that DOF evaluate its current written policies, procedures, and training for Accounts Receivable staff and take action necessary to ensure that its employees are robustly trained and provided with clear direction on how to interact with members of the public facing a range of common customer service and debt-related issues, including, but not limited to, bankruptcy.

DOF responded that it had reviewed Accounts Receivable's policies and procedures and updated its Customer Service Policy to clearly prohibit staff from providing customers with any form of legal advice, including bankruptcy advice. DOF had updated its Customer Service Manual to provide appropriate answers to questions frequently asked by customers. DOF stated that it is further undertaking a review of all Accounts Receivable process documentation to ensure it is complete and to identify existing gaps. DOF committed to review and update this documentation at least once per year. Finally, DOF retrained all Accounts Receivable employees on the Division's updated Customer Service Manual, including responses to questions about bankruptcy, in June 2017, and to conduct annual refresher training. All staff members will sign an acknowledgment stating they have received the applicable training documentation and related instruction.

(F) *Notification Regarding the DFSS Workforce Services Program (OIG Record #16-0376)*

OIG issued a notification to the Department of Family and Support Services' (DFSS) regarding possible opportunities for improvement in the Workforce Services program. We determined that DFSS is in the process of instituting changes related to its Strategic Framework that, if completed, may reasonably be expected to improve the effectiveness and efficiency of Workforce Services. In addition, OIG determined that DFSS could improve collaboration with the Cook County Workforce Partnership and other City departments that provide workforce services. OIG also determined that DFSS did not conduct programmatic audits of all workforce programs and that delegate agency performance measures were not always linked to DFSS management's decision-making.

OIG encouraged DFSS to develop a plan to improve collaboration, begin conducting programmatic audits of all workforce delegate agencies, and design performance measures that inform management decisions and operationalize its goals. In response, DFSS committed to looking for additional areas to collaborate with City departments and external stakeholders, auditing all workforce delegate agencies, and evaluating the utility of current performance measures as part of its Strategic Framework process.

**G. OTHER REPORTS AND ACTIVITIES**

As an expert in government oversight and as part of its mission to promote economy, effectiveness, efficiency, and integrity, OIG may periodically participate in additional activities and inquiries in the service of improving accountability in City government. This section is reserved in order to describe such activities as they occur. The following summarizes the public reports released this quarter.

(A) *First Annual Progress Report on the Procurement Reform Task Force*<sup>12</sup>

On May 30, 2017, OIG published its first annual Progress Report on the activities of the Chicago Procurement Reform Task Force (PRTF). Mayor Rahm Emanuel convened PRTF on May 27, 2015, to identify opportunities for the City and its sister agencies to implement best practices for awarding, managing, and overseeing public contracts. On November 17, 2015, PRTF reported its findings and made recommendations grouped into five categories representing the essential principles of government procurement: competition, efficiency, transparency, integrity, and uniformity. On March 1, 2017, a committee of representatives from each PRTF member agency issued the 2016 PRTF Annual Report, describing the steps taken to date on each of the Task Force's recommendations.

OIG's Progress Report, as required by ordinance, summarizes and evaluates the progress of the City and its sister agencies toward fulfilling PRTF's recommendations. OIG found that while the

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<sup>12</sup> Published May 30, 2017. See <http://chicagoinspectorgeneral.org/wp-content/uploads/2017/05/2017-PRTF-Progress-Report.pdf>.

City and its sister agencies have not strictly complied with the implementation timetable agreed to in the 2015 PRTF Report, they have made significant progress toward achieving its goals. Some of these accomplishments include but are not limited to: each participating member adopting uniform policies regarding contract amendments; the Participating Members compiling a checklist of considerations for determining whether a contract bidder has undertaken good-faith efforts to meet diversity goals; and the adoption of uniform standards for the bid-protest process. With respect to the future work of the PRTF, OIG strongly urged a commitment to target dates for the completion of each remaining recommendation. OIG also notes that successful implementation of all of the recommendations – which in the aggregate will create a unitary, user-friendly procurement and contract management environment that will lower barriers to entry for new and small business enterprises and be transparent to the public -- will require significant organizational and financial support for needed information technology upgrades.

*(B) Review of the City of Chicago's Expired and Expiring Collective Bargaining Agreements (OIG Record #17-0068)<sup>13</sup>*

This year, the City and its unionized workforce, which comprises over 90 percent of the more than 30,000 municipal employees, will negotiate new collective bargaining agreements (CBAs). Notably, more than two-thirds of the current CBAs have been in effect for ten years.

OIG published a report urging the parties to reassess certain aspects of the current agreements and to negotiate new CBAs that reflect both the immense value of Chicago's unionized public servants and the fiscal realities confronting the City. The report describes the current CBAs and suggests where amendments may improve economy, effectiveness, and integrity. OIG published this report to aid the negotiation process by identifying contract elements that warrant particularly careful consideration by the parties and close scrutiny by City Council and to serve the public interest by providing a general overview of what is at stake in the negotiations.

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<sup>13</sup> Published May 31, 2017. See <http://chicagoinspectorgeneral.org/wp-content/uploads/2017/05/2017-CBA-Review-1.pdf>.

## **H. HIRING OVERSIGHT**

Under Chapter XII of the City of Chicago General Hiring Plan, Chapter XI of CPD Hiring Plan, and Chapter IX of the Chicago Fire Department (CFD) Hiring Plan,<sup>14</sup> OIG is required to review and audit various components of the hiring process and report on them quarterly. The City’s Hiring Plans require both reviews and compliance audits. The Hiring Plans define reviews as a “check of all relevant documentation and data concerning a matter,” and audits as a “check of a random sample or risk-based sample of the documentation and data concerning a hiring element.”

### **1. Hiring Process Reviews**

#### *(A) Contacts by Hiring Departments*

OIG tracks all reported or discovered instances where hiring departments contacted DHR or CPD Human Resources (CPD-HR) 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. During the second quarter of 2017, OIG did not receive any reports of direct contacts.

#### *(B) Political Contacts*

OIG tracks all reported or discovered instances where elected or appointed officials of any political party or any agent acting on behalf of an elected or appointed official, political party, or political organization contact the City attempting to affect any hiring for any Covered Position or Other Employment Actions.

Additionally, City employees often report contacts by elected or appointed officials that may be categorized as inquiries on behalf of their constituents but not an attempt to affect any hiring decisions for any Covered Position or Other Employment Actions.

During the second quarter of 2017, OIG received notice of five political contacts regarding six candidates:

- A Cook County Circuit Court judge contacted CPD to provide a letter of recommendation for a candidate for the covered position of Lieutenant.
- An Alderman contacted DHR to inquire on the status of a candidate’s application for the covered position of Laborer.

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<sup>14</sup> 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. This Hiring Plan was refiled, though not amended, on May 15, 2014. The City of Chicago also filed an amended Chicago Police Department Hiring Plan for Sworn Titles (CPD Hiring Plan) and an amended Chicago Fire Department Hiring Plan for Uniformed Positions (CFD Hiring Plan) on May 15, 2014, which were approved by the Court on June 16, 2014. Collectively, the General Hiring Plan, the CPD Hiring Plan, and the CFD Hiring Plan will be referred to as the “City’s Hiring Plans.”

- An aldermanic aide contacted CPD regarding a police officer’s promotion to the covered position of Sergeant.
- An aldermanic aide contacted CPD regarding a police officer’s promotion or assignment to an unknown position.
- An Alderman contacted DHR to inquire about two candidates’ placement on the City’s Ineligible for Rehire List.

(C) *Exemptions*

OIG tracks all reported or discovered *Shakman* Exempt appointments and modifications to the Exempt List on an ongoing basis from DHR. OIG received 47 notifications of exempt appointments in the fourth quarter.

(D) *Senior Manager Hires*

OIG reviews hires pursuant to Chapter VI covering the Senior Manager Hiring Process. Of the 47 hire packets OIG reviewed in the fourth quarter, 16 pertained to Senior Manager positions, 3 of which contained errors. One packet contained incomplete test ratings forms. Each packet also contained incomplete Hire Certifications, which DHR ensured were completed after being informed of the error by OIG.

Due to the nature of the errors and the corrective actions taken, OIG had no further recommendations.

(E) *Written Rationale*

When no consensus selection is reached during a Consensus Meeting, a Written Rationale must be provided to OIG for review.<sup>15</sup>

During the second quarter of 2017, OIG did not receive any Written Rationales for review.

(F) *Emergency Appointments*

OIG reviews circumstances and written justifications for emergency hires made pursuant to the Personnel Rules and MCC § 2-74-050(8).

The City reported no emergency appointments during the second quarter of 2017.

(G) *Review of Contracting Activity*

During the second quarter of 2017, OIG along with DHR, DPS and DOL, successfully enacted a reorganization and revision of the Contractor Policy. These changes became effective June 7, 2017, and represent the work and input of several City departments. The revised Policy clarifies the obligations and responsibilities of contractors providing services for the City. The revised

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<sup>15</sup> A “Consensus Meeting” is a discussion that is led by the DHR Recruiter 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.

Policy also provides guidance to City departments related to the use of Personal Service Contractors, Administrative Law Judges/Hearing Officers, and other independent contractors. The overall effect of these revisions and the reorganization is to enhance enforcement of the Policy, eliminate opportunities for misuse of the contracting process, and maintain the City’s compliance with its Hiring Plan. OIG looks forward to working with the training division of DHR to implement and educate operating departments on the revised Contractor Policy.

OIG is required to review City departments’ compliance with the City’s “Contractor Policy” (Exhibit C to the City’s Hiring Plan). Per the Contractor Policy, OIG may choose to review any solicitation documents, draft agreements or final contract or agreement terms to assess whether they are in compliance with the Policy. This review includes analyzing the contract for common law employee risks and ensuring the inclusion of the *Shakman* boilerplate language. In addition to contracts, pursuant to Chapter X of the Hiring Plan, OIG must receive notification of the procedures for using volunteer workers at least 30 days prior to implementation.

Under the revised Contractor Policy, departments are no longer required to notify OIG of all contracts or solicitation agreements or task orders. However, all contract and solicitation agreements that OIG receives notice of will be reviewed. In addition, OIG will request and review a risk based sample of contract documents from departments. During the second quarter, OIG received notice of 51 Task Order Requests. OIG received notice of nine contracts or agreements. The chart below details contracts OIG received notice of in the second quarter of 2017.

**Table #6 – Contract and Volunteer Opportunity Notifications**

<b>Contracting Department</b>	<b>Contractor, Agency, Program, or Other Organization</b>	<b>Duration of Contract or Agreement</b>
Finance	Linebarger Goggan Blair and Sampson LLP	5 years
Cultural Affairs and Special Events	The Experimental Station	1 year
Cultural Affairs and Special Events	National Museum of Mexican Art	8 months
Cultural Affairs and Special Events	50x50 Neighborhood Project – Artist in Residence	8 months
Cultural Affairs and Special Events	50x50 Neighborhood Project – Artist in Residence	8 months
Cultural Affairs and Special Events	50x50 Neighborhood Project – Artist in Residence	8 months
Cultural Affairs and Special Events	Visual Artist Residency	8 months
Cultural Affairs and Special Events	Visual Artist Residency	8 months
Public Health	M3 Medical Management Services	1 year

## 2. Hiring Process Audits

### (A) *Modifications to Class Specifications,<sup>16</sup> Minimum Qualifications, and Screening and Hiring Criteria*

OIG reviews modifications to Class Specifications, minimum qualifications, and screening/hiring criteria. In the last quarter, OIG received notification that DHR changed the minimum qualifications for 14 titles within the following departments: Water Management, Cultural Affairs and Special Events, Public Health, Business Affairs and Consumer Protection, Aviation, Emergency Management and Communication, and Police. OIG reviewed all notices of a change to minimum qualifications and objected to three proposed changes. In one instance, OIG requested DHR explain why a professional licensing requirement was removed from the minimum qualifications. DHR provided information from the department showing that the license was no longer required for the position in question. OIG had no other objections to the change. In the second instance, OIG had concerns with the generic language used to describe the scale of previous required work experience. In response, the department modified the generic language to a quantifiable and objective standard. OIG had no further objections to the change. In the final instance, OIG had a question about the meaning of terminology used to describe one of the position's responsibilities. The department provided an explanation of the terminology and explained how it would be applied to elicit the work experience they were seeking OIG had no further objections to the change.

### (B) *Referral Lists*

OIG audits lists of Applicants/Bidders who meet the predetermined minimum qualifications generated by DHR for City positions. Each quarter, OIG examines a sample of referral lists and notifies DHR when potential issues are identified. OIG recognizes that aspects of candidate assessment are subjective and that there can be differences of opinion in the evaluation of a candidate's qualifications. Therefore, our designation of "error" is limited to cases where, based on the information provided, OIG found that,

- a candidate who did not quantitatively meet the minimum qualifications was referred for hiring;
- a candidate who failed to provide all of the required information and/or documents listed on the job posting was referred for hiring; or
- a candidate who quantitatively met the minimum qualifications was not referred for hiring.

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<sup>16</sup> "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.

In the last quarter, OIG audited four referral lists, none of which contained errors.

(C) *Testing*

The Hiring Plan requires OIG conduct an audit of DHR test administrations and scoring each quarter. In the second quarter, OIG audited testing administration materials<sup>17</sup> for 37 completed test administrations<sup>18</sup> covering 12 City departments completed during the first quarter of 2017.

OIG found three errors affecting two test administrations and reported them to DHR. These errors did not affect any candidates' final placement on position eligibility lists or any final candidate selection decisions. Additionally, DHR self-reported two errors affecting two testing administrations. None of the errors constituted a violation of the Hiring Plan. The individual errors and DHR's response to each error are detailed below.

i. Water Management – Hoisting Engineer

OIG did not locate a referral list or bid list in the testing materials. DHR stated that there was not a referral list because the candidates were recalled seasonal employees. The seasonal employee seniority list should have been included in lieu of the referral list as a way to confirm the correct candidates were offered the ability to take the skills assessment, and is therefore considered an error.

After the audit, DHR also provided email communications which provided additional context about the testing sequence. OIG's audit request specifically requests, "any additional emails or notes identifying issues surrounding the test administration or scoring." Therefore, the missing related emails are an error. DHR agreed with OIG's findings.

ii. Transportation – Hoisting Engineer

A candidate did not select any answers for the "willing" questions on the required "Willing and Able Questionnaire." Chapter IV Section B.14 of the Hiring Plan states in part, "In order to be offered the Position, Candidates must answer all questions in the affirmative on the Willing and Able Questionnaire." Therefore, the incomplete questionnaire is an error. DHR agreed with the error, and provided the corrected form to OIG.

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<sup>17</sup> "Testing administration materials" include (1) the test booklet (or booklets, if multiple versions of the test were administered); (2) the sign in/sign out sheets; (3) the answer key; (4) the final cut score(s)—the threshold score for passing the exam—and any documentation regarding the change of a cut score(s); (5) the individual test scores for each candidate for each test that was administered; (6) the finalized test results sent to the DHR Recruiter; (7) the answer sheets completed by the candidates; (8) the rating sheets completed by the interviewers as part of the Foreman Promotional Process; (9) any additional emails or notes identifying issues surrounding the test administration or scoring (e.g., documentation identifying the individual test score changes for tests that are rescored, memos to file regarding non-scheduled candidates being allowed to test, etc.); and (10) the Referral List.

<sup>18</sup> A "test administration" is considered to be completed when a test has been administered and the final candidate scores have been sent from the DHR Testing Division to the DHR Recruiting Division for candidate selection and processing.

iii. Emergency Management and Communications – Supervising Traffic Control Aide

DHR self-reported a scoring error which affected the placement of two candidates on the eligibility list. DHR discovered the issue prior to the conclusion of the interviews for the position and remedied the error. DHR explained they will implement a new internal process to review test results before they are sent to Recruiters. Because DHR discovered, remedied, and self-reported the issue, OIG did not consider it an audit error.

iv. Transportation – Field Service Specialist II

Outside of the audit process, but also during the second quarter of 2017, DHR Testing self-reported a testing administration error in which the wrong exam was administered to candidates. DHR discovered the error, and retested the candidates that received the incorrect test. To prevent this from happening in the future, DHR also requested that Transportation identify the division for any testing requests when sending emails or supporting documents to DHR in order to reduce confusion. DHR also stated they would confirm the division with the DHR Recruiter prior to administering tests.

*(D) Selected Hiring Sequences*

Each quarter, the Hiring Plan requires OIG to audit at least 10% of in-process hiring sequences and at least 5% of completed hiring sequences conducted by the following departments or their successors: DSS, DWM, CDA, the Chicago Department of Transportation (CDOT), the Department of Buildings, 2FM, and six other City departments selected at the discretion of OIG.

Auditing the hiring sequence requires an examination of the hire packets, which include all documents and notes maintained by City employees involved in the selection and hiring process for a particular position. As required by the Hiring Plan, OIG examines some hire packets during the hiring process and examines other packets after the hires are completed.

In the second quarter of 2017, OIG completed an audit of hire packets for 31 hiring sequences completed during the first quarter. OIG selected these hiring sequences based on risk factors such as past errors, complaints, and historical issues with particular positions. These hiring sequences involved 19 departments. Of the 31 hire packets audited, 2 errors were identified affecting 2 hiring sequences. These errors involved missing hiring documentation. In both sequences, OIG provided these findings to DHR, which took steps to correct the errors by obtaining completed forms. The documents were submitted by the Hiring Departments and placed with the corresponding hire packet. Additionally DHR agreed to provide timely notification if hire packets requested for review are unavailable.

*(E) Hiring Certifications*

OIG audits the City's compliance with Chapter XII.C.5 of the General Hiring Plan. A Hiring Certification is a form completed by the selected candidate(s) and all City employees involved in the hiring process to attest that no political reasons or factors or other improper considerations were taken into account during the applicable process.

OIG reviewed a total of 47 hire packets in the fourth quarter. In those 47 packets, there were 3 errors related to Hiring Certifications. All three errors involved participants in the hiring sequence failing to initial the Hiring Certification. OIG provided these findings to DHR, which took steps to correct the Hire Certifications and complete the hire packets. No further action was required.

*(F) Selected CPD Assignment Sequences*

Pursuant to Chapter XII of the CPD Hiring Plan for Sworn Titles, OIG has the authority to audit Other Employment Actions, including district or unit assignments, as it deems necessary to ensure compliance with this Hiring Plan. Generally, OIG audits assignments not covered by a collective bargaining unit and located within a District or Unit.

Assignment packets include all documents and notes maintained by employees involved in the selection processes outlined in Appendix D & E of the CPD Hiring Plan. Quarterly OIG selects a risk-based sample of assignment packets for completed process review after selections have been made and the candidate has begun their assignment.

In the second quarter of 2017, OIG completed an audit of 12 assignment sequences from the first quarter. OIG identified two errors in one assignment sequence involving missing documentation. Additionally, CPD-HR self-reported a coding error prior to the audit which affected the same assignment sequence. OIG also identified a Hiring Plan violation in one sequence where the Personal Staff Assignment exception outlined in the CPD Hiring Plan was improperly used to assign an officer to a Non-Bid Unit.<sup>19</sup>

OIG provided recommendations regarding the proper usage of forms, providing identifying information on any additional documentation in assignment packets, and giving proper notice of Personal Staff Assignments. Specifically, OIG recommended CPD-HR document when the Personal Staff Assignment process is utilized or when an assignment occurs outside of the normal Appendix D process.

During the second quarter of 2017, OIG met with management from CPD-HR and the Bureau of Patrol to discuss CPD's use of the Personal Staff Assignment exception. CPD and OIG agreed that assignments made using the Personal Staff exception should be limited to vacancies that primarily perform administrative functions for CPD Command staff. In addition, CPD was reminded that if assignments are made outside of the formal process, CPD must provide a written justification and OIG must receive prompt notification. Finally, CPD and OIG agreed that, due to organizational changes, assignments made to the Gang Enforcement team no longer fit within Appendix E and that future assignments will follow the process outlined in Appendix D.

OIG has completed an audit of selected assignment sequences in the second quarter of 2017, and will report on the findings in a future quarterly report.

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<sup>19</sup> Appendix D Section 6 of the CPD Hiring Plan states, "Non-Bid Unit Assignments at the managerial level and Personal Staff Assignments of Command Staff Members require greater management discretion in selection." The CPD Hiring Plan does not require any specific selection process, but requires that every employee involved in the selection, and the successful candidate execute Hire Certifications.

*(G) Selected CFD Assignment Sequences*

Pursuant to Chapter X of the CFD Hiring Plan for Uniformed Positions, OIG has the authority to audit Other Employment Actions, including assignments, “as it deems necessary to ensure compliance with [the] CFD Hiring Plan.” Assignment packets include all documents utilized in a specialized unit assignment sequence, including, but not limited to, all forms, certifications, licenses, and notes maintained by individuals involved in the selection process. OIG selects a risk-based sample of assignment packets for completed process review after CFD issues unit transfer orders and candidates have begun their new assignments.

In the second quarter of 2017 OIG completed an audit of 17 selected assignment sequences completed in the first quarter of 2017. OIG identified four errors affecting three assignment sequences. Each of the errors involved incomplete Hire Certifications from selected candidates. OIG recommended that CFD-HR enlist the assistance of CFD leadership to encourage compliance with selected candidates’ completing Hire Certifications. CFD-HR agreed with the recommendation, and stated they would continue to work to ensure candidates completed Hire Certifications.

*(H) Monitoring Hiring Sequences*

In addition to auditing hire packets, OIG monitors hiring sequences as they progress by attending and observing intake meetings, interviews, tests, and consensus meetings. The primary goal of monitoring hiring sequences is to identify any gaps in internal controls. However, real-time monitoring also allows OIG to detect and seek to address compliance anomalies as they occur.

OIG identifies the hiring sequences to be monitored based on risk factors such as past errors, complaints, and historical issues with particular positions. During the past quarter, OIG monitored three intake meetings, one test, eleven sets of interviews, and nine consensus meetings. The table below shows the breakdown of monitoring activity by department.<sup>20</sup>

**Table #7 – Second Quarter 2017 OIG Monitoring Activities**

<b>Department</b>	<b>Intake Meetings Monitored</b>	<b>Tests Monitored</b>	<b>Interview Sets Monitored</b>	<b>Consensus Meeting Monitored</b>
Aviation			1	1
City Clerk			1	1
Cultural Affairs and Special Events			1	1
Fire			2	1
Fleet and Facility Management			1	1
Library				1
Mayor’s Office for People with Disabilities				1
Police	2	1	4	1
Procurement Services				1

<sup>20</sup> If a department is not included in this table, OIG did not monitor any elements of that department’s hiring sequence(s).

Department	Intake Meetings Monitored	Tests Monitored	Interview Sets Monitored	Consensus Meeting Monitored
Transportation	1		1	
<b>Totals</b>	<b>3</b>	<b>1</b>	<b>11</b>	<b>9</b>

*(H) Acting Up<sup>21</sup>*

OIG audits the City’s compliance with Chapter XI of the General Hiring Plan and the Acting Up Policy. In the second quarter of 2017, OIG completed several audits of Acting Up activity and will report on the findings in a future quarterly report.

OIG received notice of four DHR-approved waiver requests to the City’s 90-Day Acting Up limit in the second quarter of 2017.<sup>22</sup> The following chart details these waivers.

**Table #8 – Acting Up Waivers**

Department	Acting Position	Number of Employees	Date of Response	Expiration of Waiver
Public Health	Administrative Assistant III	1	6/6/2017	5/24/2017
Public Health	Supervising CDCI Investigator	1	6/6/2017	5/15/2017
Fleet and Facilities Management	Foreman of Machinist	1	5/11/2017	7/31/2017
Fleet and Facilities Management	Garage Attendant in Charge	1	5/11/2017	7/31/2017

*(I) Arbitrations and Potential Resolution of Grievances by Settlement*

Chapter XII.C.7 of the City’s Hiring Plan requires the Hiring Oversight section of OIG to audit grievance settlement decisions that may impact procedures governed by the Hiring Plan.

OIG did not receive any notices of settlement agreements from DHR during the second quarter of 2017. OIG, however, did receive notice of two grievances directly from the operating departments. One grievance resulted in a finding that an employee was Acting Up into a higher-graded position at the direction of her supervisor. The other grievance settlement resulted in two candidates receiving residency waivers from DHR.

<sup>21</sup> “Acting Up” means an employee is directed or is held accountable to perform, and does perform, substantially all of the responsibilities of a higher position.

<sup>22</sup> Pursuant to the Acting Up Policy, no employee may serve in an Acting Up assignment in excess of 90 days in any calendar year unless the department receives prior written approval from DHR. The department must submit a Waiver Request in writing signed by the Department Head at least 10 days prior to the employee reaching the 90-day limitation. If the department exceeds 90 days of Acting Up without receiving a granted Waiver Request from DHR, the department is in violation of the Policy.

### 3. Reporting of Other OIG Hiring Oversight Activity

#### (A) Escalations

Recruiters and Analysts in DHR and CPD-HR must escalate concerns regarding improper hiring by notifying OIG. In response to these notifications, OIG may take one or more of the following actions: investigate the matter, conduct a review of the hiring sequence, refer the matter to the DHR Commissioner or appropriate department head for resolution, or refer the matter to the OIG Investigations Section.

OIG received notice of two escalations from DHR Recruiters in the second quarter of 2017. Additionally, OIG escalated a matter to CPD-HR regarding the 2016 Detective Merit process. The details of the escalations are reported below.

##### i. Department of Procurement Services – Senior Procurement Specialist

On April 17, 2017, DHR escalated a hiring sequence to OIG due to a request from the department to repost the position after the interview panelists had participated in a Consensus Meeting and the Hiring Manager made a hiring selection decision.

OIG reviewed the affected hiring sequence, interviewed relevant employees and determined that the decision to repost was made outside the prescribed procedures in the Hiring Plan. In addition, OIG recommended that DPS conduct second round interviews of the previously recommended candidates pursuant to Chapter V.B.11 of the General Hiring Plan.<sup>23</sup> DPS agreed with this recommendation and OIG monitored the subsequent Consensus Meeting. At the Consensus Meeting, the interviewers did not reach a consensus decision. DPS has provided the required written rationale and decided to re-post the position.

##### ii. Department of Buildings – Director of Technical Inspections

On April 20, 2017, DHR escalated a hiring sequence to OIG due to concerns about a statement that an interviewer made to a candidate during the interview.

OIG reviewed the hire packet and the completed candidate assessment forms. OIG did not find that the interviewer's statement impacted the hiring sequence, or violated the Hiring Plan. However, while reviewing the candidate assessment forms OIG noted that an interviewer wrote comments about some candidates that were not in support of the overall rating, or germane to the candidates' ability to perform the job duties. The comments were not erroneous or a violation of the Hire Plan, but in conjunction with the statement the interviewer reportedly made to a candidate, they were concerning.

OIG recommended that the DHR recruiter speak to the interviewers regarding the appropriate use of comments on the overall assessment section of the candidate assessment forms and the necessity of maintaining a professional demeanor during the interview process. DHR agreed with

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<sup>23</sup> Chapter V.B.11 of the Hiring Plan states "If the interviewers decide that more information is needed before they can make a selection decision, they may choose to conduct second round interviews with all or some of the candidates who were interviewed in the first round. The second round interviews shall proceed per the requirements of this Chapter."

the recommendation and the DHR Recruiter spoke to the interviewer prior to the consensus meeting.

iii. CPD 2016 Detective Merit Process

On April 24, 2017, OIG escalated the 2016 Detective Merit process to CPD after determining that the promotional sequence violated Section I.H of Exhibit A of the City of Chicago Police Department Hiring Plan for Sworn Titles (CPD Hiring Plan). Specifically, the Human Resource Section of CPD (CPD-HR) failed to compile and include any of the nominees' disciplinary history, medical roll usage, and performance evaluation records in the nomination packets for the Merit Board members to consider.

OIG recommended that CPD-HR take additional steps to ensure all nomination packet materials are screened for completion prior to convening the Merit Board. Additionally, OIG recommended that CPD-HR promptly inform OIG of any and all proposed changes affecting the Merit Board or Merit Selection Process prior to implementation.

OIG met with CPD to discuss future changes to the merit promotional process. As a result, CPD revised its Merit Nomination standard operating procedures which incorporated the changes suggested by OIG. CPD also agreed to notify OIG of any modifications to any Merit Board training materials and/or General Orders.

*(B) Processing of Complaints*

OIG receives complaints regarding the hiring process, including allegations of unlawful political discrimination and retaliation and other improper considerations in connection with City employment. All complaints received by OIG are reviewed as part of OIG's complaint intake process. Hiring-related complaints may be resolved in several ways depending upon the nature of the complaint. If there is an allegation of a Hiring Plan violation or breach of a policy or procedure related to hiring, OIG may open a case into the matter to determine if such a violation or breach occurred. If a violation or breach is sustained, OIG may make corrective recommendations to the appropriate department or may undertake further investigation. If, after sufficient inquiry, no violation or breach is found, OIG will close the case as not sustained. If, in the course of inquiry, OIG identifies a non-hiring-related process or program that could benefit from a more comprehensive audit, OIG may consider a formal audit or program review.

OIG did not receive any complaints related to the City's hiring practices in the past quarter. The chart below summarizes the disposition of these complaints as well as the complaints and cases from the previous quarter that were not closed when OIG issued its last report.

**Table #9 – Disposition of Hiring Oversight Complaints Received in the Fourth Quarter of 2016**

<b>Status</b>	<b>Number of Complaints and/or Cases</b>
Cases Pending at the End of Quarter 1, 2017	15
Complaints Received in Quarter 2, 2017	0
Complaints Declined without Inquiry in Quarter 2, 2017	
Complaints Pending at the End of Quarter 2, 2017	
Cases Referred by OIG Investigations in Quarter 2, 2017	
Total Cases Closed in Quarter 2, 2017	2
Closed by Referral to OIG Investigations	
Closed by Referral to DHR/Department	
Closed with Recommendations to the Hiring Department and/or DHR	1
Cases Pending with OIG Hiring Oversight as of June 30, 2017	13