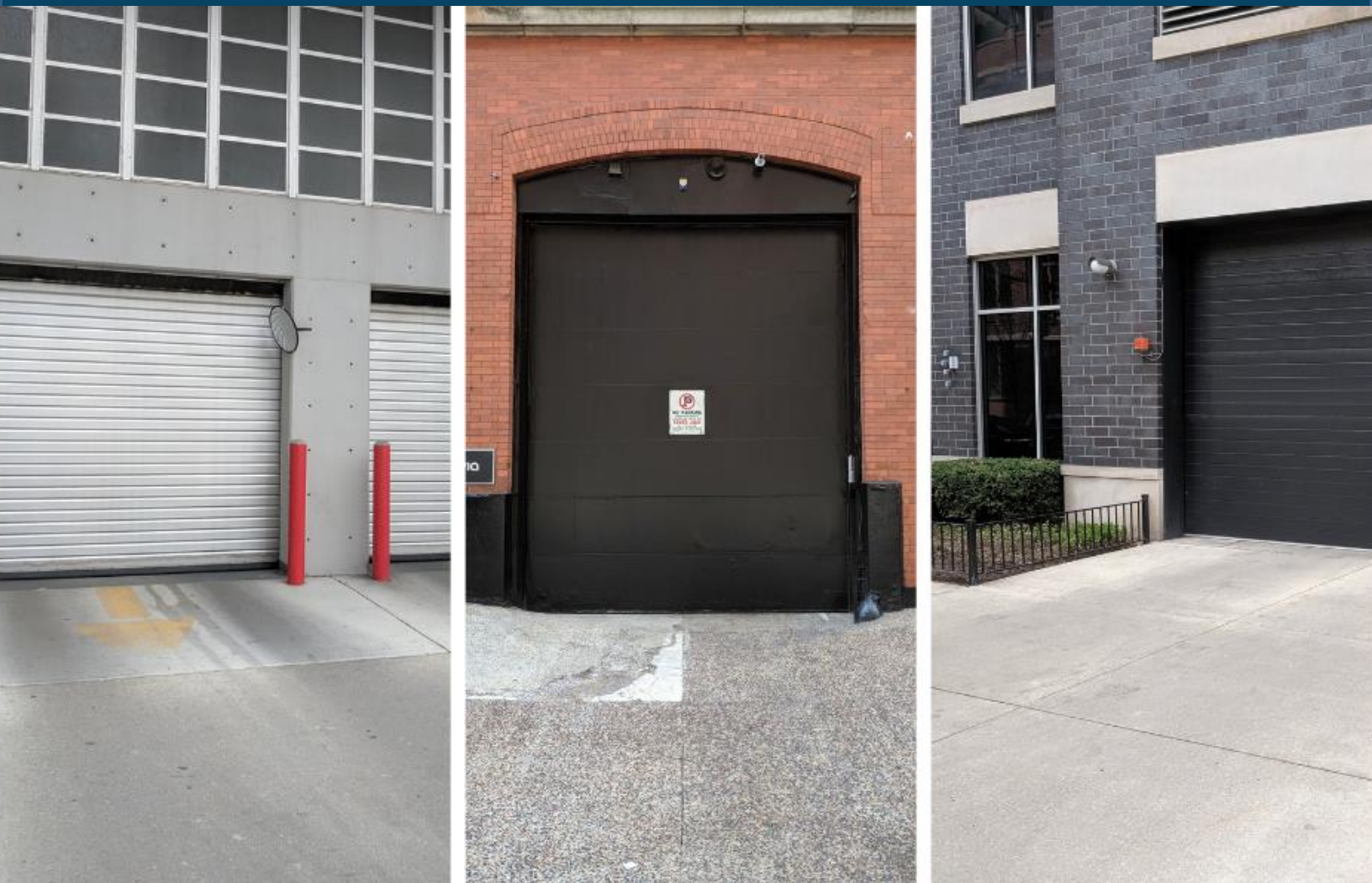


JULY 2019

CITY OF CHICAGO OFFICE OF INSPECTOR GENERAL

CHICAGO DEPARTMENT OF TRANSPORTATION COMMERCIAL DRIVEWAY BILLING AUDIT





JOSEPH M. FERGUSON
INSPECTOR GENERAL

CITY OF CHICAGO
OFFICE OF INSPECTOR GENERAL
740 NORTH SEDGWICK STREET, SUITE 200
CHICAGO, ILLINOIS 60654
TELEPHONE: (773) 478-7799
FAX: (773) 478-3949

JULY 1, 2019

TO THE MAYOR, CITY COUNCIL, CITY CLERK, CITY TREASURER, AND THE RESIDENTS OF THE CITY OF CHICAGO:

The City of Chicago Office of Inspector General (OIG) has completed an audit of the Chicago Department of Transportation's (CDOT) billing process for commercial driveway permit annual fees. The purpose of the audit was to determine whether CDOT accurately and completely billed commercial property owners for driveways that use the public way.

Based on the audit results, OIG concludes that the City is losing over \$1 million a year due to incomplete and inaccurate billing. Specifically, CDOT either did not bill, or inaccurately billed, an estimated 6,713 permitholders, resulting in an annual revenue loss between \$1.1 million and \$1.5 million. If collected, this would increase driveway permit revenue by 39%-54%. Furthermore, CDOT has no confidence that all relevant driveways are recorded in its current driveway permit system; the City is thus likely forgoing an unknown amount of additional revenue by not billing all relevant property owners. Finally, OIG found that the City does not actively pursue payment for driveway permit fees that are past due. There were at least 11,561 active permits with \$3.8 million in overdue fees in CDOT's records.

To address these concerns, OIG recommends several steps that CDOT should take to correct the data problems currently hampering its billing operations and to prevent such problems in the future. We also recommend that CDOT collaborate with other departments to include driveway permit fees in the City's standardized debt collection processes.

CDOT agreed with our recommendations, committing to correct its records, collect unbilled fees, develop standardized procedures, and implement other corrective and preventive measures. CDOT also said it will collaborate with other departments to upgrade its data system and ensure that past due fees are collected.

We thank CDOT staff and management for their cooperation with this audit. We also thank the Office of Budget and Management employee who described the Office's efforts to identify driveway owners, as well as the Department of Finance personnel who explained the City's standardized debt collection and verification processes.

Respectfully,

A handwritten signature in blue ink, appearing to read 'J. Ferguson', with a stylized flourish at the end.

Joseph M. Ferguson
Inspector General
City of Chicago

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ACRONYMS

CBD	Central Business District
CDOT	Chicago Department of Transportation
COAL	Collections, Ownership, and Administrative Litigation in Department of Law
DOB	Department of Buildings
DOF	Department of Finance
DOIT	Department of Innovation and Technology
DOL	Department of Law
MCC	Municipal Code of Chicago
OBM	Office of Budget and Management
OIG	Office of Inspector General



CITY OF CHICAGO
OFFICE OF INSPECTOR GENERAL

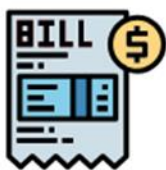
AUDIT OF THE CHICAGO DEPARTMENT OF TRANSPORTATION'S COMMERCIAL DRIVEWAY BILLING



THE CITY IS LOSING \$1.1-1.5 MILLION A YEAR

Because the Chicago Department of Transportation does not bill or inaccurately bills an estimated 6,713 permitholders

IF COLLECTED, DRIVEWAY
PERMIT REVENUE WOULD
INCREASE BETWEEN
39% - 54%



THERE WERE AT LEAST
11,561 ACTIVE PERMITS
WITH \$3.8 MILLION IN
OVERDUE FEES IN THE
DEPARTMENT'S
RECORDS

I. EXECUTIVE SUMMARY

The City of Chicago Office of Inspector General (OIG) conducted an audit of the Chicago Department of Transportation's (CDOT) billing process for commercial driveway permit annual fees. The purpose of the audit was to determine whether CDOT accurately and completely billed commercial property owners for driveways that use the public way.

A. CONCLUSION

OIG concludes that the City is losing over \$1 million a year due to incomplete and inaccurate billing.

B. FINDINGS

OIG found that CDOT either did not bill, or inaccurately billed, an estimated 6,713 permitholders, resulting in annual revenue loss between \$1.1 million and \$1.5 million. If collected, this would increase driveway permit revenue by 39%-54%.

The most common reason CDOT did not bill for annual driveway permit renewals was that the identity of the property owner was either unknown or disputed, and CDOT had not researched and resolved the ownership question. OIG identified a variety of other reasons why some permits went unbilled, including missing addresses and unwarranted waivers. Notably, we found similar problems, including incomplete data, in our 2015 audit of CDOT's Loading Zone and Residential Disabled Parking Sign Processes.¹ In response to that audit, CDOT stated that it intended to work with the Department of Innovation and Technology (DOIT) to upgrade to a new system in 2016. That upgrade has not yet occurred, and the City continues to lose millions of dollars each year.

In addition, CDOT has no confidence that all relevant driveways are recorded in its current driveway permit system. The City is thus likely forgoing an unknown amount of additional revenue by not billing all relevant property owners.

Finally, OIG found that the City does not actively pursue payment for driveway permit fees that are past due. There were at least 11,561 active permits with \$3.8 million in overdue fees in CDOT's records. CDOT stated that it had previously considered tying driveway permits to the permitholder's deed, water bill, driver's license, or business license, but that these ideas had not "gained traction." The Department of Finance stated it does not include driveway permit fees in the City's standardized debt collection processes because CDOT's property ownership data is unreliable. This has created a self-perpetuating cycle; the errors in CDOT's ownership records prevent the Department from using existing City processes to correct its ownership records.

¹ City of Chicago, Office of the Inspector General, "Loading Zone and Residential Disabled Sign Processes Audit", June 3, 2015, 12, accessed November 29, 2018, <https://igchicago.org/wp-content/uploads/2015/06/Loading-Zone-and-Disabled-Parking-Signs-Audit.pdf>.

CDOT stated it had previously considered obtaining property ownership data from Cook County, but that the data was “not easy to acquire” and required payment.

C. RECOMMENDATIONS

OIG recommends that CDOT correct the data problems currently hampering billing and implement procedures to prevent such problems in the future. Specifically, OIG recommends that CDOT,

- remove or consolidate database fields, as well as options within those fields that are redundant, rarely used, or unnecessary;
- identify and record driveways missing from its records;
- collaborate with DOIT to upgrade its system and include features to prevent future data problems;
- document standardized procedures related to the driveway permitting, billing, and monitoring processes; and
- develop monitoring tools, such as automated reports and/or notifications, to detect permits at risk for inaccurate billing or non-billing.

Finally, we recommend that CDOT collaborate with the Department of Finance, the Department of Law, and other departments as necessary to include driveway permit fees in the City’s standardized debt collection or verification processes.

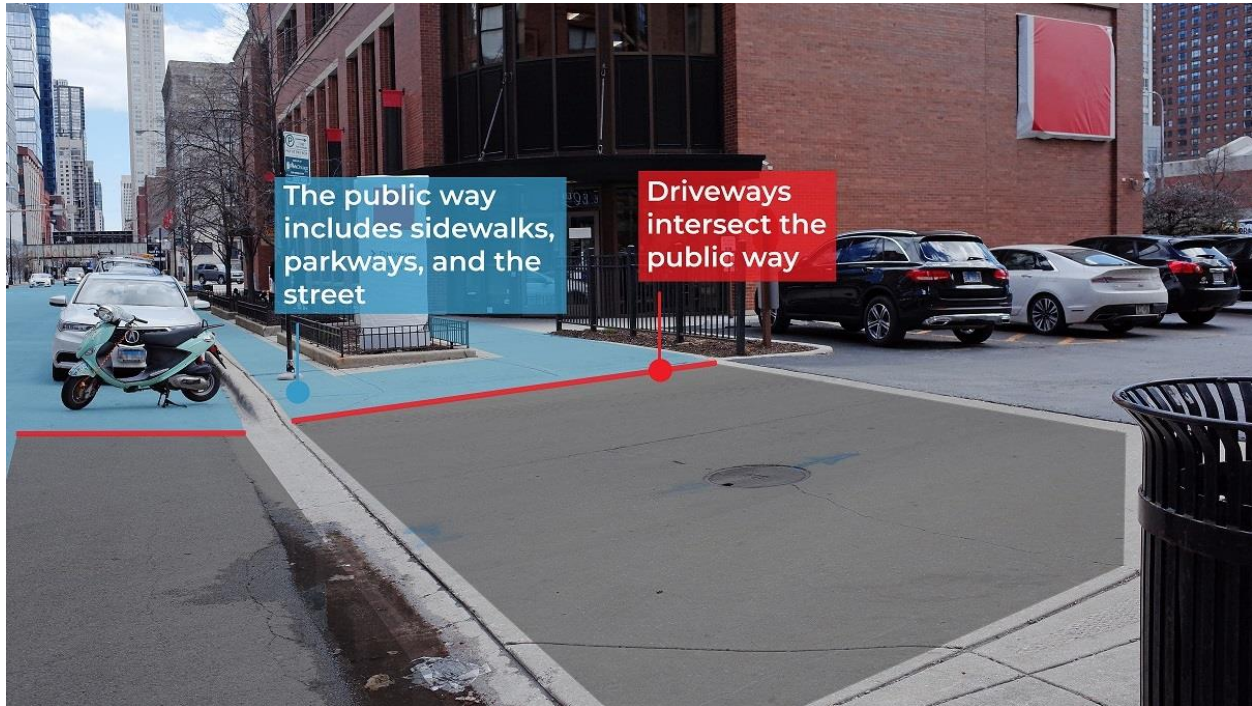
D. CDOT RESPONSE

In response to our audit findings and recommendations, CDOT stated that, in collaboration with DOIT, it will migrate driveway data from the NSR/Suntrack system to the Infor Public Sector (IPS) system, formerly known as Hansen. During that transition CDOT will have “an opportunity to evaluate how it processes and monitors driveway data, including implementing the corrective and preventive measures described in [this report].” CDOT also committed to reviewing and correcting unbilled and inaccurately billed driveway records, assessing current workflow processes, developing standardized policies and procedures for both the NSR/Suntrack and IPS systems, providing training to staff, and developing monitoring reports. Regarding the pursuit of payment for past-due driveway permit fees, CDOT stated it would collaborate with the Departments of Finance and Law to determine the most effective method for collecting past due fees.

The specific recommendations related to each finding, and CDOT’s response, are described in the “Findings and Recommendations” section of this report.

II. BACKGROUND

The Municipal Code of Chicago (MCC) requires anyone whose driveway runs “over, across or upon any public sidewalk or public parkway” to obtain a permit.²



The driveway permit fee is based on,

- a) the “class” of the property (residential or commercial),³
- b) the width of the driveway, and
- c) whether or not the driveway is in the Central Business District (CBD).⁴

A. DRIVEWAY PERMIT FEE RATES AND WAIVERS

While residential driveways require only a one-time permit fee of \$10, commercial driveway fees are due annually and range from \$100 to \$4,000. Figure 1 provides the current and historical fee rates.

² MCC § 10-20-405.

³ MCC § 10-20-420 defines two categories of properties. Category A covers residential properties with four units or less. Category B covers all other properties, including residential buildings with five or more units. For purposes of this audit, we refer to all Category B properties as “commercial.”

⁴ MCC § 10-20-420. The CBD boundaries are defined by MCC § 9-4-010 and depicted in Appendix A.

FIGURE 1: COMMERCIAL DRIVEWAY PERMIT FEE RATES

		CURRENT RATES		HISTORICAL RATES					
		2012		2010		2002		1993	1988
		Outside CBD	Inside CBD	Outside CBD	Inside CBD	Outside CBD	Inside CBD	All Locations	All Locations
FEES (Based on Driveway Width)	Up to 25'	\$100	\$200	\$100	\$200	\$100	\$200	\$68	\$34
	26' to 49'	\$120	\$240	\$120	\$240	\$100 + \$2 per foot above 25'	\$200 + \$4 per foot above 25'	\$75	\$68
	50' to 79'	\$175	\$350	\$175	\$350				
	80' to 119'	\$235	\$470	\$235	\$470				
	120' to 199'	\$335	\$670	\$335	\$670				
	200' to 499'	\$635	\$1,270	\$635	\$1,270				
	500' +	\$2,000	\$4,000	\$2,000	\$4,000				

Source: OIG analysis of MCC § 10-20-420; Journal of Proceedings, December 4, 2002, Vo. 1, p. 99026; Journal of Proceedings, January 14, 1997, Vol. 2, p. 37782-3; Journal of Proceedings, December 21, 1988, Vol. 2, p. 37782-3.

Under the driveway permit ordinance, the only two entities explicitly exempted from annual fees, after the first-year fee is paid, are Chicago Public Schools and City Colleges of Chicago. In practice, however, CDOT stated that it waives fees for all properties owned by the City and its sister agencies,⁵ and engages with the Department of Law (DOL) to grant waivers to,

- private companies on City of Chicago property;
- other governmental entities at the local, state, and federal levels, as well as foreign governments;
- railroads; and
- an electricity supplier.⁶

The MCC also waives 20% of permit fees charged to public museums and not-for-profit hospitals.

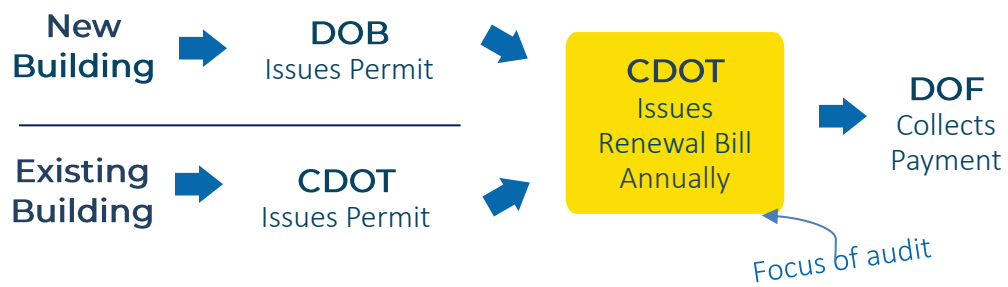
B. ROLES IN THE DRIVEWAY PERMITTING PROCESS

The Department of Buildings (DOB) issues driveway permits for newly-constructed commercial buildings; the Permitting section of CDOT's Division of Infrastructure Management issues permits for existing buildings when there is a new owner. The property owner must pay the initial fee in order to obtain the permit. Thereafter, CDOT is responsible for sending the owner annual renewal bills, and the Department of Finance (DOF) is responsible for collecting payment. Figure 2 depicts this process.

⁵ The sister agencies are: Chicago Public Schools, Chicago Park District, Chicago Transit Authority, City Colleges of Chicago, Chicago Housing Authority, and Public Building Commission. See MCC § 1-23-010.

⁶ This waiver relates to the Electricity Infrastructure Maintenance Fee Law, 35 ILCS 645, which allows the City to collect an "infrastructure maintenance fee (IMF)" if it waives its fees for use of public ways (e.g., commercial driveway fees). For example, the City waives fees for Commonwealth Edison Company, which holds 70 permits covering 112 driveways.

FIGURE 2: Commercial driveway permit process



As of August 2018, CDOT's driveway Permitting section consisted of a supervisor of driveways and three staff positions, one of which was vacant.

III. FINDINGS AND RECOMMENDATIONS

FINDING 1: CDOT EITHER DID NOT BILL OR INACCURATELY BILLED AN ESTIMATED 6,713 PERMITHOLDERS, RESULTING IN AN ANNUAL REVENUE LOSS BETWEEN \$1.1 MILLION AND \$1.5 MILLION.

CDOT did not bill an estimated 6,541 permitholders and inaccurately billed 172 permitholders resulting in net annual revenue loss between \$1.1 million and \$1.5 million.⁷ If collected, this would increase driveway permit revenue by 39%-54%.

A. UNBILLED PERMIT FEES

The most common reason CDOT did not bill for annual driveway permit renewals was that the identity of the property owner was either unknown or disputed, and CDOT had not researched and resolved the ownership question. As shown in Figure 3, OIG found an estimated 5,880 permits awaiting ownership resolution, representing \$0.9 million to \$1.3 million in annual revenue loss. CDOT said that some bills are returned unopened or disputed by the former owner after a property is transferred to a new owner. CDOT pauses the billing process for such permits until ownership is researched and resolved.⁸ CDOT stated that it had previously considered addressing the ownership issue by tying the driveway permit to the permitholder's deed, water bill, driver's license, or business license, but that these ideas had not "gained traction." See Finding 2 for further discussion of this topic. CDOT also stated it had previously considered obtaining property ownership data from Cook County, but that the data was "not easy to acquire" and required payment.

The City's Office of Budget and Management (OBM) assisted CDOT in 2018 and 2019 by reviewing permits in Wards 1 through 10 that were at least a year delinquent in payments. OBM researched ownership via property tax and deed records and determined whether driveways existed via Google Maps Street View. It billed the current of new owners of existing driveways and, as of April 2019, reportedly collected \$273,876 from 281 payees.

In addition to ownership questions, OIG identified a variety of other causes for why some permits went unbilled. For example, 312 permits remained in a "Pending" status for over a year without resolution,⁹ and the fees for 96 permits had been incorrectly waived. CDOT's records for

⁷ A permitholder can hold more than one permit. However, for the purposes of this audit, each permit was counted as having a unique permitholder.

⁸ See Appendix B for a flowchart depicting CDOT's process for addressing property ownership questions.

⁹ Of these 312 permits, 237 had a "Pending" *case* status and 75 had a "Pending" *permit* status. CDOT explained that case status can remain pending for up to a year while a property is being built, but that the Department does not have any process to eventually review and resolve such cases. Regarding permit status, CDOT was unaware that its

two permits issued in 1996 noted that waivers were granted at the direction of aldermen.¹⁰ Prior to January 1, 2012, aldermen had the authority to waive driveway permit fees for individuals and entities, but such waivers should have expired on December 31, 2011.¹¹

Eighty-one permits were unbilled because the driveways were incorrectly categorized in the system as “Removed.” CDOT stated that for a driveway to be considered “Removed,” the street curb and sidewalk must be restored. Restoration should be substantiated with supporting documentation, such as construction permits and photos. CDOT said that it did not effectively enforce this requirement in the past but intends to do so going forward.

FIGURE 3: CDOT DID NOT BILL AN ESTIMATED 6,541 PERMITHOLDERS, RESULTING IN ANNUAL REVENUE LOSS OF \$1.1 MILLION TO \$1.5 MILLION

	Reason CDOT Did Not Bill	Number of Permits	Estimated Annual Revenue Loss
1	Property owner was unknown and not researched	5,880	\$960,537 to \$1,334,627
2	Case status was “Pending” and the permit was over one year old	237	\$32,755 to \$62,598
3	Permit had no billing address	112	\$20,515
4	Fee was incorrectly waived	96	\$19,225
5	Existing driveway was incorrectly assigned “Removed” status	81	\$4,627 to \$24,776
6	Status was “Pending” despite permit being more than one year old	75	\$14,946
7	“Able to Invoice” box was unchecked	60	\$13,345
	TOTAL	6,541	\$1,065,950 to \$1,490,032

Note: the numbers of permits in categories 1, 2, and 5 are estimated based on samples from the related populations, therefore the annual revenue loss is an estimated range. The samples were based on a 95% confidence level and a 10% margin of error.

In addition to estimating the annual revenue loss shown in Figure 3, OIG attempted to estimate the cumulative loss since the issuance of the permit. This required us to assume that driveway records had not changed since permit issuance, which we determined was a reasonable assumption for all but categories 1 and 5 in Figure 3. For categories 2, 3, 4, 6, and 7, we estimate a cumulative revenue loss of \$511,031.

system allowed a permit status to be marked “Pending.” See Appendix E for screenshots showing case status and permit status.

¹⁰ No aldermanic direction was noted for the other 94 permits, but OIG cannot state with certainty that the absence of the explicit comment guarantees the absence of such direction.

¹¹ City Council passed the prohibition on individual fee waivers in November 2011, and the relevant provision (MCC § 2-8-065) went into effect on January 1, 2012. See City of Chicago, *Journal of Proceedings November 16, 2011 Volume 1*, 13793, 13998, 14011 accessed April 2, 2019, http://chicityclerk.s3.amazonaws.com/s3fs-public/document_uploads/journals-proceedings/2011/111611VI.pdf.

B. INACCURATELY BILLED PERMIT FEES

OIG also found that CDOT inaccurately billed 172 permitholders, resulting in a net annual revenue loss of \$22,398. As summarized in Figure 4, the most common cause of inaccurate billing was that CDOT misidentified the driveway location as inside or outside the Central Business District. In 19 instances, CDOT billed permitholders who should have received a full waiver.

FIGURE 4: CDOT inaccurately billed 172 permitholders resulting in net annual revenue loss of \$22,398

Reason CDOT Inaccurately Billed		Number of Permits	Net Annual Revenue Loss/(Gain)
1	Location was misidentified as inside or outside CBD ¹²	151	\$29,955
2	Permitholder should have received a 100% waiver	19	(\$7,645)
3	Permitholder received a 20% waiver although it was not eligible	2	\$88
TOTAL		172	\$22,398

Regarding category 1 in Figure 4, CDOT stated that its tracking system (NSR/Suntrack) does not interface with the City's geographic information systems, and therefore cannot automatically determine whether a property is inside the CBD based on its address. Instead, staff use a physical wall map to determine whether a property is inside the CBD.

In addition to annual revenue loss shown in Figure 4, OIG estimates that inaccurate billings resulted in a total cumulative loss of \$151,216.

C. CONTRIBUTING FACTORS

In addition to the direct causes summarized in Figures 3 and 4, OIG identified the following factors as contributing to permit billing errors.

1. THE NSR/Suntrack system is unnecessarily complex and likely incomplete.

Many aspects of the NSR/Suntrack system, as utilized by CDOT for driveway permitting, are susceptible to user error. For instance, a mistake in any of the following eight data fields can result in an unbilled or inaccurately billed permit fee:

- Permit Status (3 options)
- Case Status (23 options)
- Driveway Status (7 options)
- Fee Type (6 options)

¹² OIG found 133 permits where a property located in the CBD was mistakenly identified as located outside the CBD and 18 permits where a property located outside the CBD was mistakenly identified as located in the CBD.

- “Able to Invoice” Box (Checked/Unchecked)
- Driveway Width¹³
- “CBD” Box (Checked/Unchecked)
- Billing Address

OIG found that many of these fields or options within these fields are redundant, rarely used, or unnecessary. For instance, a case status of “Closed – Driveway removed” (singular) is redundant to another case status, “Closed – Driveways removed” (plural).¹⁴

Furthermore, the NSR/Suntrack data is likely incomplete. CDOT stated that while it was not aware of any specific unrecorded driveway, it does “not have confidence that all commercial driveways in Chicago are captured” in the system. According to CDOT, in Spring 2019, DOIT will migrate driveway data to a different system (Hansen) and implement a Hansen application for CDOT public right-of-way inspectors. This application will allow inspectors in the field to determine which driveways have permits and which do not.

OIG found similar problems, including incomplete data, in our 2015 audit of CDOT’s Loading Zone and Residential Disabled Parking Sign Processes.¹⁵ In response to that audit, CDOT stated,

CDOT intends to retire the current NSR/Suntrack system and to incorporate impacted loading zone and other CDOT functionality and processes into a future deployment of Hansen 8, a more robust permitting system that is fully supported by DOIT... The incorporation of the loading zone process into Hansen 8 is currently scheduled for 2016.

Notwithstanding CDOT’s stated intention, the Hansen migration has yet to occur, and the City continues to lose millions of dollars each year.

2. CDOT lacks written and standardized driveway billing procedures.

CDOT does not have written policies and procedures for the entry, maintenance, and monitoring of driveway permit data. Rather, practices are shared by word-of-mouth and, thus, susceptible to inconsistent interpretation and application.

Documentation of proper procedures is especially crucial considering the complexity of the various statuses and checkboxes in the NSR/Suntrack system. Compounding this problem, CDOT has no defined procedures for verifying that permits with billable driveways are billed. Specifically, it has no procedures to ensure,

- ownership questions are resolved;

¹³ OIG did not validate driveway width data in this audit.

¹⁴ See Appendix D for more examples and Appendix E for screenshots of the NSR/Suntrack system.

¹⁵ City of Chicago, Office of Inspector General, “Loading Zone and Residential Disabled Sign Processes Audit”, June 3, 2015, 12, accessed November 29, 2018, <https://igchicago.org/wp-content/uploads/2015/06/Loading-Zone-and-Disabled-Parking-Signs-Audit.pdf>.

- new owners obtain driveway permits when a property is sold;
- permits over one year old that remain in “Pending” case status are reviewed and billed once the driveway is built; and
- permits with incomplete information, such as a missing billing address, are identified and resolved.

3. CDOT lacks a key tool needed to monitor driveway billing.

OIG found that CDOT management did not have the reporting capability needed to monitor driveway billing. When OIG launched this audit, we requested a data file of all commercial driveway permits. CDOT provided the report it had historically relied on to monitor or research driveway permits. That report, however, covered permits falling under only 6 of the 23 possible case statuses. To produce a complete report, CDOT had to bring in a former employee on a contract basis to edit the reporting criteria. The new report included an additional 11,896 permits associated with 24,267 driveways—nearly twice the number of records contained in the report upon which CDOT had historically relied.

RECOMMENDATIONS

At the outset of this audit, CDOT acknowledged the existence of driveway billing errors, stating that a lack of staff and technological resources had prevented the Department from fixing them.¹⁶ CDOT requested OIG’s guidance on the highest priority items to tackle first. Consequently, we order our recommendations based on the financial impact they will have on the City, beginning with the largest: property owner identification.

OIG strongly recommends that CDOT correct inaccurate or missing data that results in unbilled or inaccurately billed permit fees. Furthermore, we recommend that CDOT design and implement procedures to prevent future occurrences of the same issues; otherwise the mass of incorrect data will continue to grow. Below, we provide our specific recommendations to correct current billing errors in the left column, and our recommendations to prevent future billing errors in the right column.

¹⁶ As discussed in the “Background” section, CDOT’s driveway Permitting section consisted of a supervisor of driveways and three staff positions, one of which was vacant as of August 2018.

CORRECT CURRENT BILLING ERRORS

PREVENT FUTURE BILLING ERRORS

1. PROPERTY OWNER UNKNOWN

Develop and implement a strategy and timeline to identify the correct property owner for permits with the following case statuses:

- Disputed—By Owner/Inspection Required
- Disputed—Property Transferred
- Suspense—Returned Mail/Ownership Search
- Closed—Transfer to New Owner (if there is no active permit for the same property)

Consider techniques like those used by OBM (described on page 9) and DOL’s Collections, Ownership, and Administrative Litigation (COAL) group (which regularly conducts ownership research related to municipal code violations).

Develop and implement procedures to resolve property ownership issues as they are discovered.¹⁷ CDOT should consider developing such procedures in-house or potentially collaborating with COAL. The procedures should ensure that, prior to closing a permit, an active permit for the new owner is opened.

2. PROLONGED PENDING CASE STATUS

Review permits that have had a “Pending” case or driveway status for over a year and determine whether the related driveways have been built. This may require contacting property owners, relying on internet-based photo evidence, or visiting the property.

Develop and implement procedures to update the case and driveway statuses of permits promptly upon the completion of construction, the opening of a business, or within a pre-defined reasonable time.

3. MISSING BILLING ADDRESS

Identify all permits without a billing address and update the record with the correct address.

Update data-entry controls within the NSR/Suntrack system or any future system to make the billing address a required field.

4. WAIVER ERRORS

Pursue back payment from permitholders whose fees were waived incorrectly (whether at a 20% rate or a full 100%) and provide waivers to permitholders who are eligible for a waiver but not currently receiving it.

Implement procedures to ensure that only waivers authorized under the MCC are granted. To promote transparency and equity, CDOT should describe waiver eligibility requirements on its website and/or permit application.

5. “REMOVED” DRIVEWAY ERRORS

¹⁷ The number of ownership issues should decrease if CDOT implements the recommendations for Finding 2.

CORRECT CURRENT BILLING ERRORS

Identify all driveways with a “Removed” driveway status and obtain evidence that the public way (e.g., curb, parkway, and sidewalk) was restored.

PREVENT FUTURE BILLING ERRORS

Develop and implement procedures to ensure evidence of restoration is obtained prior to changing a driveway’s status to “Removed.”

6. “ABLE TO INVOICE” BOX UNCHECKED

Identify all permits with the “Able to Invoice” box unchecked where the case, permit, and driveway statuses indicate they are, in fact, billable. Once these permits are identified, check the “Able to Invoice” box and bill the permitholder.

Consider removing the “Able to Invoice” box and, instead, rely upon the case, permit, and driveway statuses to determine whether to bill the permitholder. If CDOT continues to use the “Able to Invoice” checkbox, the Department should define specific situations warranting an “unchecked” designation and routinely verify that those permits remain unbillable.

7. INACCURATE CBD IDENTIFICATION

Correct the records for those properties misidentified as inside or outside the CBD.

Use geospatial data to automatically determine whether a driveway location is inside or outside the CBD. If NSR/Suntrack cannot be modified to read geospatial data, or if such functionality is not included in any future system the City implements, CDOT should check addresses using other electronic sources such as the City’s “Boundaries – Central Business District” Data Portal.¹⁸

In consideration of the above recommendations, CDOT should review and update the current and past due amounts accordingly, credit accounts that have been overbilled, and provide reimbursements for those that have overpaid.

To address the factors that contributed to billing errors and omissions, OIG recommends that CDOT,

- collaborate with DOIT to retire NSR/Suntrack and transfer functionality and data to Hansen, ensuring that all the concerns noted in this audit are addressed through preventive measures in the Hansen system and/or CDOT’s related procedures;
- remove or consolidate NSR/Suntrack database fields, as well as options within those fields that are redundant, rarely used, or unnecessary (See Appendix D for specific examples to consider). If CDOT and DOIT successfully transfer functionality to Hansen, they should ensure the new system does not replicate these problems;

¹⁸ City of Chicago, Department of Innovation and Technology, “Boundaries – Central Business District,” accessed March 27, 2019, <https://data.cityofchicago.org/Facilities-Geographic-Boundaries/Boundaries-Central-Business-District/tksj-nvsw>.

- identify and record existing driveways that have no associated NSR/Suntrack record. This may include developing an inspection strategy and/or providing public notice to all commercial property owners urging or requiring them to self-report;
- document and provide to relevant employees standardized procedures for driveway permitting, billing, and monitoring, including, but not necessarily limited to, those discussed in this report. CDOT should work with DOB to standardize procedures, because DOB creates new driveway permit records in the NSR/Suntrack system;
- develop monitoring tools, such as automated reports and/or notifications, to detect permits at risk for inaccurate billing or non-billing, including permits with,
 - statuses indicating that ownership is in question,
 - case, permit, and/or driveway statuses of “Pending,”
 - missing billing addresses,
 - partially- or fully-waived fees,
 - “Removed” driveway statuses, and
 - unchecked “Able to Invoice” boxes.

MANAGEMENT RESPONSE

“CDOT agrees with OIG’s recommendations that correcting driveway data and preventing errors will improve the accuracy of billing driveway permit fees. CDOT thanks OIG for recognizing the resource challenges to accomplish this task and providing prioritization guidance. Although the NSR system presents a number of challenges, CDOT agrees with OIG’s recommendations and will attempt data corrections that the OIG specifically identified and then, prioritize the remaining data corrections based on the financial implications.

“In March 2019, the Department of Innovation and Technology (DoIT) informed CDOT that the driveway data in NSR will be migrated to Infor Public Sector (IPS—formerly known as “Hansen”). The data migration offers CDOT an opportunity to evaluate how it processes and monitors driveway data, including implementing the corrective and preventive measures described in the Chicago Department of Transportation Commercial Driveway Billing Audit. Specifically, CDOT will develop standardized policies and procedures for NSR and forthcoming IPS development, as well as review and reconcile data errors including unbilled and inaccurately billed driveway records. CDOT is collaborating with DoIT on the most efficient and effective ways to address and remedy the raised issues of this audit. Due to the complexity of the driveway permit data the assessment for migration from NSR to IPS 11 and development is anticipated in the 2nd quarter of 2019 and migration to IPS 11 in the 4th Quarter of 2020.”

CDOT’s responses to the specific recommendations are provided in the table below.

CORRECT CURRENT BILLING ERRORS

1. PROPERTY OWNER UNKNOWN

“CDOT’s Division of Infrastructure Management (DIM) will collaborate with OBM and COAL to identify the most efficient and effective use of current resources to accurately identify driveway owners and reconcile current permit status. During 2019 CDOT will,

- *Assess current workflow processes;*
- *Develop a standard operating procedure and methodology to review and correct property owner unknown driveway permit records;*
- *Request DoIT to work with NSR technical support to provide driveway reports detailing the estimated 5,880 property owner unknown permit categories;*
- *Prioritize research and conduct field inspections to resolve unknown, disputed, suspended, or transferred property ownership and address driveway permits using techniques and guidance from OBM and COAL;*
- *Identify resources and time required to correct current NSR data.*

Additionally, CDOT will dedicate resources to review, research and reconcile driveway permit data. This effort includes correcting the estimated 5,880 ‘property owner unknown’ permit categories identified by the OIG in this Audit Report. Depending on available resources and the challenges presented by NSR, it may take additional CDOT staff a year or more to research and correct the current driveway records in NSR.”

2. PROLONGED PENDING CASE STATUS

“During 2019 CDOT will collaborate with OBM and COAL to identify the most efficient and effective use of current resources to accurately reconcile the driveway pending case permits of longer than 1 year. As part of this effort CDOT will,

- *Assess current workflow processes;*
- *Develop a standard operating procedure and methodology to review and correct prolonged pending driveway permit records;*

PREVENT FUTURE BILLING ERRORS

“CDOT proposes two phased solutions to prevent future property owner unknown driveway billing errors.

During Phase 1, CDOT staff will,

- *Assess current workflows;*
- *Develop standard operating procedures;*
- *Provide new training to staff on preventing property owner unknown driveway permit billing errors;*
- *Request DoIT to work with NSR technical support to provide quality control driveway reports detailing property owner unknown permit categories;*

This effort will include researching current property owners through Cook County property tax assessment records, opening new owner permits prior to closing existing permits and field inspections to verify driveway removals and restorations.

During Phase 2, CDOT will collaborate with DoIT during IPS 11 development to reengineer system and workflow processes including automatically controlling for data errors such as requiring property owner information, closing an existing permit prior to opening a new owner permit, creating field inspection cases to verify new driveways or driveway removal/restorations, and quality control reports to assist in preventing future property owner unknown billing errors. Additionally, CDOT will collaborate with OBM and COAL to identify the most efficient and effective use of current resources to accurately identify and maintain driveway owners.”

“CDOT proposes a two phased solution to prevent future prolonged pending driveway status errors.

During Phase 1, CDOT staff will,

- *Assess current workflows;*
- *Develop standard operating procedures;*
- *Provide new training to staff on how to prevent prolonged pending driveway permit statuses.*

CORRECT CURRENT BILLING ERRORS

- Request DoIT with NSR technical support to provide driveway reports with pending case status categories;
- Identify resources and time required to correct current NSR data.

Additionally, CDOT will dedicate resources to research and reconcile prolonged pending driveway permit statuses including field inspections to verify new driveways and driveway removals/restorations. This effort includes correcting the 306 pending permits identified by the OIG in this Audit Report. Depending on available resources and the challenges presented by NSR, it may take additional CDOT staff a year or more to research and correct the current driveway records in NSR."

PREVENT FUTURE BILLING ERRORS

This effort will include weekly scheduled quality control reports of existing pending status and verifications through field inspections.

During Phase 2, CDOT will collaborate with DoIT on IPS 11 development to reengineer system processes to automatically control data errors including limit the duration of pending permit statuses, create field inspection verification cases, and quality control reports to assist in preventing future prolonged pending permit status."

3. MISSING BILLING ADDRESS

"During 2019, CDOT staff will,

- Assess current workflow processes;
- Develop a standard operating procedure and methodology to review and correct records with a missing billing address;
- Provide new training to staff on how to resolve inaccurate billing address issues;
- Request DoIT work with NSR technical support to provide driveway reports including detailing records with missing and/or inaccurate billing addresses;
- Prioritize research and resolution of 112 missing addresses and/or 172 inaccurate billing addresses driveways permits based on the largest impact on revenue;
- Collaborate with COAL for guidance and techniques to correct billing addresses.

CDOT will dedicate staff to review, research, and reconcile driveway permit data. This effort will include correcting billing addresses using City verified address databases. Although the NSR system presents a number of challenges, CDOT will seek to correct missing and/or inaccurate

"CDOT proposes two phased solution to prevent future missing and/or inaccurate billing addresses. During Phase 1 CDOT staff will,

- Assess current workflow processes;
- Develop standard operating procedures;
- Provide new training to staff to prevent missing and/or inaccurate billing addresses;
- Request DoIT work with NSR technical support to require billing address completion for all new driveway permits;
- Request DoIT work with NSR technical support to provide quality control reports to review and correct any missing and/or inaccurate billing addresses.

During Phase 2, CDOT will collaborate with DoIT on IPS 11 development to reengineer the workflow process including requiring owner and billing address completion, address verification and CBD designations through the City geo-spatial address database for all driveway permits, provide new training to staff to resolve disputed addresses, and quality control reports to verify addresses are accurately completed.

CORRECT CURRENT BILLING ERRORS

4. WAIVER ERRORS

"During 2019, CDOT will research and correct the 117 records with inaccurate waived fee driveway permits status that OIG identified within this Audit Report. CDOT will also work with DOF to appropriately invoice these permits. Additionally, CDOT staff will,

- *Assess current workflow processes;*
- *Develop standard operating procedure and methodology to review and correct records with incorrectly waived fees;*
- *Provide new training to staff on how to process and resolve fee waiver issues;*
- *Request DoIT work with NSR technical support to provide driveway reports including detailing records with waived fee status.*

CDOT will dedicate staff to review, research, and reconcile driveway permit data. This effort will include correcting inaccurate fee waivers and billing driveway permit owners appropriately. Depending on available resources and the challenges presented by NSR, it may take additional CDOT staff a year or more to research and correct the current driveway records in NSR."

PREVENT FUTURE BILLING ERRORS

"During 2019, CDOT will request DoIT to work with NSR technical support to integrate MCC rules for fee waivers or if not possible then, require only permit supervisors to grant fee waivers including supporting documentation from property owner. Additionally CDOT proposes a 2 phased solution to prevent future fee waiver billing errors. During Phase 1, CDOT staff will,

- *Assess current workflow processes;*
- *Develop standard operating procedures;*
- *Provide new training to staff on how to process and resolve fee waiver issues;*
- *Require only permit supervisors to grant fee waivers with supporting documentation;*
- *Request DoIT work with NSR technical support to provide quality control waived fee status driveway reports.*

During Phase 2, CDOT will collaborate with DoIT on IPS 11 development to reengineer system processes to automatically control fee waivers including incorporating MCC logic rules to grant fee waivers, requiring supervisor only access to approve the waiver, requiring supporting documentation to verify ownership, and quality control reports to assist in preventing future incorrect fee waiver permit status.

In tandem with the migration of driveway data from NSR to IPS, CDOT will draft standard operating policies that instruct staff on how to process driveway data in IPS. Additionally, CDOT will request DoIT publish fee waiver information on the formerly Hansen/ new IPS permit website."

CORRECT CURRENT BILLING ERRORS

5. “REMOVED” DRIVEWAY ERRORS

“During 2019, CDOT will review, research, verify, and correct the 81 ‘removed driveway’ records identified by OIG within this Audit Report. This effort will include field inspections and photos of driveway removal and full restoration of the public way. Additionally, CDOT staff will,

- *Assess current workflow processes;*
- *Develop a standard operating procedure and methodology to review and correct records with an erroneous removed driveway status;*
- *Provide new training to staff on how to process and resolve removed driveway status;*
- *Use field inspections to verify driveways were removed and full public way restoration occurred;*
- *Request DoIT work with NSR technical support to provide driveway reports including detailing records with removed driveway status.*

CDOT will dedicate staff to review, research, and reconcile driveway permit data. This effort will include field inspection verifications and billing driveway permit owners appropriately. Although the NSR system presents a number of challenges, CDOT will seek to correct the 81 ‘removed driveway’ records that the OIG specifically identified and then, prioritize any remaining data corrections based on the financial implications.”

6. “ABLE TO INVOICE” BOX UNCHECKED

“During 2019, CDOT will research and correct the 60 driveway permit records that have an unchecked ‘able to invoice’ box identified by OIG within this Audit Report. Additionally, CDOT staff will,

- *Assess current workflow processes;*
- *Develop a standard operating procedure and methodology to review and correct records where the ‘able to invoice box’ was unchecked;*
- *Provide new training to staff on how to resolve records with unchecked ‘able to invoice’ box issues;*

PREVENT FUTURE BILLING ERRORS

“CDOT proposes a 2 phased solution to prevent future removed driveway billing errors. During Phase 1, CDOT staff will,

- *Assess current workflow processes;*
- *Develop a standard operating procedure;*
- *Provide new training to staff on how to process and resolve removed driveway billing status;*
- *Use field inspections to verify driveways were removed and full public way restoration occurred;*
- *Request DoIT work with NSR technical support to provide driveway reports including detailing records with removed driveway status.*

During Phase 2, CDOT will collaborate with DoIT on IPS11 development to reengineer workflow processes to including requiring field verification and evidence of driveway removal and full public way restoration prior to a record modification and quality control reports to assist in preventing future incorrect driveway removed billing status.”

“During 2019, CDOT will request DoIT work with NSR technical support to either eliminate or automatically check ‘able to invoice’ box for all existing driveway permits. Additionally, CDOT staff will,

- *Assess current workflow processes;*
- *Develop a standard operating procedure;*
- *Provide new training to staff on how to resolve records with unchecked ‘able to invoice’ box issues;*
- *Request DoIT work with NSR technical support to provide driveway quality control reports*

CORRECT CURRENT BILLING ERRORS

- Request DoIT work with NSR technical support to provide driveway reports including detailing records with unchecked 'able to invoice' box;
- Prioritize research and resolution of records with unchecked 'able to invoice' box based on the largest impact on revenue.

CDOT will dedicate staff to review, research, and reconcile driveway permit data. Although the NSR system presents a number of challenges, CDOT will seek to correct the 60 records with unchecked 'able to invoice' box that the OIG specifically identified and then, prioritize any remaining data corrections based on the financial implications."

PREVENT FUTURE BILLING ERRORS

detailing records with unchecked 'able to invoice' box or unable to invoice status.

During Phase 2, CDOT will collaborate with DoIT on IPS 11 development to reengineer workflow processes to require all active driveway permits to be invoiced unless they meet specific standard operating procedure criteria or field verification with supporting documentation and quality control reports to assist in preventing future inability to invoice billing status."

7. INACCURATE CBD IDENTIFICATION

"During 2019, CDOT will research and correct the 151 records for inaccurately CBD designated billed driveway permits identified by OIG within this Audit Report. This effort will include,

- Assess current workflow processes;
- Develop a standard operating procedure and methodology to review and correct CBD designated billing addresses using City verified address databases and bill owners appropriately;
- Provide new training to staff on how to resolve inaccurate CBD designated billing address issues;
- Request DoIT work with NSR technical support to provide driveway reports including detailing records with CBD designated billing addresses.

CDOT will dedicate staff to review, research, and correct CBD designated addresses for driveway permits. Although the NSR system presents a number of challenges, CDOT will seek to correct the 151 inaccurately CBD designated driveway addresses that the OIG specifically identified using City geo-coded address and boundary databases records and then, prioritize any remaining data corrections based on the financial implications."

"CDOT proposes two phased solution to prevent future missing and/or inaccurate billing addresses. During Phase 1 CDOT staff will,

- Assess current workflow processes;
- Develop a standard operating;
- Provide new training to staff to prevent missing and/or inaccurate billing addresses;
- Request DoIT work with NSR technical support to require billing address completion for all new driveway permits and correctly locate the address within or outside the CBD;
- Request DoIT work with NSR technical support to provide quality control reports to review and correct any missing and/or inaccurate billing addresses.

During Phase 2, CDOT will collaborate with DoIT to on IPS 11 development to reengineer the workflow process including requiring owner and billing address completion, CBD address verification through the City geo-coded address and boundary databases for all driveway permits, provide new training to staff to resolve disputed addresses, and quality control reports to verify addresses are accurately completed."

"Although the NSR system presents a number of challenges, CDOT will seek to correct the 172 inaccurately billed and the 6,541 unbilled records identified by OIG within this Audit Report and then, prioritize any remaining data corrections based on the financial implications. Additionally,

after CDOT corrects and resolves driveway permit data errors as noted in above corrective actions, it will work with DOF to invoice permit accounts appropriately [... and] credit permit accounts appropriately.

“The NSR to IPS 11 data migration offers CDOT an opportunity to evaluate how it processes and monitors driveway data, including implementing the corrective and preventive measures identified by OIG in this Audit Report. Specifically, CDOT is collaborating with DoIT on the most efficient and effective ways to address, remedy, and prevent the causes of unbilled and inaccurately billed driveways identified by OIG in this Audit Report. Due to the complexity of the driveway permit data, assessment for migration from NSR to IPS 11 and development is anticipated in the 2nd quarter of 2019; afterwards migration to IPS 11 is anticipated to occur in the 4th Quarter of 2020.

“CDOT is collaborating with DoIT on IPS 11 development including reengineering workflows that will address, remedy, and prevent the causes of unbilled and inaccurately billed driveways identified by OIG in this Audit Report. Due to the complexity of the driveway permit data, assessment for migration from NSR to IPS 11 and development is anticipated in the 2nd quarter of 2019. Migration to IPS 11 is anticipated to occur in the 4th Quarter of 2020.

“IPS 11 includes a mobile application that public right of way inspectors will use to conduct permit based and ad hoc inspections. The application features a map that after data migration will display all the permits (opening permits, dumpster permits, occupy permits, etc.) within a selected radius. The inspector can then visually identify which items to target for inspection. If an inspector observes a driveway that is not permitted, they can issue a citation to the driveway owner. The owner would then need to apply for a driveway permit, thus allowing CDOT to record the driveway in IPS.

“CDOT will draft standard operating procedures to control driveway data processing in NSR (Phase 1) and IPS (Phase 2). Regarding DOB, CDOT will work with DOB to determine the best way to streamline and improve processes and procedures.

“As described in previous answers, CDOT intends to work with DoIT to eliminate the causes of unbilled and inaccurately billed driveways described in OIG’s audit. If NSR cannot be modified to eliminate the causes, then CDOT will work with DoIT to schedule regular reports of driveways that are in an unbilled status (Phase 1). If IPS cannot eliminate the causes, then CDOT will work with DoIT to determine what reports and alerts are available to notify CDOT staff that a driveway is at risk of becoming unbilled. CDOT’s standard operating procedures will include guidance for staff on how to resolve driveways in an unbilled status (Phase 2).”

FINDING 2: THE CITY DOES NOT ACTIVELY PURSUE PAYMENT FOR PAST-DUE DRIVEWAY PERMIT FEES.

While CDOT annually bills permitholders for past-due driveway permit fees, it does not actively pursue payment. Furthermore, the City does not include driveway permit fees in its standardized debt collection processes related to commercial property. Two common processes are the Bulk Sales Notice, which requires the seller or buyer of tax- or license-related businesses or activities to notify the City of the sale so that the City can ensure any related debt is paid,¹⁹ and the Full Payment Certificate required of all real estate transfers to show that any City utility charges and penalties related to the property are paid in full prior to transfer.²⁰

DOF told OIG that, on an ad hoc basis approximately every 12 to 18 months, it works with CDOT to identify delinquent driveway permitholders and place a hold on their business licenses. Nonetheless, there were at least 11,561 active permits with \$3.8 million of past due driveway permit fees in CDOT's records. The actual past due amount could be higher if inactive permits are also considered.

As mentioned in Finding 1, CDOT stated that it had previously considered attaching driveway permits to the permitholder's deed, water bill, driver's license, or business license, but that these ideas had not "gained traction." DOF stated it does not include driveway permit fees in standardized collection processes because it "had issues in the past with bad data/ownership information in NSR/Suntrack." This has created a self-perpetuating cycle; the errors in CDOT's ownership records prevent the Department from using existing City processes to correct its ownership records.

RECOMMENDATIONS

CDOT should develop procedures to collect past due driveway permit fees and include such fees in the City's standardized debt collection and verification processes. Such processes may include the City's Bulk Sales and Full Payment Certificate processes. Another option would be to add annual driveway permit fees to the City's utility bill, because driveway and water/sewer fees are both tied to real property.

To ensure the most efficient and effective corrective action, CDOT should collaborate with DOF, DOL, and other departments as necessary, recognizing that effective debt collection relies upon accurate data (as addressed in OIG's recommendations for Finding 1).

¹⁹ Learn more about Bulk Sales at:

https://www.chicago.gov/city/en/depts/fin/provdrs/tax_division/svcs/file_a_bulk_salesnotice.html.

²⁰ Learn more about Full Payment Certificates at:

https://www.chicago.gov/city/en/depts/fin/provdrs/utility_billing/svcs/full-payment-certificate.html.

MANAGEMENT RESPONSE

“CDOT will collaborate with DOF, DOL, and other departments as necessary to determine the most effective method for ensuring past due driveway permit fees are collected.”

IV. OBJECTIVE, SCOPE, AND METHODOLOGY

A. OBJECTIVE

The objective of the audit was to determine if CDOT accurately billed all annual commercial driveway permit fees.

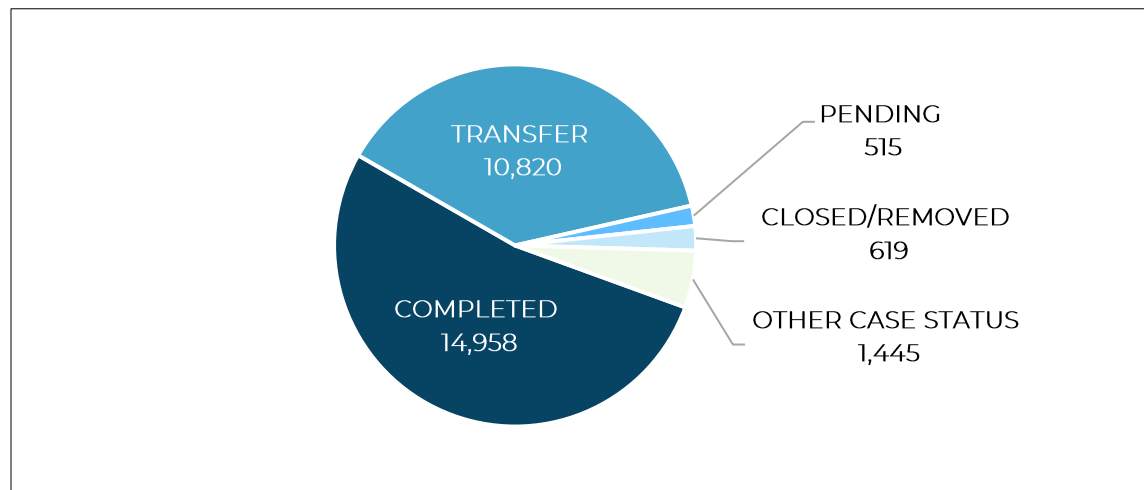
B. SCOPE

The audit focused on annual fees for commercial driveway permits in existence as of April 13, 2018. Except for a small number of misclassified permits, the audit did not include residential driveway permits because they require only a one-time, \$10 fee. We did not attempt to identify existing commercial driveways that are not recorded in CDOT's NSR/Suntrack system.

C. METHODOLOGY

To assess whether CDOT accurately billed permit holders, OIG analyzed a data set provided by CDOT of commercial driveway permits as of April 13, 2018.²¹ This data set comprised 28,357 permits containing 54,099 driveways, and each permit was assigned 1 of 23 case statuses. OIG obtained definitions of each case status and grouped the various statuses into categories based on shared characteristics. The five OIG-defined categories are depicted in Figure 5.²²

FIGURE 5: NUMBER OF PERMITS PER OIG-DEFINED CATEGORY



Source: OIG categorization of driveway permit data provided by CDOT.

To establish whether CDOT accurately billed permits in the "Completed" category, OIG calculated the expected fee amount per the MCC using the permit addresses and driveway width

²¹ OIG determined that the data provided by CDOT was sufficiently reliable to achieve our testing objectives. Our determination of reliability was based on our comparison of CDOT-provided data to source data within the NSR/Suntrack system.

²² Appendix C provides the 23 case statuses that make up the 5 categories.

recorded in the NSR/Suntrack system. We then compared the calculated fee amount to CDOT's fee amount recorded in NSR/Suntrack. If the two amounts were the same, we determined the permit had a low risk of inaccuracy and we did not review further. However, if there was a difference, OIG reviewed the data and comments in NSR/Suntrack and discussed the discrepancies with CDOT.

To determine whether "Transferred" driveways were actually transferred to an active permit, OIG searched for all "Transferred" driveway addresses among "Completed" permits. We selected a random sample of 95 addresses with a "Transferred" driveway status but no active permit and used Google Street View to determine if the driveway existed. The same methodology was used for "Pending" driveways over one year old, using a random sample of 76 permits.

In addition to the analysis described above, OIG reviewed available process documentation and interviewed CDOT staff. We also performed ad hoc research using the NSR/SUNTRACK system and used Google Street View to validate the existence of driveways.

D. STANDARDS

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

E. AUTHORITY AND ROLE

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

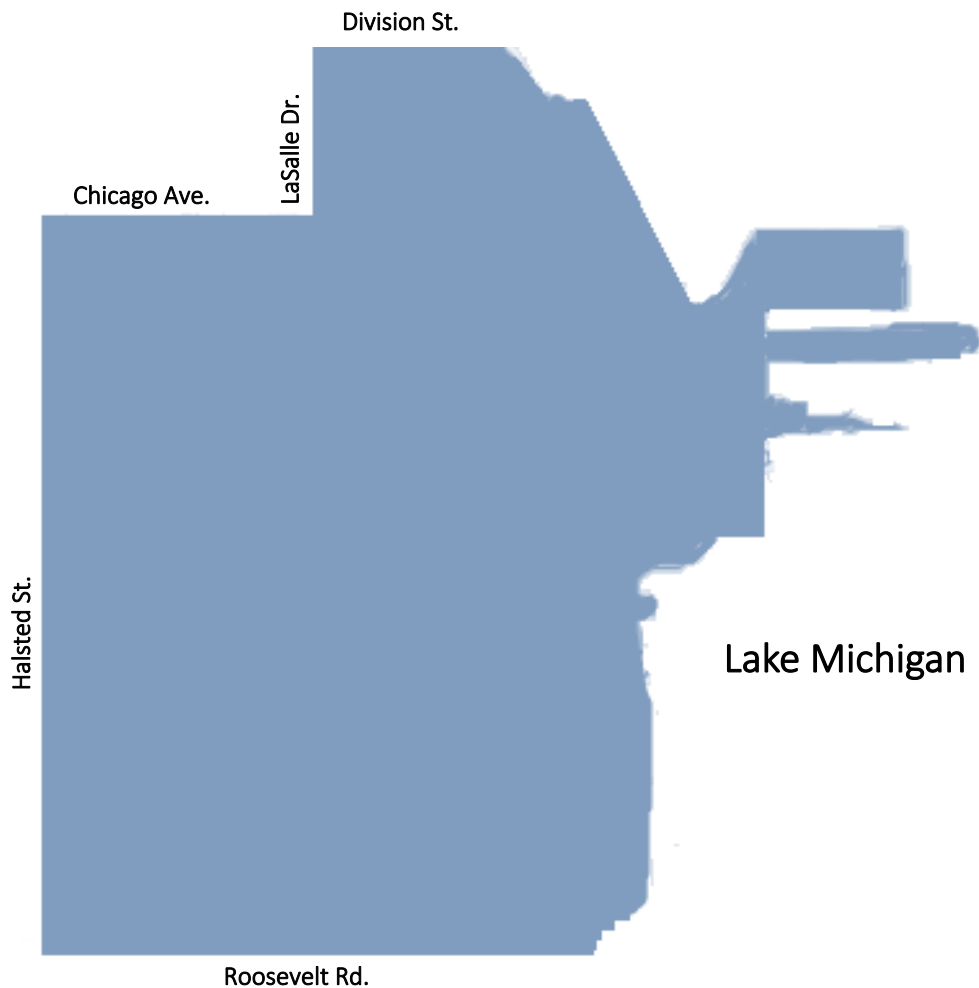
The role of OIG is to review City operations and make recommendations for improvement.

City management is responsible for establishing and maintaining processes to ensure that City programs operate economically, efficiently, effectively, and with integrity.

APPENDIX A: CENTRAL BUSINESS DISTRICT (CBD) BOUNDARIES

Starting in 2002, the fees for commercial driveways inside the CBD doubled. Figure 6 depicts the CBD boundaries.

FIGURE 6: Boundaries of the central business district

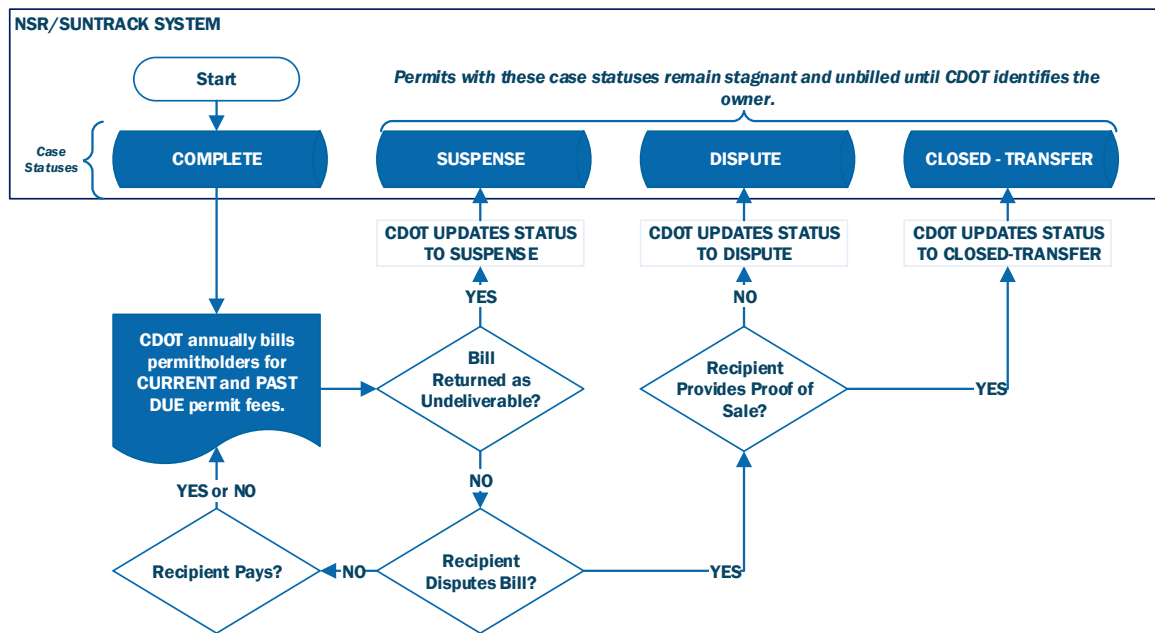


Source: MCC § 9-4-010; <https://data.cityofchicago.org/Facilities-Geographic-Boundaries/Boundaries-Central-Business-District/tksj-nvsw/data>

APPENDIX B: PROCESS FLOW FOR STAGNANT PERMITS WITH UNRESOLVED PROPERTY OWNERSHIP

Figure 7 depicts the process, as described by CDOT, for resolving property ownership questions (see Finding 1). Note that whether the recipient of the bill pays or not, CDOT continues to bill annually for both current and past due permit fees. This is discussed in Finding 2.

FIGURE 7: An estimated 5,880 permits remained stagnant and unbilled due to unresolved property ownership



Source: OIG depiction of CDOT process

APPENDIX C: PERMITS BY CASE STATUS AND OIG-DEFINED CATEGORY

The commercial driveway permit data provided by CDOT contained 28,357 permit records with 23 different case statuses. For testing purposes, OIG categorized permits with similar case statuses into five different categories. Figure 8 summarizes the number of permits and driveways per case status and identifies the assigned OIG-defined category.

FIGURE 8: PERMITS BY CASE STATUS AND OIG-DEFINED CATEGORY

OIG-DEFINED CATEGORY	CASE STATUS	Permits		Driveway Records	
		Number	Percent	Number	Percent
COMPLETED	Completed - Driveway Permit Issued	14,895	52.5%	29,019	53.6%
	Completed - Project/Driveway Permit Issued	43	0.2%	77	0.1%
	Completed - Driveway Permit Issued – Prior Fees Owed	20	0.1%	36	0.1%
TRANSFER	Closed - Transfer to new Owner	5,789	20.4%	12,088	22.3%
	Suspense - Returned Mail/Ownership Search	3,466	12.2%	5,669	10.5%
	Disputed - By Owner/Inspection Required	52	0.2%	91	0.2%
	Disputed - Property Transferred	1,513	5.3%	2,544	4.7%
PENDING	Pending - City Agency Reviews	481	1.7%	889	1.6%
	Pending - Inspection Report	32	0.1%	47	0.1%
	Pending - Inspections Review	2	0.0%	3	0.0%
CLOSED/ REMOVED	Closed - Driveways Removed	618	2.2%	962	1.8%
	Closed - Driveway Removed	1	0.0%	2	0.0%
OTHER	Closed	388	1.4%	799	1.5%
	HOLD	297	1.0%	544	1.0%
	Closed - Duplicate or entered in Error	284	1.0%	467	0.9%
	Open	168	0.6%	274	0.5%
	Application Mailed to New Owner	151	0.5%	308	0.6%
	Closed - Applicant Request	54	0.2%	109	0.2%
	Closed - Driveway NOT Constructed	41	0.1%	62	0.1%
	Closed - Rejected	38	0.1%	65	0.1%
	Expired	12	0.0%	19	0.0%
	Application Expired	7	0.0%	11	0.0%
	Application Delivered by Inspector	5	0.0%	14	0.0%
TOTAL		28,357	100.0%	54,099	100.0%

Source: CDOT-provided data from the NSR/Suntrack system.

APPENDIX D: OPPORTUNITIES TO SIMPLIFY PERMIT DESIGNATIONS IN NSR/SUNTRACK

During the audit, OIG became familiar with driveway permit data in the NSR/Suntrack system. That familiarity, along with the CDOT-provided definitions of the various designations, allowed us to identify redundant, rarely used, and unnecessary designations. We provide the following for CDOT's consideration should it continue to use NSR/Suntrack.

- Case status "Closed – Driveway removed" (singular) is redundant to the case status "Closed – Driveways removed" (plural).
- Case statuses "Application Expired" and "Closed – Driveway NOT Constructed" are redundant because both are defined by the fact that the "proposed driveway(s) was not installed within one year from the [issuance date] of the permit."
- The case status "HOLD" is defined as, "The permit is placed on hold pending city review(s)," which appears redundant to the case status, "Pending – City Agency Reviews."
- Case statuses "Completed – Driveway Permit Issued – Prior Fees Owed" and "Completed – Project/Driveway Permit Issued" are not defined and rarely used (63 permits). It also appears redundant to "Completed – Driveway Permit Issued" (14,995 permits).
- The case status of "Open" has a seemingly contradictory permit status of "Inactive" and is undefined by CDOT.
- Case status "Application Delivered by Inspector" does not intuitively reflect its definition of "Invalid Permit (Possible change of ownership)".

APPENDIX E: PERMIT SCREENSHOTS WITH NSR/SUNTRACK DATA FIELDS

Figures 9 and 10 are screenshots of NSR/Suntrack showing the location of certain variables used in the audit.

FIGURE 9: NSR SCREEN #1

Figure 9 is a screenshot of the NSR SCREEN #1 in the SunTRACK software. The window title is "CSECASE SunTRACK - NSR - City of Chicago - M. DELIN - CDOT BOI Commercial Driveways". The form contains the following fields and labels:

- Name: [Text Field] (Label: C S I)
- Case Permit Billing: [Text Field]
- Case #: [Text Field]
- Case Type: CDOT BOI Commercial
- Status: Completed - Driveway
- Case Closed After 1 Day: [Text Field]
- Case Manager: [Text Field]
- Parent Case #: [Text Field]
- Application For: Existing (Transfer)
- Status Date: DEC 31, 1996
- Exemption: Pay Annual Fee
- Docs on file: [Text Field]
- Ref. From: [Text Field]
- Priority: Normal Priority
- Legacy No.: DR6809
- Ref. To: [Text Field]
- N-Location: [Text Field]
- Ward: G 11
- Comment: [Text Field]
- Summary: [Text Field]
- Permanent Index Number (PIN) xx-xx-xxx-xxxx: [Text Field]
- Type of Business being served by the driveways: N/A
- Insurance Carrier: N/A
- Case Contacts/Other Participants: [Text Field]
- Type: [Text Field]

FIGURE 10: NSR SCREEN #2

Figure 10 is a screenshot of the NSR SCREEN #2 in the SunTRACK software. The window title is "CSECPRMT SunTRACK - NSR - City of Chicago - M. DELIN - CDOT BOI Commercial Driveways". The form contains the following fields and labels:

- Permit Number: [Text Field]
- Status: Active
- Able to Invoice: [checkbox]
- Permit Date: DEC 31, 1996
- Fees Due: Past .00, Current 120.00, Total .00
- Current Invoice: Inv # 1784524, Due JAN, Created DEC
- Permit Owner: [Text Field]
- City ID Number: [Text Field]
- Case Permit Billing: [Text Field]
- Use Custom Billing Address: [checkbox]
- Billing Address: [Text Field]
- Unit Detail: [Text Field]
- Unit Summary: [Text Field]
- Transactions: [Text Field]
- # 1: [Text Field]
- Status: Active
- Driveway Width: 26
- Ward: 11
- CBD: [checkbox]
- Fee: 120.00
- Start: DEC 31, 1996
- Details: 841 South of 37TH ST
- Driveway Status: [Text Field]
- Driveway Width: [Text Field]
- CBD CHECKBOX: [checkbox]
- Stop: [Text Field]

MISSION

The City of Chicago Office of Inspector General (OIG) is an independent, nonpartisan oversight agency whose mission is to promote economy, efficiency, effectiveness, and integrity in the administration of programs and operations of City government. OIG achieves this mission through,

- administrative and criminal investigations by its Investigations Section;
- performance audits of City programs and operations by its Audit and Program Review Section;
- inspections, evaluations and reviews of City police and police accountability programs, operations, and policies by its Public Safety Section; and
- compliance audit and monitoring of City hiring and employment activities by its Hiring Oversight Unit.

From these activities, OIG issues reports of findings and disciplinary and other recommendations,

- to assure that City officials, employees, and vendors are held accountable for violations of laws and policies;
- to improve the efficiency and cost-effectiveness of government operations; and
- to prevent, detect, identify, expose, and eliminate waste, inefficiency, misconduct, fraud, corruption, and abuse of public authority and resources.

AUTHORITY

OIG's authority to produce reports of its findings and recommendations is established in the City of Chicago Municipal Code §§ 2-56-030(d), -035(c), -110, -230, and 240.

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AUDIT TEAM

TALIA PECKERMAN, SENIOR PERFORMANCE ANALYST
DARWYN JONES, CHIEF PERFORMANCE ANALYST
LISE VALENTINE, DEPUTY INSPECTOR GENERAL

PUBLIC INQUIRIES:

NATALIE A. KURIATA: (773) 478-8417 | NKURIATA@IGCHICAGO.ORG

TO SUGGEST WAYS TO IMPROVE CITY GOVERNMENT,
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