



OFFICE OF INSPECTOR GENERAL
City of Chicago



REPORT OF THE OFFICE OF INSPECTOR GENERAL:

***CHICAGO POLICE DEPARTMENT
OVERTIME CONTROLS AUDIT***

OCTOBER 2017

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

The City of Chicago Office of Inspector General (OIG) has completed an audit of the Chicago Police Department's (CPD) controls related to regular-duty overtime. From 2011 to 2016, CPD's actual spending on overtime increased from \$42.2 million to \$146.0 million. CPD exceeded its annual budget for overtime in each of the last six years, and in 2016 the Department's overtime spending exceeded its budget by \$66.4 million. OIG conducted this audit to determine if CPD effectively monitors and manages overtime to control costs, curb abuse, and prevent officer fatigue.

There are a variety of reasons why CPD members may work overtime related to their regular shifts, such as attending court during off-duty hours or processing an arrest at the end of a shift. Members may also volunteer to work special assignments on their days off, such as extra shifts for the City's Violence Reduction Initiative or the Chicago Transit Authority. Our audit focused on regular-duty overtime because it represents the majority of overtime earned and, unlike voluntary special employment, uses a paper-based recordkeeping system requiring a host of timekeepers and support staff to make manual calculations and enter data into two separate software systems.

Based on the audit results, OIG concluded that CPD's current timekeeping practices do not provide the controls needed to actively manage the Department's use of overtime. CPD's manual timekeeping process is costly, inefficient, and lacks basic operational controls that would prevent unnecessary overtime spending and ensure accurate recordkeeping. Further, CPD management has not proactively addressed known opportunities for overtime abuse. The Department fails to limit officers' use of overtime or monitor outside employment to ensure that CPD officers are not overworked, and remain rested, alert, and ready to serve the public. CPD management has failed to establish the culture of fiscal responsibility necessary to curb waste and abuse, and hold members at every level accountable for prudent use of taxpayer resources. It is imperative that Department management begin actively monitoring members to ensure they are accurately recording hours worked, holding supervisors accountable for excessive use of overtime by staff under their supervision, and assuming responsibility for the Department's total overtime spending.

OIG recommends that all levels of CPD management set a tone emphasizing the importance of accurate, verifiable timekeeping, and establish the controls necessary to meet this goal. To address specific issues raised by this audit, CPD should implement an automated timekeeping

system, provide supervisors with the tools needed to monitor and assess overtime use, hold supervisors accountable for monitoring overtime, and ensure that Department directives are regularly reviewed and updated to reflect current practices.

In response to our audit findings and recommendations, CPD acknowledged deficiencies in its manual timekeeping system. To address these deficiencies, CPD stated that by the end of 2017 it will begin to require employees to electronically record both the start and end of their work day or shift using an electronic swiping system, and will fully implement an electronic system for all other timekeeping purposes, including monitoring overtime, by mid-2019. CPD also committed to providing more training to timekeepers, supervisors, and officers regarding proper use and recording of overtime, and to conducting spot-check internal audits of timekeeping. Finally, CPD committed to a more robust process of managing overtime use, including reviewing overtime trends in Compstat meetings, and holding supervisors accountable for monitoring overtime usage in their units—two improvements that CPD has said in the past it would adopt, but has never fully implemented.

While a well-designed electronic system should rectify many of the weaknesses noted in the audit, it cannot itself create a culture of accountability. OIG remains concerned that CPD's response to the audit does not fully embrace responsibility for actively managing overtime and related issues, such as fatigue. CPD refuses responsibility for preventing officer fatigue by limiting overtime hours or secondary employment, stating instead that it is each officer's responsibility to report to work fit for duty and to follow CPD's directives. Neither does CPD accept OIG's recommendation that it provide guidance to supervisors on how to detect and address patterns suggesting waste or abuse. CPD promises to set rules, or points to existing directives, and then simply expects its members to comply. Reliance on this sort of honor system has proven inadequate to achieve compliance. We urge CPD to not only build the tools it needs for effective management, but to ensure the tools are used and are working as designed.

We thank CPD management and staff for their cooperation, especially those individuals involved in finance, timekeeping, and payroll duties whose assistance was central to this audit.

Respectfully,



Joseph M. Ferguson
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City of Chicago

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Acronyms

AFSCME	American Federation of State, County, and Municipal Employees
CATA	Chicago Automated Time and Attendance system
CBA	Collective Bargaining Agreement
CLEAR	Citizen and Law Enforcement Analysis and Reporting
CLS	Chicago Police Department’s Court Liaison Section
CHIPPS	Chicago Integrated Personnel and Payroll Systems
CPD	Chicago Police Department
CTA	Chicago Transit Authority
FLSA	Fair Labor Standards Act
OBM	Office of Budget and Management
OIG	Office of Inspector General
VRI	Violence Reduction Initiative
VSE	Voluntary Special Employment

I. EXECUTIVE SUMMARY

The Office of Inspector General (OIG) conducted an audit of the Chicago Police Department's (CPD) controls related to regular-duty overtime. The objective of the audit was to determine if CPD effectively manages regular-duty overtime to prevent waste and abuse.

There are a variety of reasons why CPD members may work overtime related to their regular shifts, such as attending a court hearing arising from an on-duty arrest during off-duty hours or processing an arrest at the end of a shift. This regular-duty overtime constituted 56.3% of all overtime dollars earned by CPD members from January 1, 2014 through December 31, 2015. The remaining 43.7% was earned by members voluntarily working special assignments (called Voluntary Special Employment, or VSE) on their days off, such as extra shifts for the City's Violence Reduction Initiative, or shifts for the Chicago Transit Authority. This audit focused on regular-duty overtime, which the Department records using a paper-based process that requires timekeepers and support staff to make manual calculations and enter hard copy information into two separate data systems—the City's payroll system (the Chicago Integrated Personnel and Payroll Systems, or CHIPPS) and CPD's management reporting system (Citizen and Law Enforcement Management and Reporting, or CLEAR). Unlike regular-duty overtime, VSE overtime requests are submitted, approved, and maintained entirely electronically with no need for manual calculation or additional data entry.

OIG concluded that CPD's manual timekeeping process is costly, inefficient, and lacks operational controls that would curb unnecessary overtime expenditures and ensure accurate recordkeeping. Furthermore, CPD management does not effectively monitor and manage overtime to prevent fraud, waste, abuse, and officer fatigue. Research suggests that excessive overtime can contribute to officer fatigue, which can increase the likelihood that officers will be injured on the job, involved in vehicle accidents, or exercise poor judgment under stress.

Our audit yielded three major findings, each with specific examples of errors and potential abuse.

Finding 1: CPD's operational controls do not adequately prevent unnecessary overtime, deter abuse of minimum time provisions, or ensure overtime is paid in compliance with policies and procedures.

OIG found CPD does not have controls adequate to prevent the payment of unnecessary overtime, deter abuse of minimum time provisions, or ensure overtime is paid accurately and in compliance with existing overtime policies and procedures. Many of these weaknesses are due to CPD's reliance on manual, paper-based timekeeping and overtime approval processes. Specific areas of concern include:

1. **Potential abuse of minimum time provisions intended to compensate members who must report to a work location during their time off.** These provisions credit a member with a minimum of 3 hours overtime for as little as 15 minutes actual work. OIG found that CPD used this minimum time provision for,
 - a. overtime in categories beyond those required by the applicable collective bargaining agreement (CBA);

- b. answering or receiving phone calls or e-mails, including six instances where a member received or placed two calls in the same day and earned six hours of overtime; and
 - c. activities that potentially could have been scheduled during or adjacent to regular duty shifts, such as meetings with CPD's Internal Affairs Division, the Independent Police Review Authority, and OIG; delivering evidence to Assistant State's Attorneys; and one instance where a member utilized the minimum time provision to receive overtime pay for the time spent signing paperwork related to the member's own promotion.
2. **The paper-based recordkeeping system.** Although CPD has an automated system to authorize, review, and approve VSE overtime, it relies on manual processes to authorize, review, approve, and calculate regular-duty overtime. This manual process is costly and lacks many fundamental controls typically provided by an automated system, including controls to ensure that data is accurate, complete, and backed up securely. Specifically,
- a. CPD employs 61 timekeepers at a cost of \$7.2 million annually, plus support staff, including an unknown number of sworn officers,¹ who assist with timekeeping and data entry.
 - b. Compensatory time liability totaling \$266.8 million is supported only by hard copy documentation which, if damaged or destroyed, could not be recreated.
 - c. OIG identified 6,727 overtime entries that either duplicated or overlapped other entries, resulting in potential overpayment of \$1.1 million.
 - d. 99.4% of overtime entries, totaling \$225.5 million, had either blank or generic Reason Codes in CLEAR, making it impossible to analyze the bases for the overtime pay.
 - e. OIG identified data entry errors in 5,393 overtime entries, resulting in potential overpayment of \$123,636.
 - f. OIG identified multiple instances of missing documentation and mismatches between overtime paperwork and electronic data.
 - g. Too many hours were credited to civilian employees earning overtime as a result of missing a lunch break, resulting in at least \$1,182 of overpayment.
 - h. Entries related to Daylight Savings Time were not processed in accordance with CPD directives, resulting in potential underpayment of \$652.

Finding 2: CPD management controls do not adequately prevent officer fatigue, control costs, or detect and prevent fraud, waste, and abuse.

Without adequate management controls and monitoring tools in place, CPD cannot effectively manage the workloads and hours of individual members, or limit unnecessary overtime expenditures. Department management has not taken proactive steps to address overtime issues even in areas where management is aware of potentially inappropriate practices.

¹ CPD could not readily provide a list of all staff who assist with timekeeping and data entry.

1. **Potentially abusive practices continue with management acquiescence.** OIG identified four potentially abusive practices that CPD management acknowledges occur but has not adequately addressed. They are,
 - a. “Trolling”: actively pursuing situations that result in Extension of Tour overtime, such as: (a) volunteering for calls at or past the end of a shift notwithstanding the fact that fresh officers have already come on duty; (b) actively seeking a traffic, disorderly conduct, or other violation at the end of a shift; and (c) making an arrest at the end of a shift as a result of escalating a situation which would have been within the officer’s discretion to dismiss.
 - b. “Paper jumping”: requesting to be included on an arrest report despite having little or no involvement in the arrest, specifically for the purpose of earning overtime by being called to court.
 - c. “Lingering”: reporting to court and increasing overtime pay by staying longer than needed.
 - d. “DUI guys”: self-appointing as a DUI specialist and taking over DUI arrests initiated by other officers to earn overtime by appearing in court.
2. **Incomplete data in CLEAR.** CPD does not consistently record authorizations and approvals for overtime in the CLEAR system, making it difficult, if not impossible, for management to monitor whether overtime is authorized, approved, and processed in accordance with CPD policies. OIG analysis of CLEAR data from January 1, 2014 through July 31, 2016 found,
 - a. Overtime totaling \$27.6 million lacked a record of authorization and/or approval.
 - b. Overtime totaling \$940,312 was authorized and/or approved by the same member who earned the overtime.
 - c. Overtime totaling \$40.8 million was authorized and/or approved by peers or subordinates of the member who earned the overtime.
 - d. More than 600 two-way relationships where CPD members approved each other’s overtime in a reciprocal manner. Moreover, 15 CPD members conducted such reciprocal relationships with more than 10 individuals.
3. **No internal audits of timekeeping.** CPD’s Inspection Division stopped conducting timekeeping audits in November of 2013. CPD informed OIG that the reason was significant cuts to the Division’s staffing.
4. **Inadequate monitoring of overtime and secondary employment.** CPD management does not have adequate monitoring controls in place to assess and respond to trends in overtime use, control costs, and prevent officer fatigue. Specifically,
 - a. CPD designed and implemented an Overtime Dashboard but does not actively use it.
 - b. CPD does not track secondary (off-duty) employment of sworn members covered by labor agreements, and therefore cannot assess whether off-duty work conflicts

with CPD duties and responsibilities or otherwise adversely affects member performance.

Finding 3: CPD directives related to timekeeping do not reflect current practice, do not provide adequate detail to ensure consistent application of Department policies, and do not include policies to prevent excessive overtime, prevent officer fatigue, or control costs.

Many of CPD's timekeeping directives are out-of-date, vague, incomplete, and do not reflect the Department's actual practices. CPD also lacks policies limiting shift length and overtime hours worked within a given period to ensure that officers can optimally meet the stressful demands of their job serving the public. Research suggests that excessive overtime can contribute to officer fatigue, which can increase the likelihood that officers will be injured on the job, involved in vehicle accidents, or exercise poor judgment under stress. OIG found,

1. Outdated and incomplete directives.

- a. CPD's directives system does not reflect all updates to timekeeping directives.
- b. The directive describing overtime compensation for various ranks has not been updated since 1994 and no longer reflects CPD practice or the provisions of the applicable CBAs.
- c. The timekeeping directive describing how to make Time & Attendance Card calculations does not reflect actual practice, despite being updated in June 2016.
- d. Although CPD has an overtime directive that describes a series of reports "designed for use by unit management" to evaluate overtime use, Department management informed OIG that "nobody" uses these reports, and CPD has not implemented a reliable alternative.

2. Vague directives.

- a. Although CPD directives require that supervisors "evaluate the necessity for the member working overtime," the directives do not provide clear guidance on what constitutes necessary overtime.
- b. The field labeled "testified" on the overtime paperwork is of limited usefulness due to a lack of sufficient information regarding the reason for an officer's court appearance.

3. No policy to limit excessive work hours. Excessive overtime can contribute to officer fatigue, which can increase the likelihood that officers will be injured on the job, involved in vehicle accidents, or exercise poor judgment under stress.² Other jurisdictions have policies limiting the number of hours an officer can work in a given time period. For example, the Cincinnati Police Department limits shifts to 18 hours per 24-hour period, while the New Orleans Police Department limits overtime to 32 hours a week. According

² U.S. Department of Justice, National Institute of Justice, "Impact of Sleep Deprivation on Police Performance," January 2009, accessed May 26, 2017, <https://www.nij.gov/topics/law-enforcement/officer-safety/stress-fatigue/Pages/impact.aspx>.

to a 2013 report by the U.S. Department of Justice’s Bureau of Justice Statistics, 34% of U.S. police departments placed a limit on the amount of overtime an officer could earn.³

OIG recommends that CPD management set a “tone at the top” emphasizing the importance of accurate, verifiable timekeeping records, and establish the controls necessary to meet this goal. To address specific issues raised by this audit, CPD should implement an automated timekeeping system, provide supervisors the tools they need to monitor and assess overtime use, hold supervisors accountable for monitoring overtime, and ensure that Department directives are regularly reviewed and updated to reflect current practices.

In response to our audit findings and recommendations, CPD acknowledged deficiencies in its manual timekeeping system. To address these deficiencies, CPD stated that by the end of 2017 it will begin to require employees to electronically record both the start and end of their work day or shift using an electronic swiping system, and will fully implement an electronic system for all other timekeeping purposes, including monitoring overtime, by mid-2019. CPD also committed to providing more training to timekeepers, supervisors, and officers regarding proper use and recording of overtime, and to conducting spot-check internal audits of timekeeping. Finally, CPD committed to a more robust process of managing overtime use, including reviewing overtime trends in Compstat meetings, and holding supervisors accountable for monitoring overtime usage in their units—two improvements that CPD has said in the past it would adopt, but has never fully implemented.

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

³ Brian A. Reaves, U.S. Department of Justice, Bureau of Justice Statistics, “Local Police Departments, 2013: Personnel, Policies, and Practices,” May 2015, 7, accessed June 26, 2017, <http://www.bjs.gov/index.cfm?ty=pbdetail&iid=5279>.

II. BACKGROUND

According to CPD’s mission statement,

The Chicago Police Department, as part of, and empowered by, the community, is committed to protect the lives, property, and rights of all people, to maintain order, and to enforce the law impartially. We will provide quality police services in partnership with other members of the community. To fulfill our mission, we will strive to attain the highest degree of ethical behavior and professional conduct at all times.⁴

When an eligible CPD member, sworn or civilian,⁵ works hours beyond the regularly scheduled shift, including hours worked on regular days off and furlough days,⁶ the member earns overtime. CPD overtime is subject to a variety of rules, including those described in the federal Fair Labor Standards Act (FLSA), collective bargaining agreements (CBA), and the Department’s directives. In recent years, CPD has increasingly relied on overtime to meet its staffing needs—between 2011 and 2016, CPD’s overtime spending more than tripled, from \$42.2 million to \$146.0 million. In 2016, CPD exceeded its overtime budget by \$66.4 million. The following table compares appropriated and actual spending on overtime for each year from 2011 to 2016.⁷ These are the amounts budgeted and disbursed, not the value of all overtime earned during the year, some of which is taken as compensatory time (see page 17 regarding compensatory time).

Fiscal Year	Appropriated Overtime Expenditure	Actual Overtime Expenditure	Difference
2011	\$ 40,110,000	\$ 42,167,958	\$ 2,057,958
2012	36,934,000	61,270,928	24,336,928
2013	39,934,000	107,133,125	67,199,125
2014	79,599,000	103,043,397	23,444,397
2015	79,624,000	115,324,438	35,700,438
2016	79,624,000	146,024,259	66,400,259

Source: City of Chicago Financial Management and Purchasing Systems.⁸

⁴ City of Chicago, Chicago Police Department, “Mission,” accessed June 13, 2017, https://www.cityofchicago.org/city/en/depts/cpd/auto_generated/cpd_mission.html

⁵ Sworn members are those who take “an oath to support the constitution of the United States and Illinois. A sworn member has the authority to make arrests and carry firearms.” Civilian employees do not take an oath, nor do they have the authority to make arrests or carry firearms as part of their official duties. City of Chicago, Chicago Police Department, “Frequently Asked Questions – Glossary,” 2017, Sworn Member, accessed June 9, 2017, <https://home.chicagopolice.org/home/frequently-asked-questions/>.

⁶ CPD refers to vacation days as “furlough” days.

⁷ The table includes both regular-duty overtime and VSE overtime. See Background Section B.4 for the relative amounts of each type of overtime.

⁸ This data does not include overtime assignments for the Chicago Transit Authority, because they are paid from a separate fund and reimbursed. It does, however, include a relatively small amount of spending that is not actually overtime pay, such as personal day buy backs, because the City includes this spending in the same appropriation code as overtime.

As of December 2015, CPD employed 61 individuals as timekeepers responsible for recordkeeping related to members' work assignments, including overtime. These timekeepers are often assisted by other individuals, including sworn CPD officers, who help with recordkeeping and data entry.⁹

A. Laws, Directives, and Agreements Related to Overtime

Overtime practices are guided by federal law, CPD-issued directives, and CBAs.

1. Fair Labor Standards Act

Both sworn and civilian members can earn overtime subject to FLSA, a federal law that sets certain baseline employment protections, including compensation for overtime.¹⁰ Under FLSA, employees are categorized as either non-exempt (eligible for overtime) or exempt (not eligible for overtime). Exempt employees typically serve in executive or administrative positions.¹¹ For instance, CPD Command Staff (members holding the rank of Commander and above) are exempt and, thus, cannot earn overtime.

FLSA requires that non-exempt civilian members be paid “no less than time and one-half their regular rates of pay for all hours worked in excess of 40 in a workweek.”¹² For sworn members engaged in law enforcement, FLSA allows overtime to be calculated on a work-period basis. As a result, CPD sworn members are entitled to FLSA overtime after working 171 hours in a 28-day period.¹³ Pursuant to Section 20.2 of the FOP CBA, FLSA overtime is always paid and cannot be taken as compensatory time, or “comp time.”¹⁴

2. CPD Directives

According to CPD Directive G01-03,

⁹ OIG requested a list of all CPD members who assist the timekeepers with data entry, but CPD could not readily provide one.

¹⁰ U.S. Department of Labor, Wage and Hour Division, “Compliance Assistance – Wages and the Fair Labor Standards Act (FLSA),” accessed May 15, 2017, <https://www.dol.gov/whd/flsa/>.

¹¹ U.S. Department of Labor, Wage and Hour Division, “Fact Sheet #17C: Exemption for Administrative Employees Under the Fair Labor Standards Act (FLSA),” Revised July 2008, accessed May 15, 2017, https://www.dol.gov/whd/overtime/fs17c_administrative.pdf.

¹² U.S. Department of Labor, Wage and Hour Division, “Fact Sheet #8: Law Enforcement and Fire Protection Employees Under the Fair Labor Standards Act (FLSA),” Revised March 2011, accessed May 15, 2017, <https://www.dol.gov/whd/regs/compliance/whdfs8.pdf>.

¹³ U.S. Department of Labor, Wage and Hour Division, “Fact Sheet #8: Law Enforcement and Fire Protection Employees Under the Fair Labor Standards Act (FLSA),” Revised March 2011, accessed May 15, 2017, <https://www.dol.gov/whd/regs/compliance/whdfs8.pdf>. Illinois labor law covering sworn law enforcement is consistent with the basic provisions of FLSA, adopting the federal law’s 171-hour trigger for entitlement to overtime pay. 820 ILCS 105/4a(4).

¹⁴ City of Chicago, “Agreement between the City of Chicago and the Fraternal Order of Police, Chicago Lodge No. 7, Effective July 1, 2012 through June 30, 2017,” accessed May 30, 2017, https://www.cityofchicago.org/content/dam/city/depts/dol/Collective%20Bargaining%20Agreement3/FOPCBA2012-2017_2.20.15.pdf. This section of the contract conforms with a December 2009 arbitration ruling, Order in the matter of the Arbitration between City of Chicago and Fraternal Order of Police at 3, Chicago Lodge 7 (Edwin H. Benn, 2009), accessed July 31, 2017, https://static1.squarespace.com/static/5516f090e4b01b711314608f/t/55d0acf5e4b0b18c963b7942/1439739125818/flsa_comp_time_award.pdf.

Department directives are official documents establishing, defining, and communicating Department-wide policy, procedures, and programs issued in the name of the Superintendent of Police. These directives are intended to guide the efforts and objectives of the Department so the activities of the Department's members are consistent with and support the mission and overall philosophy of the Department.¹⁵

CPD directives include, but are not limited to, General Orders, Special Orders, and Employee Resources. Several directives address use and recording of overtime. Those most relevant to this audit include,¹⁶

(a) *S03-03-02 – District Executive Officer*

CPD Directive S03-03-02 states that the District Executive Officer, who is “the second in command of the district to which they are assigned,” is responsible for “developing, monitoring, and analyzing strategies to manage and ensure proper oversight and response to overtime[.]”¹⁷

(b) *E02-02-02 – Payroll and Timekeeping – Overtime/Compensatory Time*

CPD Directive E02-02-02 describes CPD's requirements for working overtime. These include,

- members must obtain their supervisor's verbal authorization prior to working overtime;
- supervisors are responsible for evaluating the necessity of overtime prior to granting authorization;
- members must receive notification through the Automated Court Notification Program prior to appearing in court during off-duty hours;
- members must complete and submit an Overtime/Compensatory Time Report form (“Yellow Sheet”) documenting information about the overtime, including the reason it was necessary;¹⁸ and
- the supervisor who authorized the overtime must sign the Yellow Sheet.

(c) *G08-02 – Court Attendance and Responsibilities*

CPD Directive G08-02 provides additional details regarding the Department's Automated Court Notification Program and describes the responsibilities of members appearing in court, which include recording on their Yellow Sheets the Court Notification Number and the Record Division Number of the case. This directive also specifies that the officer recorded as the “First

¹⁵ City of Chicago, Chicago Police Department, “General Order G01-03 Department Directives System,” June 2016, Section II, accessed May 25, 2017, <http://directives.chicagopolice.org/directives/data/a7a57be2-12da4413-45c12-da48-e53050843037d784.pdf?ownapi=1>.

¹⁶ Appendix A lists the directives that CPD provided to OIG as relevant to timekeeping and overtime.

¹⁷ City of Chicago, Chicago Police Department, “Special Order S03-03-02 District Executive Officer,” March 2017, Sections II and III, accessed June 8, 2017, <http://directives.chicagopolice.org/directives/data/a7a57bf0-13481482-3e413-4814-9a7e98b53d743035.pdf?ownapi=1>.

¹⁸ See Appendix B for a copy of the Yellow Sheet.

Arresting/Appearing Officer” on the arrest report is responsible for “the initial and all subsequent court appearances.”¹⁹

3. Collective Bargaining Agreements

CPD is subject to several CBAs with organized labor that include additional overtime provisions above the baseline provided by FLSA. Civilian members covered by a collective bargaining agreement are represented by the American Federation of State, County, and Municipal Employees (AFSCME) Council 31.²⁰ Sworn members are covered by four CBAs—one each for officers, sergeants, lieutenants, and captains. These agreements are with the following bargaining units:

- Fraternal Order of Police, Chicago Lodge No. 7²¹
- Policeman’s Benevolent & Protective Association of Illinois, Unit 156-Sergeants²²
- Policeman’s Benevolent & Protective Association of Illinois, Unit 156-Lieutenants²³
- Policeman’s Benevolent & Protective Association of Illinois, Unit 156-Captains²⁴

The basic overtime provisions are detailed in Section 20.2 of each of these contracts.²⁵ Sworn CPD members are entitled to overtime compensation when they work hours longer than their regular work day duty schedules or work on their regularly scheduled day off, even when these hours would not qualify as overtime under FLSA.

¹⁹ City of Chicago, Chicago Police Department, “General Order G08-02 Court Attendance and Responsibilities,” May 2015, Section IV, accessed June 8, 2017, <http://directives.chicagopolice.org/directives/data/a7a57be2-12936eaa-d1812-9372-d73e27fb07cf228d.pdf?ownapi=1>.

²⁰ City of Chicago, “Agreement between the City of Chicago and the American Federation of State, County, and Municipal Employees, Council 31, July 1, 2012 – June 30, 2017,” September 2014, accessed May 26, 2017, https://www.cityofchicago.org/content/dam/city/depts/dol/Collective%20Bargaining%20Agreements/afscme_fully_executed_cba_2012-2017.pdf

²¹ City of Chicago, “Agreement between the City of Chicago and the Fraternal Order of Police, Chicago Lodge No. 7, Effective July 1, 2012 through June 30, 2017,” accessed May 30, 2017, https://www.cityofchicago.org/content/dam/city/depts/dol/Collective%20Bargaining%20Agreement3/FOPCBA2012-2017_2.20.15.pdf

²² City of Chicago, “Agreement between the City of Chicago and the Policemen’s Benevolent & Protective Association of Illinois, Unit 156-Sergeants, Effective July 1, 2012 through June 30, 2016,” accessed May 30, 2017, <https://www.cityofchicago.org/content/dam/city/depts/dol/Collective%20Bargaining%20Agreement2/SgtsPBPACBA-2012-2016Final.pdf>

²³ City of Chicago, “Agreement between the City of Chicago and the Policemen’s Benevolent & Protective Association of Illinois, Unit 156-Lieutenants, Effective July 1, 2012 through June 30, 2016,” accessed May 30, 2017, <https://www.cityofchicago.org/content/dam/city/depts/dol/Collective%20Bargaining%20Agreement2/PBPALTSCBA2012-2016final.pdf>

²⁴ City of Chicago, “Agreement between the City of Chicago and the Policemen’s Benevolent & Protective Associations of Illinois, Unit 156-Captains, Effective July 1, 2012 through June 30, 2016,” accessed May 30, 2017, <https://www.cityofchicago.org/content/dam/city/depts/dol/Collective%20Bargaining%20Agreement3/POLICEFIRE-PBPACaptainsCBA2012-2016final-c.pdf>

²⁵ The full text of Section 20.2 for the Fraternal Order of Police, Chicago Lodge No. 7 CBA is provided in Appendix C.

Civilian CPD members covered by the AFSCME CBA typically work a 35-hour week and earn overtime when working in excess of 40 hours, consistent with the requirements of FLSA. Civilian members may also earn overtime for working on Saturday or Sunday when these days are not part of their regular work week.

B. CPD Work Schedules and Categories of Overtime

1. Regular-Duty Hours

CPD Order E02-01 describes the typical work schedules for CPD members. There are “three primary sworn work day duty schedules:”²⁶

- 8.5 hour tours of duty: 8.0 hours plus 30 minutes for uncompensated lunch;
- 9.0 hour tours of duty: 8.5 hours plus 30 minutes for uncompensated lunch; and
- 10.5 hour tours of duty: 10 hours plus 30 minutes for uncompensated lunch.

Civilian members work an 8-hour day that consists of 7 hours of work plus a 1-hour uncompensated lunch period, for a total of 35 regularly scheduled hours each week.

2. Regular-Duty Overtime Categories

When sworn members work more than their regular-duty hours, they become eligible for overtime. Overtime hours can be a necessary element of police work, and there are a variety of reasons CPD members may need to work overtime. CPD currently has nine categories of regular-duty overtime listed on the Yellow Sheet. The following table summarizes the number of entries and the related regular-duty overtime amount by category from January 1, 2014 through July 31, 2016.

Regular-Duty Overtime Category²⁷	Number of OT Entries	OT \$ Amount	% of Total OT \$ Amount
Special Event – “Any overtime worked resulting from assignment to parades, details, etc., by Department directives, including facsimile orders.”	241,234	\$ 94,286,611	41.7%
Court – “Any overtime worked for required off-duty attendance in Circuit Court, Federal Court, Grand Jury or at a Liquor Commission Hearing. The attendance must be required because of a duty related incident.”	316,061	58,623,925	25.9%
Extension of Tour – “Any overtime worked	199,619	57,247,194	25.3%

²⁶ City of Chicago, Chicago Police Department, “Employee Resource E02-01 Workday Duty Schedules,” January 2011, Section II, accessed May 10, 2017, <http://directives.chicagopolice.org/directives/data/a7a57bf0-12d623ac-23e12-d627-8284a8030e94991a.pdf?ownapi=1>.

²⁷ Definitions are from CPD Directive E02-02-02, which is discussed further in Finding 3.

immediately preceding or immediately following a tour of duty.”			
Worked Regular Day Off (Required) – “Any overtime worked as a result of an officer working his regular day off at the direction of a watch commander or unit commanding officer.”	14,045	7,934,671	3.5%
Other – “Any overtime worked which does not fall into any of the above categories. Explanation is required.”	19,701	6,351,516	2.8%
Call Back – “Any overtime worked as a result of an official assignment which does not immediately precede or follow an officer’s regularly scheduled work hours, excluding court appearances; or who are required to report to the Medical Services Section.”	2,422	769,726	0.3%
Staff Meeting – Not defined in CPD directive.	3,639	633,652	0.3%
CAPS – Not defined in CPD directive.	1,361	372,235	0.2%
Election – Not defined in CPD directive.	31	15,089	~0.0%
Total	798,113	\$ 226,234,619	100.0%

Source: CPD Directive E02-02-02 and CPD CLEAR overtime data.

3. Voluntary Special Employment

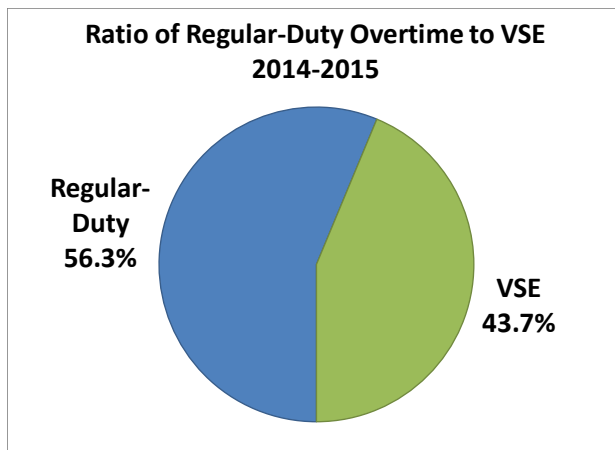
In addition to regular-duty overtime, CPD members can earn overtime for Voluntary Special Employment (VSE). VSE includes patrol assignments for the Chicago Transit Authority, Chicago Housing Authority, and Chicago Park District. It also includes assignments related to CPD’s Violence Reduction Initiative (VRI), a voluntary overtime program through which CPD assigns additional officers to serve high-crime areas.²⁸

As of January 31, 2016, CPD processes VRI overtime using the paper-based regular-duty system, including it in the Special Event category. Prior to that, the Department processed VRI overtime through the electronic system for VSE and did not include it in CLEAR regular-duty overtime data. We discuss this in more detail in Background section E.2: VSE Overtime Process.

²⁸City of Chicago, Office of the Mayor, “Mayor Emanuel, US Department of Justice and Chicago Police Department Expand Successful Violence Reduction Initiative to Additional Districts,” August, 31, 2012, accessed June 13, 2017. https://www.cityofchicago.org/content/dam/city/depts/mayor/Press%20Room/Press%20Releases/2012/August/8.31.12doj_cpd.pdf.

4. Relative Amounts of Regular-Duty and VSE Overtime

From January 1, 2014 through December 31, 2015, regular-duty overtime constituted 56.3% of all overtime dollars earned by CPD members. The remaining 43.7% was VSE overtime, as illustrated in the chart below.



Overtime Type	2014	2015	Two -Year Total	Percent
Regular Duty	\$ 61,868,509	\$ 71,430,695	\$ 133,299,204	56.3%
VSE	54,127,807	49,462,133	103,589,940	43.7%
Total	\$ 115,996,316	\$ 120,892,828	\$ 236,889,144	100.0%

Source: City of Chicago CHIPPS.²⁹

C. Overtime Rates and Exceptions

The majority of regular-duty overtime is credited at one-and-one-half times the member’s regular hourly rate. However, there are some exceptions to this rule that depend on the type of overtime earned and the reasons for earning it.

1. Additional Pay for FLSA Hours

Sworn members earn FLSA overtime for any time worked in excess of 171 hours in a 28-day pay cycle. This overtime is paid at a slightly higher rate than other overtime because FLSA requires the inclusion of non-discretionary bonuses in the calculation of a regular hourly rate.³⁰ Thus, when calculating non-FLSA overtime, CPD bases the hourly rate on the member’s salary, but the FLSA rate takes into account both the member’s salary and certain bonuses, such as Duty

²⁹ We could not provide comparable totals for 2016 because, as of January 31, 2016, VRI is coded in CHIPPS in the same manner as other regular-duty overtime, although it is still effectively a voluntary special employment opportunity. Further, the totals here differ from those we present earlier in the Background of this report because these totals include CTA VSE overtime and do not include some of the non-overtime elements in the previous table, such as personal day buy backs.

³⁰ U.S. Department of Labor, “Regulations Part 778: Overtime Compensation,” May 2011, §778.208 and §778.209, accessed June 9, 2017, <https://www.dol.gov/whd/regs/compliance/WH1262.pdf>.

Availability pay.³¹ Most members' FLSA overtime rate is approximately \$1.50 higher per hour than their non-FLSA rate.

2. Minimum Time Provisions for Court and Call Back Assignments

Overtime earned for Court or Call Back assignments is subject to minimum time provisions. For Call Back assignments—i.e., any assignment that “does not continuously precede or continuously follow an Officer’s regularly-scheduled working hours”—Section 20.4 of each of the four CBAs between the City and CPD’s sworn members requires compensation “for two (2) hours ... or ... for the actual time worked, whichever is greater, at the overtime rate.” Call Back overtime is therefore credited a minimum of three hours (the overtime rate of time-and-one-half times the two-hour minimum).

For Court overtime, CPD uses four different methods of calculation, depending on the time of the court appearance relative to the member’s shift:

- (1) If the court appearance begins after a scheduled shift has ended, Section 20.5 of each CBA provides for the same calculation required for Call Back overtime under Section 20.4. In this situation, Court overtime is “credited at the rate of time-and-one-half with a minimum of two (2) hours when the actual time spent in court is two (2) hours or less.” Thus, like Call Back overtime, this category of Court overtime is credited a minimum of three hours (the overtime rate of time-and-one-half times the two-hour minimum.)
- (2) If the court appearance occurs within the hour immediately preceding a scheduled shift, Section 20.5 requires one hour of compensation at the overtime rate (i.e., credit for 1.5 hours).
- (3) If the court appearance begins during a scheduled shift but extends beyond the shift’s conclusion, Section 20.5 provides for compensation at the overtime rate, calculated on the basis of completed 15-minute segments.
- (4) If the court appearance begins at exactly the same time a scheduled shift ends, no CBA provision squarely applies. However, CPD Directive E02-02-02 provides for crediting such appearances “at the rate of time and one-half, with a minimum of two hours when the actual time spent in court is two hours or less [...]” (Consequently, while a 1-hour court appearance immediately *preceding* a shift is credited 1.5 hours, a 1-hour court appearance immediately *following* a shift is credited 3 hours.)

Based on OIG discussions with CPD management, the minimum time provisions are intended to provide a baseline level of compensation to members asked to report to a work site during off-duty hours. This ensures that, at a minimum, members receive compensation for travel time to the work site even if they are dismissed shortly after arriving.

³¹ Duty Availability pay is premium pay provided to CPD members because members are often expected to be available to work unscheduled duty. As of January 2017, officers receive \$900 per quarter for Duty Availability, while sergeants, lieutenants, and captains receive \$805 per quarter.

D. Overtime Pay and Compensatory Time

Per the CBAs, members have the option either to be paid for overtime, or to defer payment for most regular-duty overtime and instead accrue comp time. CPD members can use comp time to take paid time off, or can choose instead to receive compensation for unused comp time upon separation from the Department due to resignation, retirement, or death. CPD pays for comp time hours at the member’s salary rate at the time of separation, not the rate in effect when the hours were earned.³² Sergeants, lieutenants, and captains are entitled to sell back (i.e., receive pay for) up to 200 hours of comp time each year. In 2014, 2015, and 2016, the value of comp time sold back by members averaged \$22.3 million annually. The table below shows the amount of overtime paid and granted as comp time from January 2014 through July 2016. The majority was paid rather than comp time.

Method	# of OT Entries ³³	Percent	OT \$ Amount	Percent
Paid	572,631	71.7%	\$ 186,745,166	82.5%
Comp Time	225,481	28.3%	39,489,325	17.5%
Total	798,112	100.0%	\$ 226,234,491	100.0%

Source: CPD CLEAR overtime data.

E. Overtime Processes

The approval and recording of regular-duty and VSE overtime follow two different processes. While the regular-duty overtime process is largely paper-based, the VSE process is entirely electronic. The two processes are described below and depicted side-by-side in Appendix D.

1. Regular-Duty Overtime Process

The approval and recording of regular-duty overtime utilizes paper forms, manual calculations, and data entry by hand. The process includes the following steps:

1. Supervisor authorizes a member to work overtime.
2. Member works overtime.
3. Member completes and submits an Overtime/Compensatory Time Report (Yellow Sheet).
4. Authorizing supervisor signs the Yellow Sheet in the “authorization” field, signifying that the overtime had been previously authorized, and approving supervisor signs in the “approval” field, approving the resulting overtime.³⁴
5. Timekeepers or other timekeeping support personnel manually enter the information on the Yellow Sheets into the Citizen and Law Enforcement Analysis and Reporting

³² City of Chicago, “Agreement Between Fraternal Order of Police Chicago Lodge No. 7 and City of Chicago, Effective July 1, 20 12 to June 30, 2017,” 123, accessed May 10, 2017, https://www.cityofchicago.org/content/dam/city/depts/dol/Collective%20Bargaining%20Agreement3/FOPCBA2012-2017_2.20.15.pdf

³³ We exclude one overtime entry for \$129 from this table because it was not designated as either paid or comp time in CLEAR.

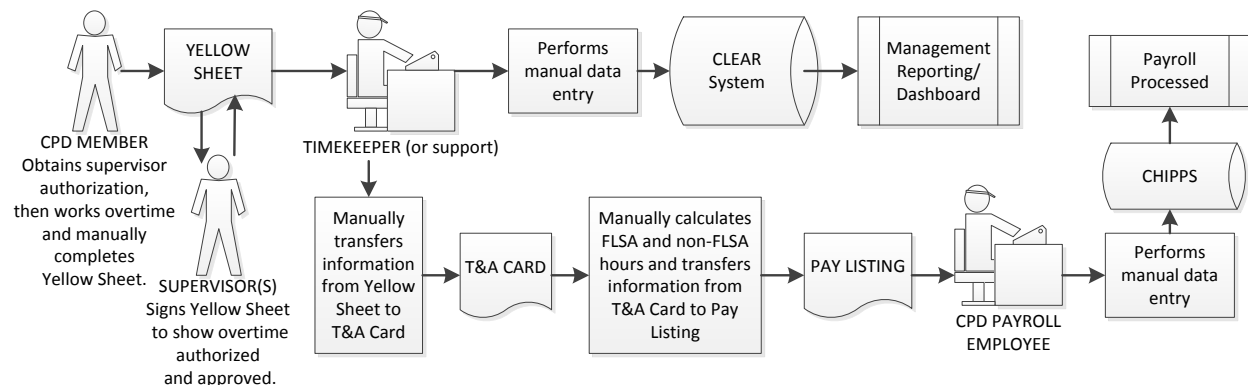
³⁴ The authorizing supervisor and the approving supervisor may be different individuals, if, for example, the overtime occurs across a shift change.

(CLEAR) system.³⁵ CLEAR has a dashboard through which CPD management can review regular-duty overtime data and run summary reports by district, unit, or individual.

6. Timekeepers or other timekeeping support personnel transcribe information from the Yellow Sheet onto each member's Time and Attendance Card (T&A Card). They also manually calculate total regular-duty overtime earned during each pay cycle using information on the T&A Card.
7. Timekeepers manually calculate FLSA hours, non-FLSA hours, and comp time balances and hand write them on the T&A card.
8. Timekeepers or other timekeeping support personnel transcribe the total paid overtime from the T&A Card onto a Pay Listing.
9. Timekeepers send the handwritten Pay Listing forms to CPD Payroll.
10. CPD Payroll personnel enter information from the handwritten Pay Listing forms into the City's AS-400 interface, the Department's indirect access to CHIPPS.³⁶ Overtime hours recorded in CHIPPS are aggregated by pay period and do not include detail on individual overtime shifts.

It is important to note that CLEAR and CHIPPS are separate systems that do not interface directly. Overtime data must be entered into each system. Changes made in one system are not reflected in the other, and CPD does not currently reconcile the overtime data in CLEAR and CHIPPS.

The following flowchart illustrates the manual and duplicative process of recording and paying regular-duty overtime.



Source: OIG summary of CPD regular-duty overtime process.

³⁵City of Chicago, Chicago Police Department, "CLEAR Application for Law Enforcement," accessed June 9, 2017, <https://home.chicagopolice.org/online-services/i-clear-application-for-law-%20enforcement>.

³⁶City of Chicago, Department of Innovation and Technology, "FMPS (Financial Management and Purchasing Systems) and CHIPPS (Chicago Integrated Personnel and Payroll Systems)," accessed June 9, 2017, https://www.cityofchicago.org/city/en/depts/doi/supp_info/fmps_and_chipps.html.

2. VSE Overtime Process

VSE overtime requests are submitted, approved, and maintained digitally. There are no hard copy records for VSE. At the conclusion of a VSE overtime shift, the supervisor on duty for the shift electronically approves the hours worked. Unlike regular-duty overtime, there is no additional manual data entry; VSE is electronic from start to finish. See Appendix D for a comparison of the processes for regular-duty overtime and VSE overtime.

Prior to January 31, 2016, CPD's VRI was part of the VSE overtime process, which meant that VRI assignments were scheduled, recorded, and approved electronically. However, VRI overtime was not included in the calculation to determine overtime subject to FLSA in each pay cycle. To address this issue, CPD moved VRI overtime from the automated VSE overtime process to the manual regular-duty overtime process. VRI hours are now recorded on blue Overtime/Compensatory Time Reports, referred to as "Blue Sheets," and follow the same process as regular-duty overtime.

F. Internal Controls

This audit evaluated CPD's internal controls over regular-duty overtime. The leading guidance for governments seeking to improve accountability through effective internal controls is the *Standards for Internal Control in the Federal Government*³⁷ (commonly called the "Green Book") published by the United States Government Accountability Office. The Green Book defines internal control as, "a process effected by an entity's oversight body, management, and other personnel that provides reasonable assurance that the objectives of an entity will be achieved."³⁸ Furthermore,

internal control comprises the plans, methods, policies, and procedures used to fulfill the mission, strategic plan, goals, and objectives of the entity. Internal control serves as the first line of defense in safeguarding assets. In short, internal control helps managers achieve desired results through effective stewardship of public resources.³⁹

The following Green Book principles and concepts are particularly relevant to this audit:

Principle 1: Demonstrate Commitment to Integrity and Ethical Values

This principle emphasizes "tone at the top," whereby "management's directives, attitudes, and behaviors reflect the integrity and ethical values expected throughout the entity."⁴⁰

³⁷ U.S. Government Accountability Office, *Standards for Internal Control in the Federal Government* (GAO-14-704G), (Washington, DC, September 2014), accessed June 26, 2017, <http://www.gao.gov/assets/670/665712.pdf>.

³⁸ U.S. Government Accountability Office, *Standards for Internal Control in the Federal Government* (GAO-14-704G), September 2014, OV1.01, accessed June 1, 2017, <https://www.gao.gov/assets/670/665712.pdf>.

³⁹ U.S. Government Accountability Office, *Standards for Internal Control in the Federal Government* (GAO-14-704G), September 2014, OV1.03, accessed June 1, 2017, <https://www.gao.gov/assets/670/665712.pdf>.

⁴⁰ U.S. Government Accountability Office, *Standards for Internal Control in the Federal Government* (GAO-14-704G), September 2014, 1.04, accessed June 1, 2017, <https://www.gao.gov/assets/670/665712.pdf>.

Principle 5: Enforce Accountability

This principle requires management to “evaluate performance and hold individuals accountable for their internal control responsibilities.”

It stresses that “accountability is driven by the tone at the top and supported by the commitment to integrity and ethical values, organizational structure, and expectations of competence.”⁴¹

Principle 8: Assess Fraud Risk

This principle requires management consider the potential for misconduct in the form of fraud, waste, or abuse: “Waste is the act of using or expending resources carelessly, extravagantly, or to no purpose. Abuse involves behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary operational practice given the facts and circumstances.”⁴²

Principle 10: Design Control Activities

This principle includes controls such as “top-level reviews of actual performance,” “reviews by management at the functional or activity level,” and “controls over information processing,” such as edit checks for accurate data entry.

It stresses that, while controls may be manual or automated, “automated control activities tend to be more reliable because they are less susceptible to human error and are typically more efficient.”⁴³

Principle 11: Design Activities for the Information System

This principle includes application controls, which are “incorporated directly into computer applications to achieve validity, completeness, accuracy, and confidentiality of transactions,” and infrastructure to link systems together.⁴⁴

Principle 12: Implement Control Activities

This principle requires management to implement controls through policies that are documented, updated, and periodically reviewed for effectiveness.⁴⁵

⁴¹ U.S. Government Accountability Office, *Standards for Internal Control in the Federal Government* (GAO-14-704G), September 2014, 5.01 and 5.02, accessed June 1, 2017, <https://www.gao.gov/assets/670/665712.pdf>.

⁴² U.S. Government Accountability Office, *Standards for Internal Control in the Federal Government* (GAO-14-704G), September 2014, 8.03, accessed June 1, 2017, <https://www.gao.gov/assets/670/665712.pdf>.

⁴³ U.S. Government Accountability Office, *Standards for Internal Control in the Federal Government* (GAO-14-704G), September 2014, 10.03 and 10.06, accessed June 1, 2017, <https://www.gao.gov/assets/670/665712.pdf>.

⁴⁴ U.S. Government Accountability Office, *Standards for Internal Control in the Federal Government* (GAO-14-704G), September 2014, 11.08 and 11.09, accessed June 1, 2017, <https://www.gao.gov/assets/670/665712.pdf>.

⁴⁵ U.S. Government Accountability Office, *Standards for Internal Control in the Federal Government* (GAO-14-704G), September 2014, 12.02 and 12.05, accessed June 1, 2017, <https://www.gao.gov/assets/670/665712.pdf>.

Principle 13: Use Quality Information

This principle requires management to identify the information needed to achieve the entity’s objectives, obtain data from reliable sources, and process the data into information that is “appropriate, current, complete, accurate, accessible, and provided on a timely basis.” Management must use the information to “make informed decisions and evaluate the entity’s performance in achieving key objectives and addressing risks.”⁴⁶

Principle 16: Perform Monitoring Activities

This principle requires management to “monitor the internal control system and evaluate the results.”⁴⁷

Principle 17: Evaluate Issues and Remediate Deficiencies

This principle requires management to expeditiously correct internal control deficiencies.⁴⁸

⁴⁶ U.S. Government Accountability Office, *Standards for Internal Control in the Federal Government* (GAO-14-704G), September 2014, 13.01 and 13.05, accessed June 1, 2017, <https://www.gao.gov/assets/670/665712.pdf>.

⁴⁷ U.S. Government Accountability Office, *Standards for Internal Control in the Federal Government* (GAO-14-704G), September 2014, 16.01, accessed June 1, 2017, <https://www.gao.gov/assets/670/665712.pdf>.

⁴⁸ U.S. Government Accountability Office, *Standards for Internal Control in the Federal Government* (GAO-14-704G), September 2014, 17.01, accessed June 1, 2017, <https://www.gao.gov/assets/670/665712.pdf>.

III. OBJECTIVES, SCOPE, AND METHODOLOGY

A. Objectives

The objective of this audit was to determine if CPD effectively manages regular-duty overtime to prevent waste and abuse.

B. Scope

This audit focused on the effectiveness of CPD's internal controls related to regular-duty overtime. OIG analyzed CPD CLEAR overtime records from January 1, 2014 through July 31, 2016. OIG also evaluated CPD hard copy overtime records for 25 members at a single district with a high volume of overtime from January 1, 2016 through July 31, 2016.

The audit did not review CPD's management of VSE overtime, which is used to staff assignments serving the Chicago Transit Authority, Chicago Park District, and Chicago Housing Authority, as well as various special events around the City, as discussed in the Background of this report. Previously, CPD processed overtime for its VRI program as VSE overtime, but, on January 31, 2016, CPD began to treat VRI overtime as regular-duty overtime. As a result, VRI overtime earned before this date was not included in our analysis of regular-duty overtime. VRI overtime earned after January 31, 2016, was included, because that overtime was recorded and processed in the same manner as other regular-duty overtime.

This audit did not review the effectiveness of CPD's policing strategies related to overtime.

C. Methodology

In order to understand the Department's overtime processes, we interviewed CPD management, District timekeepers, and representatives from the Finance division, the Court Liaison Section, the Inspections Division, and the Special Employment Unit. We also reviewed Department directives related to overtime management, including General Orders, Special Orders, and Employee Resources. We compared the relevant directives to our understanding of the Department's current practices and evaluated the policies and practices against GAO Green Book principles.⁴⁹

To assess CPD's hard copy overtime records, we selected a random sample of 25 members from a District with a high volume of overtime transactions during the period from January 1, 2016 through July 31, 2016. For the 25 members sampled, the District provided copies of the 2015 and 2016 T&A Cards, Pay Listings for the first 8 pay cycles in 2016, and a total of 589 supporting Yellow and Blue Sheets, referred to in this audit simply as "Yellow Sheets" because their contents are identical. We checked the accuracy of the Actual and Credited hours calculations, and noted whether the appropriate authorization and approval fields were complete on each Yellow Sheet.

⁴⁹ Federal agencies are required to follow these standards and non-federal entities may use them "as a framework to design, implement, and operate an internal control system." U.S. Government Accountability Office, *Standards for Internal Control in the Federal Government* (GAO-14-704G), September 2014, OV 2.01, accessed June 1, 2017, <https://www.gao.gov/assets/670/665712.pdf>.

To determine if data documented on the Yellow Sheets was accurately entered in CLEAR, we compared the Actual hours, Credited hours, and overtime Category information on each sheet to the corresponding CLEAR record.

To determine if CPD accurately carried forward comp time balances from year-to-year, we compared the year-end 2015 comp time balances on the 2015 T&A Cards to the starting balances on the 2016 T&A Cards.

To determine if CPD accurately transferred overtime hours recorded on Yellow Sheets to T&A Cards, we checked the Yellow Sheets for each of the 25 members against the corresponding T&A Card to determine if the Actual and Credited hours were recorded accurately. We reviewed the hours recorded on the T&A Card to identify any overtime entries lacking supporting Yellow Sheets, and further evaluated any T&A Card entries that differed from supporting documentation.

To determine if CPD accurately calculated overtime, FLSA overtime, and comp time balances on the T&A Cards, we recalculated these figures based on instructions in CPD Directive E02-03-01, with some modifications to reflect current CPD practice. We compared our results against the data on the hard copy T&A Cards and further evaluated any results that did not match.

To determine if CPD accurately copied overtime records from T&A Cards to Pay Listings, and then accurately entered those records in CHIPPS, we compared the recorded totals for the 25 members' T&A Cards, Pay Listings, and CHIPPS entries.

To assess the accuracy, completeness, and internal consistency of CLEAR data, we reviewed all 798,113 records for overtime worked between January 1, 2014 and July 31, 2016. We analyzed these records to identify potential errors, detect patterns, and summarize data across numerous categories. We analyzed the data to determine whether authorized and approved fields were complete, and whether appropriate superior officers reviewed the entries. We also compared overtime entries by the same individual on the same day to identify records that were either duplicate or overlapping.

To determine if CPD credited overtime using the appropriate rules, we reviewed the Category, Reason Code, and Comments fields for information on the justification for the overtime.

To detect patterns in Court entries, we reviewed entries for the 30 cases with the highest number of total overtime entries (as indicated by Records Division numbers in CLEAR) and calculated the number of officers that appeared in court each day. We also reviewed entries for the five individuals with the most Court entries in our time scope to identify any duplicated or overlapping entries.

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.

IV. FINDINGS AND RECOMMENDATIONS

Finding 1: CPD's operational controls do not adequately prevent unnecessary overtime, deter abuse of minimum time provisions, or ensure overtime is paid in compliance with policies and procedures.

CPD does not have controls adequate to prevent the payment of unnecessary overtime, deter abuse of minimum time provisions, or ensure overtime is paid accurately and in compliance with existing overtime policies and procedures. Many of these weaknesses are due to CPD's reliance on manual, paper-based timekeeping and overtime approval processes.

A. OIG found potential abuse of the minimum time provisions related to travel for Court and Call Back overtime.

In total, 190,156 CLEAR entries, or 23.8%, of the 798,113 overtime entries reviewed, involved what appear to be applications of the minimum overtime provision—a member being credited for overtime of 3 hours despite working less than 2 Actual hours.⁵⁰ As discussed in the Background, minimum overtime credit of three hours is provided to officers required to travel to a work location during their time off for Court and Call Back appearances. OIG found, however, that application of the minimum time provision was not limited to the Court and Call Back categories of overtime entries, or even to situations that required travel to or from City premises.

1. Application of the minimum time provision was not limited to Court and Call Back categories, resulting in potential unwarranted overtime expenditures of \$197,895.

CPD applied the Court and Call Back travel provisions to 2,724 entries that did not warrant it based on the assigned category. If these entries were accurately categorized and reflect accurate Actual hours, then the City incurred \$197,895 of unwarranted overtime expenditures. The following table provides a summary by category of these 2,724 entries.

⁵⁰ Of the 798,113 OT entries, 235,942, or 29.6%, credited overtime of exactly 3 hours. Of those entries: 190,156, or 23.8%, reflected less than 2 Actual hours worked; 44,167, or 18.7%, reflected exactly 2 Actual hours worked, and thus equated to a rate of time-and-one-half (assuming the accuracy of the Actual hours data field); and 1,297, or 0.7%, reflected more than 2 Actual hours worked, suggesting either an error in the Actual hours or the credited hours. There are an additional 2,942 entries that reflect less than one Actual hour worked, but credit for 1.5 hours of overtime.

Category	Number of Entries	Percent	Potential Overpayment	Percent
Staff Meeting	1,563	57.4%	\$ 116,508	58.9%
Other	665	24.4%	48,805	24.7%
Special Event	225	8.3%	16,745	8.5%
Extension of Tour	205	7.5%	10,870	5.5%
CAPS	54	2.0%	4,050	2.0%
Worked Regular Day Off (Required)	12	0.4%	916	0.5%
Total	2,724	100.0%	\$ 197,895	100.0%

Source: OIG analysis of overtime data from CPD's CLEAR system.

As noted below in Finding 3, because the CAPS and Staff Meeting categories are not defined in CPD directives, it is unclear whether they are meant to be subject to the CBA minimum time provisions required for Court and Call Back assignments. CPD management stated that attempts have been made to reduce some meetings that would be treated as Call Backs. For example, according to CPD, some districts used to require full attendance at CAPS meetings, even by members who were not "on shift." Also, CPD said that it is "trying to quell" the practice of requiring officers to attend staff meetings on their regular days off.

Regarding the 205 apparent applications of the minimum time provision in the Extension of Tour category, CPD management stated that "they are definitely wrong in some way" because they "don't make sense."

2. The minimum time provision was inappropriately applied to CPD members answering or receiving phone calls or e-mails, resulting in unwarranted overtime expenditures of at least \$36,334.

Based on text in the Comments field for some overtime entries, OIG identified 352 instances where members received 3 hours of overtime although they were not required to report to a work location, resulting in overpayment of \$36,334 in overtime.⁵¹ These included 346 entries where the member either received or placed a phone call or voicemail⁵² and 6 where an officer either received or sent an e-mail. There were six instances where a member received or placed two calls in the same day and received six hours of overtime pay.

We do not mean to suggest that these are the only instances of abuse of this provision. These 352 instances are merely the only ones OIG could identify based on information in the Comments field. Of all the entries granted the minimum time provision, 183,362, or 96.4%, had blank Comments fields, precluding OIG from determining whether the provision was warranted.⁵³

⁵¹ Of the 352 entries identified, 280, or 79.5% had Actual hours equal to 15 minutes, 43, or 12.2%, had Actual hours equal to half an hour, and 2, or 0.6% had zero Actual hours.

⁵² Phone calls included 282 calls to/from Parole Agents (or notifications to call Parole Agents) and 14 calls to/from Assistant State's Attorneys, the City's Law Department, the Independent Police Review Authority, and CPD's Internal Affairs Division.

⁵³ We found 5.2% (352 out of 6,794) of the entries with Comments inappropriately awarded 3 hours of overtime for phone calls or e-mails. If that rate exists among the entries without Comments, the overpayment could be as much as \$1.2 million.

Moreover, the issue of blank Comments fields is not limited to entries granted the Court and Call Back provisions; we discuss this topic further below.

This form of overtime abuse is not limited to Police Officers, as shown in the following table.⁵⁴

Title	# of Entries	Percent	OT \$ Amount Paid with Provision	OT \$ Amount at Time-and-One-Half Rate	Amount Overpaid
Police Officer	293	83.2%	\$ 35,653	\$ 6,118	\$ 29,535
Sergeant	40	11.4%	6,109	1,305	4,804
Field Training Officer	6	1.7%	791	150	641
Lieutenant	4	1.1%	717	314	403
Detective	4	1.1%	561	142	419
Captain	3	0.9%	580	266	314
Evidence Technician	2	0.6%	270	52	218
Total	352	100.0%	\$ 44,681	\$ 8,347	\$ 36,334

Source: OIG analysis of overtime data from CPD's CLEAR system.

Timekeepers and CPD officers who perform data entry supporting timekeepers agreed that the minimum time provision was designed to address travel time, but they could not explain why it would be applied to situations which did not involve travel. They asserted, however, that they were not in a position to pass judgment on this issue, and that their responsibility was simply to ensure that the time submitted matched what the CBA or CPD directives require. These timekeepers and officers did not explain how minimum time provisions applied to phone calls or e-mails.

CPD management stated that providing such travel provisions for phone calls and e-mails "does not make sense."

3. OIG found \$17,786 worth of other questionable applications of the minimum time provision.

Other observations regarding overtime entries reflecting questionable applications of the minimum time provision, based on information in the Comments field, include,

- a. 94 entries related to meetings with CPD's Internal Affairs Division, the Independent Police Review Authority, and OIG, totaling \$12,271;
- b. 38 entries related to the delivery of evidence to and from CPD's Evidence & Recovered Property Section and the State's Attorney's Office, totaling \$4,927;
- c. Five entries for Court time occurring before the member's tour of duty which, according to the minimum time provision, should be credited 1.5 hours rather than 3, resulting in an unnecessary overtime expenditures of \$386;

⁵⁴ See Appendix E for a summary of all regular-duty overtime earned by CPD members from January 1, 2014 through July 31, 2016, by the title of the member earning overtime.

- d. One entry where a member utilized the minimum time provision to receive overtime pay for the time spent signing paperwork related to the member's own promotion, costing the City \$140; and
- e. One entry applying the minimum time provision where the transition to Daylight Savings Time caused a one-hour Extension of Tour, resulting in unnecessary overtime expenditures of \$62.⁵⁵

Again, these observations reflect only those entries with text in the Comments field. The extent to which the above situations occurred in the remaining 183,362, or 96.4%, of CLEAR overtime entries lacking any explanation in the Comments field is unknown.

CPD management acknowledged that overtime expenditures related to the delivery of evidence could be reduced because Assistant State's Attorneys have access to CPD's Records Division via the SharePoint system. CPD management further stated that this spending may be a result of members offering to bring evidence on their regular day off.

Regarding the entry applying the minimum time provision where a member came into work on a regular day off to "report to [Human Resources] for a promotion," CPD management stated it is the responsibility of the approver to ensure requests are appropriate, and that such a situation would not be an appropriate use of overtime. As discussed in Finding 3, however, CPD has no guidelines to assist approvers in determining whether a proposed use of overtime is appropriate.

B. CPD's manual process lacks controls to ensure accuracy and avoid unnecessary overtime expenditures.

Although CPD has automated processes to authorize, review, and approve VSE overtime, it relies on manual processes to authorize, review, approve, and calculate regular-duty overtime. This manual process lacks many fundamental controls typically provided by an automated system, including controls to ensure that data is accurate, complete, and backed up securely.

1. CPD's manual timekeeping process is costly and inefficient compared to an automated timekeeping system.

OIG estimated the cost of CPD personnel assigned as timekeepers is at least \$7.2 million annually. This figure accounts for the 61 individuals assigned as timekeepers at the time of this audit, but does not include the cost of additional staff, which CPD acknowledges includes sworn officers who assist with timekeeping and data entry, because the Department could not readily provide a list of these personnel. The Office of Budget and Management (OBM) told OIG it was unaware that CPD assigns sworn officers to timekeeping and data entry roles.

On at least two occasions, CPD has attempted to implement an automated timekeeping system. In 2009, CPD planned to adopt the Chicago Automated Time and Attendance (CATA) system used by other City departments, but, according to Department management, the City chose to abandon this plan due to the complexities of CPD's timekeeping needs. In 2013, CPD undertook a pilot program utilizing a system separate from CATA. According to CPD management, the

⁵⁵ Further analysis of entries related to Daylight Savings Time is provided on page 32 of this report.

Department again chose not to move forward due to the complexity of the task and a lack of funding.

The City recently launched a new initiative to transition CPD from its paper-based timekeeping system to the CATA system. In April 2016, the City's Absenteeism Task Force issued a series of recommendations to address absenteeism across the City.⁵⁶ The first recommendation was to "develop a comprehensive swiping policy that established uniform expectations and rules for all City employees to drive accountability." This included a recommendation that CPD transition from its paper-based timekeeping system to the CATA system by the winter of 2018.⁵⁷ In anticipation of the Absenteeism Task Force's recommendations, the Mayor's Office issued a directive to all Department heads that stated, "As of April 15, 2016, every City of Chicago employee is required to swipe in and out each day." The directive provided for exceptions granted by the Department of Finance and OBM for operational reasons. OBM stated that its goal was to have CPD adopt the automated time-keeping system within the next two to three years, and that the necessary software updates and hardware acquisition have been completed. Therefore, the amount of additional financial investment required for this transition may be minimal, and it will reduce timekeeping costs in the long-term by allowing individuals currently assigned to assist with timekeeping duties to fill other roles within the Department. As of April 2017, CPD management had not yet taken steps towards addressing the Task Force recommendation, stating that they were waiting for OBM to initiate the effort.⁵⁸

2. Comp time liability totaling \$266.8 million is supported only by hard copy documentation which, if damaged or destroyed, could not be recreated.

Comp time balances for CPD officers are tracked with pencil and paper on the hard copy T&A Cards maintained in each of the various district and administrative offices throughout the City. At the end of the year, CPD compiles each employee and unit's comp time balances for annual financial reporting purposes. According to CPD Finance Division records, the liability ranged from \$220.3 million to \$266.8 million between 2011 and 2016.⁵⁹ In the event these hard copy files were lost or destroyed, CPD would be unable to recreate the comp time balances for individual members, and would be limited to recovering the balances as of the prior year's end. This poses an unnecessary risk that could be avoided by maintaining balances in an electronic system capable of back-up and recovery.

⁵⁶ City of Chicago, Absenteeism Task Force, "Recommendations," April 2016, accessed May 9, 2017, <https://www.cityofchicago.org/content/dam/city/depts/mayor/Absenteeism%20Task%20Force/AbsenteeismTaskForceReport.pdf>.

⁵⁷ City of Chicago, Absenteeism Task Force, "Recommendations," April 2016, p. 21, May 9, 2017, <https://www.cityofchicago.org/content/dam/city/depts/mayor/Absenteeism%20Task%20Force/AbsenteeismTaskForceReport.pdf>.

⁵⁸ On May 15, 2017, the City entered into a three-year, \$594,000 contract with a consultant to assist in transitioning CPD and the Chicago Fire Department to CATA. City of Chicago, "Contract Number 52497," May 15, 2017, accessed June 26, 2017, <https://webapps1.cityofchicago.org/VCSearchWeb/org/cityofchicago/vcsearch/controller/contracts/begin.do?agencyId=city>.

⁵⁹ These amounts represent the balances as of December 31 of each year. The actual amount owed is higher, because it is paid at the officer's pay rate at the time of retirement as opposed to the time earned.

3. OIG identified 6,727 overtime entries that either duplicated or overlapped other entries, resulting in potential overpayment of \$1.1 million.

OIG analysis of start and end times for overtime entries revealed that 6,727 were either duplicates of or overlapped with other entries, resulting in potentially \$1.1 million in erroneously credited overtime. This included 5,087 entries with 1 or more duplicates, and 1,640 entries that either fully or partially overlapped others. CPD management stated that, given the physical impossibility of being in two places at once, these entries must be incorrect. They also stated that these types of errors support the argument that automation is needed.

4. 99.4% of overtime entries, totaling \$225.5 million, had either blank or generic Reason Codes in CLEAR.

Although CPD directives explicitly require members to provide a reason on the Yellow Sheet for overtime, the Reason Codes for 776,729, or 97.3% of the overtime entries in CLEAR were blank, and an additional 16,269 or 2.0%, of the overtime entries used 1 of 14 generic codes.⁶⁰ The generic Reason Codes are variations of “Other” or “XXXX,” as shown in the table below.

Reason Code	Number of Entries	Percent of All Entries	\$ Amount of Entries	Percent of All Entries
[Blank]	776,729	97.3%	\$ 219,446,436	97.0%
802 See Comments	9,558	1.2%	3,525,748	1.6%
607 Other (Explain)	3,823	0.5%	1,344,789	0.6%
109 Other (Explain)	656	0.1%	245,882	0.1%
501 XXXXXXXXXXXX	582	0.1%	285,616	0.1%
801 XXXXXXXXXXXX	425	0.1%	178,112	0.1%
702 XXXXXXXXXXXX	330	0.0%	152,302	0.1%
122 Other	232	0.0%	77,350	0.0%
261 Other – See Remarks	160	0.0%	45,327	0.0%
130 Other	132	0.0%	48,702	0.0%
864 Misc (Explain)	107	0.0%	33,305	0.0%
164 Other	105	0.0%	31,184	0.0%
136 Other	82	0.0%	27,784	0.0%
153 Other	71	0.0%	25,758	0.0%
561 XXXXXXXXXXXX	6	0.0%	3,600	0.0%
Totals	792,998	99.4%	\$ 225,471,896	99.7%

Source: OIG analysis of overtime data from CPD’s CLEAR system

CPD management stated they did not understand why Reason Codes would be blank. They further stated that the “Other” and “XXXX” codes should not be used. However, they did not explain why such Reason Codes exist.

⁶⁰ See Appendix F for a table summarizing instances of all Reason Codes, including the 0.6% of overtime entries with non-blank and non-generic Reason Codes.

- OIG identified 5,393 overtime entries with data entry errors, resulting in potential overpayment of \$123,636.

OIG found that 76,027, or 9.5%, of the overtime entries analyzed, were credited an amount that did not equate to time-and-one-half or the three-hour minimum time provision for travel related to Court and Call Back situations. OIG determined that typos, rounding and truncation errors, and the misuse of the Actual-to-Credited tool on the Yellow Sheet resulted in \$123,636 of potentially unnecessary overtime expenditures. This tool—excerpted here and provided in full in Appendix B—shows the appropriate conversion of Actual overtime hours to Credited hours earned at time-and-one-half. For example, 0.25 actual hour would be credited as 0.38 hour, reading across the tool. However, OIG found 5,107 entries in which the individual performing data entry misused the tool by crediting overtime related to the next actual time increment or “one line down” as shown by the arrows OIG superimposed in the excerpt (e.g., crediting 0.25 actual hour with 0.75 rather than 0.38). The following table summarizes these and other data entry errors.

OVERTIME HOURS EXT	
.25	.38
.50	.75
.75	1.13
1.00	1.50
1.25	1.88

Description of Error	Number of Entries	Recorded Overtime Amount	Correct Overtime Amount	Difference
“One Line Down”	5,107	\$ 1,516,833	\$ 1,432,041	\$ 84,792
Typographical	102	60,033	23,389	36,644
Rounding	127	14,674	12,068	2,606
Truncation	57	10,707	11,113	(406)
Total	5,393	\$ 1,602,247	\$ 1,478,611	\$ 123,635

Source: OIG analysis of overtime data from CPD’s CLEAR system.

CPD timekeepers and officers supporting timekeeping duties could not explain why anyone would credit amounts “one line down” from the appropriate amount, but stated that timekeepers should catch such mistakes.

- OIG identified multiple instances of missing documentation and mismatches between overtime paperwork and electronic data.

As described in the Background of this report, CPD’s regular-duty overtime request and approval process relies on handwritten forms, manual calculations, and manual data entry into two separate systems—CLEAR and CHIPPS. OIG compared a sample of 589 Yellow Sheets prepared by 25 individuals to the related entries in the systems. We found that, for the 356 Yellow Sheets that had been entered into CLEAR, the primary overtime data in CLEAR (i.e., Actual hours, Credited hours, Category, and pay vs. comp time selection) was sufficiently accurate to be used for analysis. However,

- 181, or 30.8% of the Yellow Sheets did not, at the time of testing, have the corresponding CLEAR entry required by Department policy. Timekeeping personnel stated there was a data entry backlog due to the volume of Yellow Sheets to process. While CPD policy

states that Yellow Sheets should be entered within seven days of the end of each pay cycle, timekeeping staff described that timeframe as aspirational rather than mandatory.

- There were an additional 52 Yellow Sheets without CLEAR entries, but these were for holiday hours which did not require entry into CLEAR.⁶¹
- 22 CLEAR entries related to \$5,739 of overtime expenditures had no supporting Yellow Sheet.
- 16 T&A Card entries related to \$2,965 in overtime expenditures did not have supporting Yellow Sheets, and 5 had differences in payment type, Actual hours, and Credited hours resulting in net underpayment of \$7.
- Of 175 calculations related to FLSA overtime and comp time balances, OIG identified 5 comp time balance calculation errors and 1 error where regular-duty overtime was paid at the higher FLSA rate.⁶²
- A comparison of 200 T&A Card entries to CHIPPS revealed that 1 member was incorrectly paid at a non-FLSA rate when the FLSA rate was warranted, resulting in underpayment of \$96.

7. Too many hours were credited for “No Lunch” entries, resulting in at least \$1,182 of overpayment.

A review of the 1,434 entries with a Reason Code of “803 No Lunch (Explain)” revealed that 38, or 2.6%, were credited 2.5 hours with no justification, resulting in at least \$1,182 of overtime paid in error.⁶³ Each of these entries related to civilian employees of CPD. Under both FLSA and the AFSCME CBA, civilians should be compensated 1 hour for missed lunches if their weekly hours are 40 hours or fewer, or 1.5 hours if they have worked more than 40 hours. We know of no provision justifying compensation of two-and-a-half hours for a missed lunch.

8. Entries related to Daylight Savings Time were not processed in accordance with CPD Order E02-09, resulting in potential underpayment of \$652.

A review of 909 overtime entries related to Daylight Savings Time revealed that 41, or 4.5%, were paid at “straight time.”⁶⁴ Assuming the actual hours worked were accurately reflected in the data, this resulted in potential underpayment of \$652. As noted on page 28 of this report, 1 entry was credited 3 hours of overtime for 1 hour of Daylight Savings Time worked, resulting in overpayment of \$62. Furthermore, 181, or 20.0%, of overtime entries related to Daylight Savings Time were not processed as Extensions of Tour as required by CPD Order E02-09. Instead, 173, or 19.0%, were processed as Other; 8, or 0.9%, as Special Events; and 1, or 0.1%, as Worked Regular Day Off (Required).

⁶¹ The reason members completed Yellow Sheets was simply to select their preferred compensation method—payment or comp time.

⁶² A 2013 CPD internal timekeeping audit found that 9, or 11.0%, of 82 T&A cards reviewed contained an error in the FLSA and comp time balance.

⁶³ This is a conservative estimate; it assumes the overtime was credited as straight time, not time-and-one-half. The improper payment could be as much as \$1,773 if the individuals had already worked 40 hours that week, because in that case they would earn overtime at time-and-one-half pursuant to FLSA.

⁶⁴ OIG identified the 909 entries reviewed based on text in the Comments data field. There may be more erroneous entries related to Daylight Savings Time that did not provide Comments.

Conclusion:

CPD management acknowledged that the use of a manual process requiring data entry into two separate systems (one for payment and another for management monitoring) is “prone to errors.” CPD timekeeping staff from one district stated they wanted the process to be automated so that they could avoid mistakes in data entry.

The manual process as currently designed would require a significant amount of oversight and reconciliation at each step to ensure CPD minimizes timekeeping errors. Many of the controls that could prevent errors are simply not in place. Further, CPD’s 2016 decision to process VRI overtime through the manual, paper-based regular-duty overtime process means that CPD’s timekeeping has become more reliant on the manual system, not less.

Recommendations:

1. CPD should work with OBM to implement an automated timekeeping system that includes the controls necessary to ensure that timekeeping records are accurate, verifiable, and complete. If designed correctly, such a system will reduce the cost of timekeeping, reduce or eliminate missing data, reduce the potential for inaccurate data, reduce or eliminate inaccurate calculations, and prevent duplicate or overlapping time entries. Furthermore, such a system will foster accountability for CPD members who work overtime, supervisors who review and approve overtime, and CPD management as a whole.
2. Pending implementation of an automated system with built-in controls, CPD should immediately implement the necessary manual controls to prevent the operational errors and potential abuse described in this finding. Specifically, the Department should establish controls to ensure that,
 - a. application of the minimum time provision is limited to appropriate overtime categories that require travel to work premises;
 - b. application of the minimum time provision to evidence delivery is limited to situations where the SharePoint system cannot be used;
 - c. comp time balances are electronically stored and backed-up;
 - d. duplicated or overlapping overtime entries are rejected;
 - e. Reason Codes are completed for each overtime entry, generic codes are prohibited, and staff are trained on appropriate application of Reason Codes;
 - f. data entry errors and miscalculations are avoided;
 - g. overtime for missed lunches and Daylight Savings Time is credited accurately; and
 - h. supporting documentation for all overtime transactions is maintained.

Such controls may include assigning a second individual to validate calculations and data entry. Moreover, the design of the new automated timekeeping system should incorporate features taking into account these specific issues.

3. In addition, because management reporting and payroll processing are completed on two different systems involving two data entry points, CPD should conduct a routine reconciliation between the data in the two systems.
4. Finally, the Department should ensure that all CPD members, timekeepers, and supervisors are trained on policies related to timekeeping, and are following and/or enforcing these policies appropriately and consistently.

Management Response:⁶⁵

“CPD welcomes the OIG’s input as well as the opportunity to respond to issues raised in the Report and to detail plans already in place to improve the Department’s recording, supervision, accountability, and management of timekeeping and overtime use. Specifically, a major, two-part project is underway.

- *First, before the end of this year, CPD will begin to transition to an electronic swiping system, starting at CPD headquarters. Once completed, the vast majority of CPD employees – both sworn and civilian – will be required to electronically record both the start and the end of their work day or shift, thereby capturing with precision most overtime worked for those entitled to receive overtime compensation.*
- *Second, CPD has started the process to complete its full transition to an electronic system for all timekeeping purposes, including overtime. Working with a consultant already familiar with current City and CPD timekeeping systems, CPD anticipates that the electronic system will resolve many of the issues and concerns raised in the Report and that timekeeping operations will be significantly improved. Although implementation will be complex, CPD has set a goal of completion by mid-2019.”*

“While CPD acknowledges deficiencies with its current timekeeping system, it anticipates that many of the issues and concerns raised in the Report will be resolved and timekeeping operations will be significantly improved with the advent of daily swiping and electronic timekeeping, as discussed above. In the meantime, CPD has resumed intensive training for its timekeepers, with a particular emphasis on issues arising from the audit.”

“[...]The Report addresses the minimum overtime allowance for time associated with travel for court appearances and call backs. CPD agrees that the purpose of such time should be

⁶⁵ OIG shared our preliminary findings with CPD on May 22, 2017 and on July 31, 2017 we provided a draft of the full report together with our standard Management Response Form, which facilitates the alignment of OIG recommendations with departmental corrective action. We met with CPD management on August 24, 2017 to discuss the report and deadline for CPD’s response. We provided the Management Response Form again on September 14, 2017. Nonetheless, CPD did not use the Management Response Form, but instead wrote a letter. This failure to respond in the manner requested makes it difficult to discern whether CPD agrees with OIG’s specific recommendations and, to the extent the Department does agree, what corrective actions it intends to take. OIG included the letter in Appendix K of this report, did our best to identify the relevant portions, and inserted them as the Management Response to each Finding.

accurately and sufficiently documented and that timekeepers should ensure proper application of the minimum overtime allowance and deny nonconforming requests. Toward this end, CPD will issue clearer guidelines and provide additional notice and/or training to supervisors, officers, and timekeepers. For example, CPD has issued a notice to all Department members reminding them that when completing overtime/compensatory time reports, they must specify a reason for the overtime, that they may select 'other' as a reason only when the reason does not fall within any of the predefined overtime categories, and that an explanation is required for selecting the 'other' option.

“The remainder of this section of the Report focuses on ways in which the OIG believes the current, manual timekeeping system is deficient. Examples include what appear to be duplicate or overlapping entries, data entry errors, missing or vague coding information, and the absence of a backup for comp time balances. The OIG’s principal recommendation is implementation of an electronic timekeeping system, which is underway. CPD agrees with the OIG that the transition to a new electronic timekeeping system will help to rectify many of these issues and/or reduce their frequency. For example, the system will automatically provide a backup for comp time balances. In the meantime, it is important to note that CPD has a long-standing practice to address duplicate, incorrect, or inaccurate overtime submissions or entries. This process involves a report from the unit of assignment to CPD Finance specifying the error made and seeking an adjustment, and includes a reimbursement mechanism in situations where an officer was paid an incorrect amount. Improper submissions may also result in discipline, up to and including discharge. Finally, as noted above, CPD has resumed training for its timekeepers, with a particular emphasis on issues arising from the audit, and will correct any missing or vague coding information.”

Finding 2: CPD management controls do not adequately prevent officer fatigue, control costs, or detect and prevent fraud, waste, and abuse.

CPD management has not implemented controls adequate to ensure it can make informed decisions regarding the allocation of resources, effectively manage the workloads and hours of its members to prevent fatigue, or limit unnecessary overtime expenditures. The Department has not taken proactive steps to address overtime issues even in areas where management has acknowledged that current practices are potentially inappropriate. As we describe in detail below, this lack of proactive management oversight means that CPD is unable to effectively control overtime costs, or to detect and prevent abuse of overtime.

A. CPD has not developed adequate mitigating controls to reform current practices that management is aware create a high risk of fraud, waste, or abuse.

OIG identified four potentially abusive overtime practices that CPD management acknowledges occur but has not adequately addressed. These abusive practices are “trolling,” “paper jumping,” “lingering,” and self-appointed “DUI guys.”

1. CPD has not taken steps to prevent abuse of Extension of Tour overtime, known as “trolling.”

“Trolling” refers to the practice of a member actively pursuing situations that result in Extension of Tour overtime. This includes: (a) volunteering for calls at or past the end of a shift notwithstanding the fact that fresh officers have already come on duty; (b) actively seeking traffic, disorderly conduct, or other violations at the end of a shift; and (c) making an arrest at the end of a shift as a result of escalating a situation which would have been within the officer’s discretion to dismiss.

Despite an awareness of the issue, CPD management has not implemented monitoring tools to detect patterns of overtime suggesting this abuse.

2. CPD does not have policies to prevent abuse of Court overtime, known as “paper jumping.”

“Paper jumping” is a practice in which officers request inclusion on an arrest report despite having little or no involvement in the arrest, specifically for the purpose of earning overtime by being called to court.⁶⁶ CPD’s Court Liaison Section (CLS) was aware of the practice of “paper jumping” and defined it for OIG. Other CPD officers described it as an “old school” practice used to accumulate overtime.

Management stated that, from CPD’s perspective, most cases should only require one officer to appear in court. This is consistent with language in CPD Directive G08-02, which states,

When two or more officers make an arrest, the officer having court appearance responsibility for the case will enter their name in the box entitled “First

⁶⁶ In Miami, this practice is reportedly called “Collars for Dollars.” Jeff Leen, Gail Epstein, and Lisa Getter, “Police cheating on overtime costs us millions,” *Miami Herald*, July 13, 1997, accessed July 28, 2017, <http://www.miamiherald.com/latest-news/article1928999.html>.

Arresting/Appearing Officer” of the Arrest Report. The appearing officer will be the officer having sufficient knowledge to testify at the hearing. This officer will retain responsibility for the initial and all subsequent court appearances.⁶⁷

Despite this policy, OIG identified numerous examples of multiple officers being called to court for the same case. Specifically, OIG reviewed CLEAR overtime data from January 1, 2014 through July 31, 2016, and identified the 30 cases with the most Court overtime entries. For the 644 court dates related to those 30 cases,

- 3 or more officers attended 297 court dates;
- 5 or more officers attended 143 court dates; and
- 10 or more officers attended 29 court dates.

CLS stated that the Department has taken steps to reduce unnecessary court appearances by conferring with the State’s Attorney’s Office and the City’s Corporation Counsel when more than five officers are requested to appear. However, beyond this effort, the Department does not monitor overtime to identify potential patterns of abuse or analyze reasons for court time to determine usage trends. Ultimately, CLS stated that CPD cannot decline subpoenas from the State’s Attorney and must order subpoenaed officers to appear.

Because the State’s Attorney’s Office relies on arrest reports to determine which officers to call to court, it is essential that officers fill out arrest reports in a manner clearly stating which officers have “sufficient knowledge to testify at the hearing.”⁶⁸ Ultimately, management is responsible for ensuring that the reports convey this information clearly, so that officers are not called to court unnecessarily.

3. CPD relies on the honor system to control overtime related to officers “lingering” at court.

“Lingering” is the practice of reporting to court and staying longer than needed in order to increase overtime pay. CLS described this as a situation where an officer remains in the courthouse rather than checking out, although his or her court-related work is complete. “Checking out” entails telephonically notifying CLS, recording time in CLEAR, or manually signing a log book, depending on the court facilities. Other individuals suggested to OIG that officers leave the building, perhaps going to lunch, and return later to check out.

A CPD directive regarding Court Attendance and Responsibilities explicitly states that CPD members should “log out of all court hearings immediately upon the conclusion of their testimony and release by the Assistant State’s Attorney/Corporation Counsel,” and that “officers will not remain in court pending the final disposition of the case.” CPD management stated that

⁶⁷ City of Chicago, Chicago Police Department, “General Order G08-02 – Court Attendance and Responsibilities,” May 2015, Section IV, accessed May 18, 2017, <http://directives.chicagopolice.org/directives/data/a7a57be2-12936eaa-d1812-9372-d73e27fb07cf228d.pdf?ownapi=1>.

⁶⁸ City of Chicago, Chicago Police Department, “General Order G08-02 – Court Attendance and Responsibilities,” May 2015, Section IV, accessed May 18, 2017, <http://directives.chicagopolice.org/directives/data/a7a57be2-12936eaa-d1812-9372-d73e27fb07cf228d.pdf?ownapi=1>.

it is the responsibility of CLS to monitor activity and ensure no officer is abusing court time. However, CPD acknowledged it is a “bit of an honor system.”

4. CPD allows certain members to serve as self-appointed “DUI guys,” and, thus, as de facto managers of their own overtime.

OIG found that several CPD members have extremely high numbers of Court entries. Based on conversations with CPD staff, OIG determined that these members were “DUI guys”—officers who specialize in processing arrests for driving under the influence. These members may be called to the scene of a DUI after another officer has already initiated the process so that the “DUI guy” can take over the arrest and ultimately appear in court. OIG analysis revealed one CPD member who appeared in court on 586 days, or 62.1%, of the 943 days in the dataset.⁶⁹

CPD management stated that it is aware this practice exists and does not expressly prohibit it. Because the practice is not monitored by CPD management, it effectively enables officers to self-appoint themselves as “DUI guys” in order to earn Court overtime.

B. CPD management is unable to effectively monitor overtime authorizations or approvals through CLEAR.

CPD does not consistently record authorizations and approvals for overtime in the CLEAR system, making it difficult, if not impossible, for management to monitor whether overtime is authorized, approved, and processed in accordance with CPD policies. OIG analysis of overtime data found incomplete data and inconsistent or inappropriate authorizations and approvals, including overtime recorded in CLEAR as having been authorized or approved by the same individual who earned the overtime.

1. Overtime totaling \$27.6 million lacked required authorizations and/or approvals.

A CPD member seeking to work overtime must obtain verbal authorization in advance.⁷⁰ CPD Directive E02-02-02 states that “no member is authorized to work overtime without the prior approval of the member’s appropriate supervisor.” This directive further requires that an appropriate supervisor approve the overtime actually worked by signing off on the member’s Yellow Sheet. The directive states that the “approving supervisor will be the supervisory member who can attest to the accuracy of the information submitted by the member.”⁷¹ Notwithstanding these requirements, OIG analysis of CLEAR data found,

- 28,666, or 3.6%, of the overtime entries lacked supervisory authorization; and
- 77,526, or 9.7%, of the overtime entries lacked supervisory approval.⁷²

⁶⁹ See Appendix G for a summary of CPD members by the number of regular-duty overtime entries in CLEAR between January 1, 2014 and July 31, 2016, as well as the total value of the member’s overtime.

⁷⁰ See Background section II.E. regarding authorization and approval.

⁷¹ Chicago Police Department, “Employee Resource E02-02-02 – Payroll and Timekeeping-Overtime/Compensatory Time,” September 1994, Section IX, accessed May 26, 2017, <http://directives.chicagopolice.org/directives/data/a7a57be2-128884f1-9d212-8887-1216443f8e117f96.pdf?ownapi=1>.

⁷² An additional 283,465 overtime entries in the Court category had no authorization, but such transactions do not require supervisory authorization if a Court Notification number is documented. OIG could not confirm whether or not such information was documented because that field was not available in the CLEAR Overtime Dashboard.

In total, entries related to overtime totaling \$27.6 million lacked either approval or authorization, or both. Without an electronic record of authorizations and approvals, management cannot verify that overtime was necessary under the standards established in Department directives, nor can management ensure, without consulting paperwork, that an appropriate supervisor signed off on the overtime. This makes the Department's review process prohibitively cumbersome and undermines management's ability to hold supervisors accountable for overtime approved.

2. Overtime totaling \$940,312 was authorized and/or approved by the same member who earned the overtime.

OIG identified entries in CLEAR where the authorization and/or approval was by the same individual who earned the overtime. Such self-approval is not permitted under CPD Directive E02-02-02. CPD management confirmed that no individual should authorize or approve his or her own Yellow Sheet. Specifically, OIG found,

- 2,212, or 0.3%, of overtime entries were authorized by the same individual who requested the overtime;
- 1,375, or 0.2%, of overtime entries were approved by the same individual who requested the overtime; and
- 672, or 0.1%, of overtime entries were both authorized and approved by the same individual who requested the overtime.

These self-authorized and/or self-approved entries represent \$940,312 in overtime.

3. Overtime totaling \$40.8 million was authorized and/or approved by peers or subordinates of the member who earned overtime.

OIG analysis found that many overtime entries in CLEAR were recorded as approved or authorized by an individual with the same title as the member earning overtime, or by an individual with a title subordinate to the member earning overtime. Specifically, we found,

- 21,799, or 2.7%, were authorized by CPD members with the same title;
- 143,903, or 18.0%, were approved by CPD members with the same title;
- 1,569, or 0.2%, were authorized by CPD members with subordinate titles; and
- 14,686, or 1.8%, were approved by CPD members with subordinate titles.

Because Directive E02-02-02 requires supervisory approval, review by peers or subordinates is generally not appropriate. CPD management stated that while it is possible to have an officer at court approving a higher-ranking member's overtime, it should be fairly rare. Management also stated that CPD's practice of having officers "act up" into the role of sergeant may have accounted for some of the exceptions.⁷³ However, CPD stopped that practice in early 2014, so it

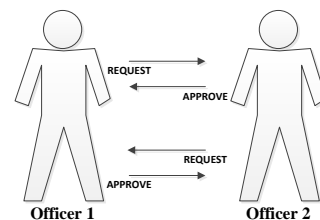
⁷³ "Acting up" means an employee is directed or is held accountable to perform, and does perform, substantially all of the responsibilities of a higher position.

would not explain the majority of subordinate-approved entries. In total, peer and subordinate authorizations and approvals represented overtime totaling \$40.8 million.

4. CPD members approved each other's overtime in more than 600 reciprocal relationships. 15 CPD members had such reciprocal relationships with more than 10 individuals.

OIG found 631 two-way relationships in which 2 individuals approved each other's overtime. In many cases, the requestor and approver roles were not balanced (e.g., CPD member "A" approved CPD member "B" 35 times, but "B" only approved "A" once). In other cases the relationship appeared to be essentially proportional in nature (e.g. member "A" approved "B" 22 times and "B" approved "A" 25 times).

Furthermore, 15 CPD members had such reciprocal relationships with 10 to 15 separate individuals. OIG reviewed overtime entries for one CPD member who had 13 reciprocal relationships. We further narrowed the analysis to identify 17 situations where that member received and provided reciprocal approvals on the same day. Of those 17 pairings, 10 involved 2 CPD members working the same shift, 4 involved situations where 1 member's tour ended as the other's began, and 3 were situations where the members worked different shifts.



C. CPD's Inspection Division stopped conducting timekeeping audits in November of 2013.

CPD does not have a self-review process to check timekeepers' work, and CPD's Inspection Division, which is responsible for performing timekeeping audits, has not audited this function since November 2013.

During OIG's audit, CPD stated that because staffing for the Inspection Division has been cut significantly in recent years, the Department no longer has the personnel necessary to perform timekeeping audits. Without routine audits, CPD cannot confirm the accuracy and completeness of its manual timekeeping process, and cannot identify and correct timekeeping errors. However, management is ultimately responsible for putting controls in place to ensure that CPD maintains accurate and verifiable timekeeping records.

D. CPD management's monitoring of overtime and secondary employment is not adequate to control costs and prevent officer fatigue.

CPD management does not have adequate monitoring controls to assess and respond to trends in overtime use, control costs, and prevent officer fatigue. Although CPD has created tools to analyze overtime, CPD personnel are not actively using these tools. In addition, despite the existence of Department policies that prohibit certain types of secondary employment, CPD management has no method for tracking the secondary employment of sworn members covered by labor agreements. Management therefore cannot detect violations of its policies, and cannot ensure that officers can optimally meet the stressful demands of their job serving the public. Excessive working hours can contribute to fatigue, which can impact an officer's mental and physical health by impairing judgment, heightening an officer's sense of threat, and reducing

eye-hand coordination.⁷⁴ Such impairments can increase the likelihood of on-the-job injuries and vehicle accidents.⁷⁵ CPD management acknowledged that there are many CPD-sanctioned opportunities for members to work overtime on their days off.

1. CPD designed and implemented an Overtime Dashboard, but does not use it to monitor overtime.

CPD does not actively monitor overtime trends or conduct benchmarking to evaluate overtime use against Department goals. CPD developed an Overtime Dashboard to provide management and district/unit command with the information needed to analyze overtime. However, based on discussions with CPD management, OIG found this tool is not being used as part of routine operations, and district/unit command staff are not held accountable for overtime use.⁷⁶ At one time, CPD intended to include a review of the Overtime Dashboard as part of its regular CompStat meetings, but this review has not been implemented. Management stated there has been no formal training or formal rollout of the Overtime Dashboard, and acknowledged there needs to be Department-wide instruction on how to use it.

OIG found that in many instances CLEAR lacks the specific data necessary for district/unit command to identify and respond to patterns of overtime use. For example, as noted in Finding 1, overtime entries in CLEAR rarely include Reason Codes explaining why the overtime was necessary. This lack of sufficient detail to understand the reasons driving overtime use limits the value of CLEAR data. Detailed and accurate overtime data is necessary for CPD to effectively control overtime costs and achieve optimal performance outcomes through the deployment of personnel in a manner that ensures that individual officers are not overworked.

2. CPD does not track secondary (off-duty) employment of sworn members covered by labor agreements, and therefore cannot assess whether off-duty work conflicts with CPD assignments or otherwise adversely affects member performance.

CPD directives provide that CPD “has the right to restrict secondary employment for good cause,”⁷⁷ and that CPD members will not be compensated for overtime “when the member has been compensated for the time by a secondary employer.”⁷⁸ However, sworn members covered by labor agreements are exempt from reporting outside employment to CPD, per Department Directive E01-11-01.⁷⁹

Directive E01-11-01 requires that civilian and command staff members complete a Dual Employment Form reporting secondary employment, and that these members submit a separate

⁷⁴ U.S. Department of Justice, National Institute of Justice, “How Fatigue Affects Health,” created January 2009, accessed July 12, 2017, <https://nij.gov/topics/law-enforcement/officer-safety/stress-fatigue/pages/health.aspx>.

⁷⁵ U.S. Department of Justice, National Institute of Justice, “Impact of Sleep Deprivation on Police Performance,” created January 2009, accessed May 26, 2017, <https://www.nij.gov/topics/law-enforcement/officer-safety/stress-fatigue/Pages/impact.aspx>.

⁷⁶ See Appendix H for a summary of overtime by district/unit.

⁷⁷ City of Chicago, Chicago Police Department, “Employee Resource E01-11 – Secondary Employment,” issued October 2015, accessed May 17, 2017, <http://directives.chicagopolice.org/directives/>.

⁷⁸ City of Chicago, Chicago Police Department, “Employee Resource E02-02-02 – Overtime-Compensatory Time,” issued September 1994, accessed May 17, 2017, <http://directives.chicagopolice.org/directives/>.

⁷⁹ City of Chicago, Chicago Police Department, “Employee Resource E01-11-01 – Dual Employment Form,” issued August 2008, accessed May 26, 2017, <http://directives.chicagopolice.org/directives/>.

form “for each instance of secondary employment.”⁸⁰ However, the directive exempts sworn members from this requirement, stating “Sworn Department members covered by labor agreements are not required to submit a Dual Employment Form.”⁸¹

The purpose of the Dual Employment Form is to enable supervisory review of secondary employment to ensure that, among other requirements, “no segment of work for secondary employment conducted by the affected member occurs during the affected member’s Department assigned working hours.”⁸² Without tracking secondary employment, CPD management cannot enforce Department policy regarding the overtime compensation for members who are also compensated by a secondary employer. Further, without some form of monitoring, CPD management cannot make fully informed assessments of whether members are working excessive hours which requires taking both their CPD duties and secondary employment into account.

Conclusion:

CPD management has not demonstrated a commitment to ensuring that all regular-duty overtime is appropriate and necessary. Department members are aware of methods to abuse overtime, and CPD management allows this abuse to continue unchallenged. This is reflected by the fact that “trolling,” “paper jumping,” and other practices are so common that they have earned names. It is also reflected by the fact that the most basic and direct of supervisory approval—signing the Yellow Sheets—is fraught with questionable practices such as self-approvals and reciprocal approvals.⁸³

CPD does not consistently record authorizations and approvals for overtime in the CLEAR system, making it difficult, if not impossible, for management to monitor whether overtime is authorized, approved, and processed according to CPD policies.

Finally, CPD’s lack of attention to controlling overtime expenditures is laid plain by the Department’s failure to conduct a timekeeping audit in at least three years and the fact that the Overtime Dashboard remains unused.

Recommendations:

1. CPD management should prioritize timekeeping oversight and set a “tone at the top” that emphasizes individual accountability for all CPD members.
2. CPD management should establish clear expectations regarding unit management responsibilities related to overtime. This may include, but is not limited to,

⁸⁰City of Chicago, Chicago Police Department, “Employee Resource E01-11-01 – Dual Employment Form,” issued August 2008, accessed May 17, 2017, <http://directives.chicagopolice.org/directives/>.

⁸¹City of Chicago, Chicago Police Department, “Employee Resource E01-11-01 – Dual Employment Form,” issued August 2008, accessed May 17, 2017, <http://directives.chicagopolice.org/directives/>.

⁸²City of Chicago, Chicago Police Department, “Employee Resource E01-11-01 – Dual Employment Form,” accessed May 17, 2017, <http://directives.chicagopolice.org/directives/>.

⁸³ OIG reviewed the CLEAR data, which CPD designed to capture information from Yellow Sheets, to identify self-approvals and reciprocal approvals.

- a. when and how unit management should review available overtime data; and
 - b. how unit management should address patterns of waste or abuse.
3. CPD management should ensure that supervisors have the tools they need to monitor overtime and require the active use of such tools. This includes, but is not limited to tools that facilitate,
- a. holding individual members accountable for accurately recording hours worked;
 - b. holding supervisors accountable for excessive overtime among staff under their supervision; and
 - c. holding management accountable for the Department's total overtime spending.
4. CPD management should hold unit management accountable for excessive or unjustified overtime use.

Management Response:⁸⁴

“[O]ver the course of the next year, CPD will begin a new process for more actively managing overtime use. Supervisors will be held accountable for appropriately managing and staying within their overtime budget and will be expected to use the Overtime Dashboard to regularly monitor overtime usage in their district or unit. Overtime spending will also become a regular part of the Department’s Compstat process to ensure that district and unit commanders remain within their budget. In addition, [...] CPD will continue to utilize the Inspections Division to monitor compliance with Department directives, training, and overtime usage.”

“It should be noted that the audit that is the subject of the Report, ‘did not review the effectiveness of CPD’s policing strategies related to overtime.’ Further, most of the analysis contained in the Report does not address or determine whether specific uses of overtime were appropriate, and CPD is confident that the vast majority of its overtime is legitimate, reasonable, and necessary.”

“[...] CPD is sensitive to issues associated with end of shift circumstances, as evidenced by a recent notice from the Chief of the Bureau of Patrol to all Deputy Chiefs, District Commanders, and Unit Commanding Officers concerning the need for proper notification and authorization before any officer is allowed to work overtime for an Extension of Tour.”

“[...] CPD does contact both prosecutors and defense attorneys directly when it has questions or concerns about the number of officers and frequency of court appearances for a particular case, and it is committed to continuing to ensure compliance with Department directives concerning court appearances and to work with prosecutors to ensure that the officers who appear for court are both appropriate and sufficient.”

“[...] Many State’s Attorneys and City prosecutors sign off on time due slips created by officers appearing in court to verify the legitimacy and accuracy of the information contained therein. CPD is taking additional steps to ensure this practice becomes uniform. Consequently, CPD

⁸⁴ See footnote 65 regarding CPD’s management response.

believes that safeguards necessary to discourage [the practice of reporting to court and staying longer than needed] are already in place.”

“[...] Changes in the forthcoming electronic timekeeping system as described above will likely ensure greater tracking and monitoring of overtime associated with [DUI] arrests.”

“[...]OIG cites examples of time records where supervisory approval of overtime was not evident; where overtime was authorized or approved by the same officer seeking the overtime; where overtime was authorized or approved by an officer at the same or a lower rank; or two officers seemingly approved each other’s overtime. While all of these instances may reflect legitimate uses of overtime, CPD agrees that in most instances, these are not appropriate forms of authorization, approval, or documentation of overtime use. CPD will reiterate and emphasize in training sessions and Department-wide notices-that overtime requests of these types are prohibited absent specified, extenuating circumstances and, if made, must always be questioned or denied.

“CPD also acknowledges that its Inspection Division has not conducted a formal review of the work of its timekeepers for several years, but spot check audits will resume before the end of the year. Further, formal training for timekeepers recently resumed with a focus on ensuring accuracy and consistency, and the advent of a new electronic swiping and timekeeping system should reduce errors, provide easier monitoring, and permit more routine internal auditing.

“In the final part of this section, the Report addresses whether CPD is sufficiently monitoring overtime and secondary employment. Concerning monitoring, CPD concurs that the Overtime Dashboard can be used to a greater degree to analyze overtime and, as noted above, will take steps to require its greater use and better data entry.

“With respect to secondary employment, the discussion in the Report acknowledges that, pursuant to Employee Resource EO1-11 (‘Secondary Employment’), CPD has the right to restrict secondary employment for good cause (e.g., when an officer is on medical leave).[...] EO1-11 not only allows CPD to restrict secondary employment for good cause, it also mandates that service to the CPD must be an officer’s employment priority, that secondary employment cannot impair his or her ability to work as a CPD officer, and that CPD will not pay the officer anything, including overtime, associated with secondary employment.

“Second, as Employee Resource EO1-11 reflects, CPD, like all employers, by necessity must rely to a significant degree on each employee’s willingness and ability to report each day fit for duty. Fitness for duty includes being sufficiently rested to perform the job. Except in the rare case where it is clear that an employee is simply too tired to function when he or she reports to work, it is unclear how CPD would be able to assess the fatigue levels of everyone of the thousands of officers who report for duty every day. The fact that CPD has an order directed to the officers themselves related to these issues demonstrates its appreciation of the issue, but, ultimately, the primary responsibility for being fit for duty in every respect must be placed where it belongs - - with each officer - - unless specific circumstances dictate or necessitate otherwise.”

Finding 3: CPD directives related to timekeeping do not reflect current practice, do not provide adequate detail to ensure consistent application of Department policies, and do not include policies to prevent excessive overtime, prevent officer fatigue, or control costs.

CPD's overtime policies and procedures are out-of-date, do not reflect actual practices required by the CBAs, and are not adequate to ensure timekeepers apply overtime rules consistently. Furthermore, the procedures do not provide sufficient guidance to prevent unnecessary overtime spending. Finally, CPD policies lack overtime limits to prevent officer fatigue.

In February 2016, OIG's "Advisory Concerning Departmental Documentation of Operating Policies and Procedures" noted that maintaining documented and up-to-date policies is among the "basic control activities needed to communicate expectations, hold individuals accountable, and achieve an organization's mission."⁸⁵ That advisory noted that the GAO's Green Book provides guidance to public sector agencies regarding management's responsibility to implement controls and to effectively manage risks to government and tax payers.⁸⁶ In response to a questionnaire distributed as part of OIG's advisory, CPD responded that 90% of its policies were up-to-date at the time of the questionnaire. Based on OIG's review of timekeeping directives as part of this audit, however, CPD may fall short of its reported 90% figure.

A. Timekeeping directives are not up-to-date and do not reflect current practice.

During the course of this audit, OIG identified multiple instances where CPD directives related to timekeeping did not match the Department's practices.

Department personnel stated that the intent of the directives system is to guide Departmental activity, ensure that CPD staff follow policies consistently, and align practice with policy. OIG found that the directives related to timekeeping are not effectively serving these functions.

1. CPD's directives system does not reflect all updates to timekeeping directives.

OIG identified several CPD directives that do not match the Department's current timekeeping practices. Based on discussions with management and staff, OIG learned that the Department utilizes methods outside the directives system for communicating changes to policy and practice. For example, CPD timekeeping staff stated that the Department provides updates during annual timekeeping meetings at CPD headquarters, and communicates interim changes to timekeepers through an online memo system. Such changes are not consistently reflected in the directives available on the directives system.

⁸⁵ City of Chicago, Office of Inspector General, "Advisory Concerning Department Documentation of Operating Policies and Procedures," February 2016, 2, accessed June 5, 2017, <http://chicagoinspectorgeneral.org/wp-content/uploads/2016/04/Advisory-Concerning-Operating-Policies-and-Procedures.pdf>.

⁸⁶ U.S. Government Accountability Office, *Standards for Internal Control in the Federal Government* (GAO-14-704G), Washington, DC, September 2017, accessed June 5, 2017, <http://www.gao.gov/assets/670/665712.pdf>.

2. The directive describing overtime compensation for various ranks has not been updated since 1994, and no longer reflects CPD practice or the provisions of the applicable collective bargaining agreements.

CPD Directive E02-02-02, which was last issued in September 1994, does not reflect current CPD practice related to overtime compensation. Notably, the directive states that all overtime worked by sergeants, lieutenants, and captains “will be credited in compensatory time only,” with the exception of Call Back assignments.⁸⁷ However, according to CPD management, this is no longer the case, and these positions can now be paid for overtime. This representation is consistent with the CBAs between the City and the union representing these three ranks.

3. Although the timekeeping directive describing how to make T&A Card calculations was updated as recently as June 2016, it does not reflect actual practice.

CPD updated timekeeping Directive E02-03-01, which describes how timekeepers should make calculations on the T&A Card, in June 2016, yet the current directive does not reflect actual timekeeping practices that have been in place for at least a decade. According to the directive, CPD members are allowed to earn comp time related to FLSA. However, as discussed in the Background, CPD’s practice is to pay all FLSA overtime. This is consistent with the provisions of the various CBAs between the City and CPD members’ unions.

Because this directive is out-of-date, there is no single, accurate document to which CPD timekeepers can refer for a description of how to complete T&A Cards.

4. Although CPD has an overtime directive that describes a series of reports “designed for use by unit management” to evaluate overtime use, Department management stated that “nobody” uses these reports and that CPD has not implemented a reliable alternative.

CPD Directive E02-02-10 directs unit management to use specific reports when reviewing and evaluating overtime use. The directive further states that, “in order for these reports to be effective, they must be produced often and consistently.”⁸⁸ However, based on discussions with CPD management, “nobody” uses these reports to evaluate overtime.

CPD developed the Overtime Dashboard described in Finding 2 to take the place of the reports described in Directive E02-02-10, but, as discussed above, the Department does not utilize the Dashboard. CPD does not perform a reconciliation between the CLEAR data used for the Dashboard and the CHIPPS data, which drives actual payments.

⁸⁷ City of Chicago, Chicago Police Department, “Employee Resource E02-02-02 Payroll and Timekeeping-Overtime/Compensatory Time,” September 1994, Section IV, accessed June 8, 2017, <http://directives.chicagopolice.org/directives/data/a7a57be2-128884f1-9d212-8887-1216443f8e117f96.pdf?ownapi=1>.

⁸⁸ City of Chicago, Chicago Police Department, “Employee Resource E02-02-10 Office Automation – Overtime System,” December 2002, Section VI, accessed June 9, 2017, <http://directives.chicagopolice.org/directives/data/a7a57b36-12cf4df7-24112-cf4e-3cbf3043b1cac69f.pdf?ownapi=1>.

5. Directives do not define all overtime categories.

As noted in the Background, the Yellow Sheet—which was last revised in January 2012—provides nine categories for overtime.⁸⁹ Six of the categories are defined in CPD Directive E02-02-02. However, three categories (“03 CAPS,” “07 Staff Meeting,” and “09 Election,”) are not even included in, much less defined by, the directive.⁹⁰

B. Some timekeeping directives are vague and do not provide adequate detail to ensure consistent application of Department policies.

1. Although CPD directives require supervisors to “evaluate the necessity for the member working overtime,” they do not provide clear guidance on what constitutes necessary overtime.

CPD Directive E02-02-02 assigns supervisors the responsibility for evaluating the need for overtime prior to authorizing a member to work. However, this directive provides no guidance on how to evaluate need or determine when overtime is necessary. Without a definition of necessary overtime, it difficult for supervisors to apply the directive consistently across districts/units.

2. The field labeled “testified” on the Yellow Sheet is of limited usefulness due to a lack of sufficient information regarding the reason for an officer’s court appearance.

CPD Directive E02-02-02 defines certain fields on the Yellow Sheet as “required explanations,” identifying information that is “necessary to support the overtime earned.” For Court overtime, members are required to check a yes/no box on the Yellow Sheet under the heading “Testified?” Directive E02-02-02 defines the “testified” field as “self-explanatory,” and provides no guidance on how the box should be completed. For instance, it is unclear whether activities such as appearing before a grand jury or providing a deposition constitute testimony. Without clarity regarding the use of the “testified” field, management cannot reliably evaluate Court overtime.

C. CPD does not have a policy limiting excessive work hours, which can impact officer fatigue and thus impair judgment and function that may potentially lead to substandard performance outcomes and increased costs.

CPD does not have a policy limiting total work hours in a given period. Such policies can play the important role of preventing excessively long shifts and excessive amounts of overtime, which contribute to officer fatigue. Other jurisdictions have policies addressing this issue. For example, the Cincinnati Police Department limits shifts to 18 hours per 24-hour period, while the New Orleans Police Department limits overtime to 32 hours a week. According to a 2013 report by the U.S. Department of Justice’s Bureau of Justice Statistics, 34% of U.S. police departments placed a limit on the amount of overtime an officer could earn.⁹¹ During this audit, CPD management stated that ensuring all assignments are covered is the Department’s first priority,

⁸⁹ See Appendix B for a copy of a Yellow Sheet.

⁹⁰ See Appendix I for the categories listed in Directive E02-02-02.

⁹¹ Brian A. Reaves, U.S. Department of Justice, Bureau of Justice Statistics, “Local Police Departments, 2013: Personnel, Policies, and Practices,” May 2015, 7, accessed June 26, 2017, <http://www.bjs.gov/index.cfm?ty=pbdetail&iid=5279>.

not the number of hours an individual officer has worked, because CPD requires flexibility to meet its staffing needs. However, excessive overtime can contribute to officer fatigue and thus impair judgment and function, which can result in substandard performance in the field that may also lead to increased costs related to the likelihood that officers will be injured on the job, involved in vehicle accidents, or use inappropriate force.⁹²

Conclusion:

CPD directives do not provide complete and accurate guidance to members, supervisors, and timekeepers. As a result, the directives do not effectively promote consistent application of CPD policy, control overtime spending, or prevent officer fatigue.

Recommendations:

1. CPD should ensure that all directives are included in its system, are up-to-date, and reflect actual practice.
2. The Department should routinely review directives to confirm that the documented policies reflect CPD's obligations under the current CBAs and any additional changes to Department processes.
3. CPD should ensure that all directives provide sufficient detail to promote consistent application across the Department.
4. CPD should provide training to supervisors on how to determine whether overtime is warranted. Such training should cover situations described in this report, such as evidence delivery, phone calls, e-mails, "trolling," "lingering," and "paper jumping."
5. CPD should prioritize officer performance and health by implementing policies that help prevent officer fatigue. Specifically, the Department should limit the number of hours officers may work in a given period, including secondary employment, as is already the practice in other jurisdictions.

The goal of such policies is to ensure that officers working in a high stress environment are well-rested and ready to effectively serve the public.

Management Response:⁹³

"CPD agrees that the directives should be modified to incorporate subsequent changes. CPD has in fact been working to update and consolidate these and other timekeeping directives, with an expected completion date yet this year. Thus far, CPD has revised and issued ten directives and consolidated seven. Three other consolidations are in the final review process. Once updated, the timekeeping directives will specifically resolve several of the items listed in the Report: updating practices to reflect current CBA provisions; referencing the Overtime Dashboard, which permits supervisors to monitor overtime; and defining several previously

⁹² U.S. Department of Justice, National Institute of Justice, "Impact of Sleep Deprivation on Police Performance," January 2009, accessed May 26, 2017, <https://www.nij.gov/topics/law-enforcement/officer-safety/stress-fatigue/Pages/impact.aspx>.

⁹³ See footnote 65 regarding CPD's management response.

undefined terms. However, CPD questions whether the phrase 'necessary overtime' itself can be or should be defined with the degree of precision advocated by the OIG. Moreover, the current directive provides in relevant part that '[p]rior to authorizing a member to work overtime, the member's appropriate supervisor will: 1) evaluate the necessity for the member working overtime[; and] 2) when practical obtain relief or replacement for the member seeking authorization to work overtime, provided that such relief will not adversely affect the police function being performed.' Employee Resource E02-02-02.

"Once the overtime directives have been consolidated and revised, CPD will develop and issue a Department-wide training bulletin to ensure that everyone, including management, officers and timekeepers, is fully apprised of this development and the protocols themselves. In the meantime, timekeepers have been reminded not to accept any overtime/compensatory time reports that do not include appropriate signatures and/or explanations. And, as noted elsewhere in this response, mandatory and frequent training for timekeepers, as well as spot check audits, will continue."

V. APPENDIX A: CPD DIRECTIVES RELEVANT TO TIMEKEEPING AND OVERTIME

The following directives were identified by CPD in June 2015 as directly or indirectly relevant to timekeeping and overtime.

- E02-01 – Work Day Duty Schedules
- E02-02 – Payroll and Timekeeping
 - E02-02-01 – Payroll and Timekeeping – Attendance
 - E02-02-02 – Payroll and Timekeeping – Overtime/Compensatory Time
 - E02-02-03 – Payroll and Timekeeping – Holidays/Personal Days
 - E02-02-04 – Tour of Duty Exchange
 - E02-02-05 – Payroll and Timekeeping – Working Out of Grade
 - E02-02-06 – Payroll and Timekeeping – Leaves/Resignation
 - E02-02-07 – Bereavement Leave – Domestic Partners
 - E02-02-08 – Family and Medical Leave Act
 - E02-02-09 – Miscellaneous Personnel Actions
 - E02-02-10 – Office Automation – Overtime System
 - E02-02-11 – Time Roll Procedures
 - E02-02-12 – Distribution of Paychecks
- E02-03 – Time and Attendance Record
 - E02-03-01 - Sworn Time and Attendance Record - Bargaining Unit Members and Probationary Police Officers
 - E02-03-02 - Sworn Time and Attendance Record – Command Staff Non-Bargaining Unit Members
 - E02-03-03 - Civilian Time and Attendance Record
 - E02-03-05 - Automated Daily Attendance and Assignment Record
 - E02-03-06 - Chicago Automated Time and Attendance System - Phase I
 - E02-03-07 - Chicago Automated Time and Attendance System – Pilot Program
- E02-04 – Furlough and Vacation
 - E02-04-01 - Furlough Selection and Scheduling for Sworn Members
 - E02-04-02 - Vacation Selection and Scheduling for Civilian Members and Exempt Members
- E02-05 - Compensatory Time Exchange - Captains, Lieutenants, and Sergeants
- E02-06 - Unused Baby Furlough Days and Personal Days
- E02-07 - Travel, Department-Funded Training, and Reimbursement Guidelines

- E02-08 - Department Members Summoned to Jury Duty
- E02-09 - Daylight Saving Time and Standard Time

VI. APPENDIX B: OVERTIME/COMPENSATORY TIME REPORT (“YELLOW SHEET”)

The following are copies of the front and back of CPD’s Overtime/Compensatory Time Reports, commonly referred to as the “Yellow Sheet.”

FRONT

OVERTIME/COMPENSATORY TIME REPORT CHICAGO POLICE DEPARTMENT				EMPLOYEE NO.	WATCH	DAY OFF GROUP	UNIT NO./ASSIGN.
NAME (LAST-FIRST-M.I.)							
OVERTIME EARNED			REQUEST TO USE COMP. TIME/P. DAY/ B.F.D. / V. DAY				
DATE OVERTIME WORKED	DAY OF WEEK	REGULAR DUTY HOURS	DATE(S) REQUESTED				
FROM HRS.	TO HRS.	ACTUAL HRS. TOTAL	CREDITED HOURS TOTAL	FROM HRS.	TO HRS.	TOTAL HRS. REQUESTED OFF	
REASON FOR WORKING OVERTIME (Explanation required below)			DAY(S) OF WEEK				
<input type="checkbox"/> 01 - Ext. of Tour	<input type="checkbox"/> 04 - Call Back	<input type="checkbox"/> 07 - Staff Meeting		SUN	MON	TUES	WED
<input type="checkbox"/> 02 - Court	<input type="checkbox"/> 05 - Worked R.D.O. (Required)	<input type="checkbox"/> 08 - Other		THURS	FRI	SAT	
<input type="checkbox"/> 03 - CAPS	<input type="checkbox"/> 06 - Special Event No.:	<input type="checkbox"/> 09 - Election		COMP. TIME			
			PERSONAL DAY				
			BABY FURLOUGH DAY				
			VACATION DAY				
REQUIRED EXPLANATIONS							
OVERTIME AUTHORIZED BY (RANK-NAME-STAR NO.-P.C. LOGIN ID. NO.)			COURT KEY			TESTIFIED	
			<input type="checkbox"/> Misdemeanor/Ordinance Complaint			<input type="checkbox"/> Yes <input type="checkbox"/> No	
			<input type="checkbox"/> Traffic <input type="checkbox"/> Felony <input type="checkbox"/> Other (Describe)				
COURT NOTIFICATION RECORD NO.			COURT BRANCH/LOCATION		CHARGE	DOCKET NO.	
R.D. NUMBER			C.B. NUMBER		DEFENDANT		
EXPLAIN ASSIGNMENT			DISPOSITION				
<input type="checkbox"/> I REQUEST COMPENSATORY TIME FOR THE ABOVE OVERTIME WORKED				<input type="checkbox"/> I REQUEST TO BE PAID FOR THE ABOVE OVERTIME WORKED			
SIGNATURES							
SUBMITTING MEMBER	STAR NO./EMPLOYEE NO.	DATE	TIME	AUTH. APPROVER/UNIT CO	PC LOGIN ID. NO.	STAR NO.	DATE
APPROVED: ON-DUTY AUTH.	APPROVER/CO/CT. SGT.	PC LOGIN ID. NO.	STAR NO.	DATE	TIME	TIMEKEEPER	DATE

BACK

TIME STAMP VERIFICATION																																																			
IN	OUT																																																		
<p>OVERTIME HOURS EXTENDED AT TIME AND ONE-HALF FOR QUARTER HOUR INCREMENTS</p> <table> <tr> <td>.25 - .38</td> <td>3.25 - 4.88</td> <td>6.25 - 9.38</td> <td>9.25 - 13.88</td> </tr> <tr> <td>.50 - .75</td> <td>3.50 - 5.25</td> <td>6.50 - 9.75</td> <td>9.50 - 14.25</td> </tr> <tr> <td>.75 - 1.13</td> <td>3.75 - 5.63</td> <td>6.75 - 10.13</td> <td>9.75 - 14.63</td> </tr> <tr> <td>1.00 - 1.50</td> <td>4.00 - 6.00</td> <td>7.00 - 10.50</td> <td>10.00 - 15.00</td> </tr> <tr> <td>1.25 - 1.88</td> <td>4.25 - 6.38</td> <td>7.25 - 10.88</td> <td>10.25 - 15.38</td> </tr> <tr> <td>1.50 - 2.25</td> <td>4.50 - 6.75</td> <td>7.50 - 11.25</td> <td>10.50 - 15.75</td> </tr> <tr> <td>1.75 - 2.63</td> <td>4.75 - 7.13</td> <td>7.75 - 11.63</td> <td>10.75 - 16.13</td> </tr> <tr> <td>2.00 - 3.00</td> <td>5.00 - 7.50</td> <td>8.00 - 12.00</td> <td>11.00 - 16.50</td> </tr> <tr> <td>2.25 - 3.38</td> <td>5.25 - 7.88</td> <td>8.25 - 12.38</td> <td>11.25 - 16.88</td> </tr> <tr> <td>2.50 - 3.75</td> <td>5.50 - 8.25</td> <td>8.50 - 12.75</td> <td>11.50 - 17.25</td> </tr> <tr> <td>2.75 - 4.13</td> <td>5.75 - 8.63</td> <td>8.75 - 13.13</td> <td>11.75 - 17.63</td> </tr> <tr> <td>3.00 - 4.50</td> <td>6.00 - 9.00</td> <td>9.00 - 13.50</td> <td>12.00 - 18.00</td> </tr> </table>				.25 - .38	3.25 - 4.88	6.25 - 9.38	9.25 - 13.88	.50 - .75	3.50 - 5.25	6.50 - 9.75	9.50 - 14.25	.75 - 1.13	3.75 - 5.63	6.75 - 10.13	9.75 - 14.63	1.00 - 1.50	4.00 - 6.00	7.00 - 10.50	10.00 - 15.00	1.25 - 1.88	4.25 - 6.38	7.25 - 10.88	10.25 - 15.38	1.50 - 2.25	4.50 - 6.75	7.50 - 11.25	10.50 - 15.75	1.75 - 2.63	4.75 - 7.13	7.75 - 11.63	10.75 - 16.13	2.00 - 3.00	5.00 - 7.50	8.00 - 12.00	11.00 - 16.50	2.25 - 3.38	5.25 - 7.88	8.25 - 12.38	11.25 - 16.88	2.50 - 3.75	5.50 - 8.25	8.50 - 12.75	11.50 - 17.25	2.75 - 4.13	5.75 - 8.63	8.75 - 13.13	11.75 - 17.63	3.00 - 4.50	6.00 - 9.00	9.00 - 13.50	12.00 - 18.00
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Source: CPD

VII. APPENDIX C: TEXT OF COLLECTIVE BARGAINING AGREEMENT SECTIONS RELATED TO OVERTIME

As discussed in the Background of this report, there are four CBAs covering sworn CPD members. This appendix provides the text of Fraternal Order of Police, Chicago Lodge No. 7 CBA sections relevant to the overtime analysis in this audit.⁹⁴ The text in the other CBAs is very similar, with some small wording differences.

Section 20.2 - Compensation for Overtime

All approved overtime in excess of the hours required by an Officer by reasons of the Officer's regular duty, whether of an emergency nature or of a non-emergency nature, shall be compensated for at the rate of time-and-one-half. Such time shall be completed on the basis of completed fifteen (15)-minute segments.

An Officer who earns overtime pursuant to the federal Fair Labor Standards Act (FLSA) shall be paid overtime compensation at the FLSA rate agreed upon by the parties. An Officer who earns non-FLSA overtime shall have the option of electing pay or compensatory time consistent with the provisions of this Agreement.

Section 20.4 - Call-Back

A call-back is defined as an official assignment of work which does not continuously precede or continuously follow an Officer's regularly-scheduled working hours. Officers who are directed to report to any of the Employer's premises or other specified location or are authorized to attend a beat meeting at a specified time on a regular schedule work day or required to report to the Medical Section or are authorized to attend a beat meeting at a specified time on the Officer's regular day off shall be compensated for two (2) hours at the appropriate overtime rate or be compensated for the actual time worked, whichever is greater, at the overtime rate.

Section 20.5 – Court Time

Officers required to attend court outside their regularly schedule work hours shall be compensated at the overtime rate with a minimum of two (2) hours, except (1) if the court time is during the Officers compensatory time and the Officer knew of the court date before his or her request for compensatory time was approved, (2) while the Officer is on paid medical leave, or (3) if the Officer is compensated for such time by a secondary employer.

Officers required to attend authorized court or authorized pre-trial conferences within one (1) hour immediately preceding their normal tours of duty will be compensated at the overtime rate for one (1) hour. Sergeants required to attend authorized court or authorized

⁹⁴ City of Chicago, "Agreement between the City of Chicago and the Fraternal Order of Police, Chicago Lodge No. 7," July 1, 2012 through June 30, 2017, accessed May 30, 2017, https://www.cityofchicago.org/content/dam/city/depts/dol/Collective%20Bargaining%20Agreement3/FOPCBA2012-2017_2.20.15.pdf

pre-trial conferences commencing during their tours of duty and extending beyond the normal end of the tours of duty, or commencing at the same time as their tours of duty end, will be compensated at the overtime rate on the basis of completed fifteen-(15)-minute segments. This overtime will be computed from the end of the normal tour of duty to the sign-out time at the court or at the conclusion of the pre-trial conference.

Court appearances during off-duty hours will be credited at the rate of time-and-one-half with a minimum of two (2) hours when the actual time spent in court is two (2) hours or less. When the actual time spent in court exceeds two (2) hours, overtime will be computed on the basis of completed fifteen (15)-minute segments. Appearances at more than one court on the same day will be computed at the rate of time-and-one-half in the following manner:

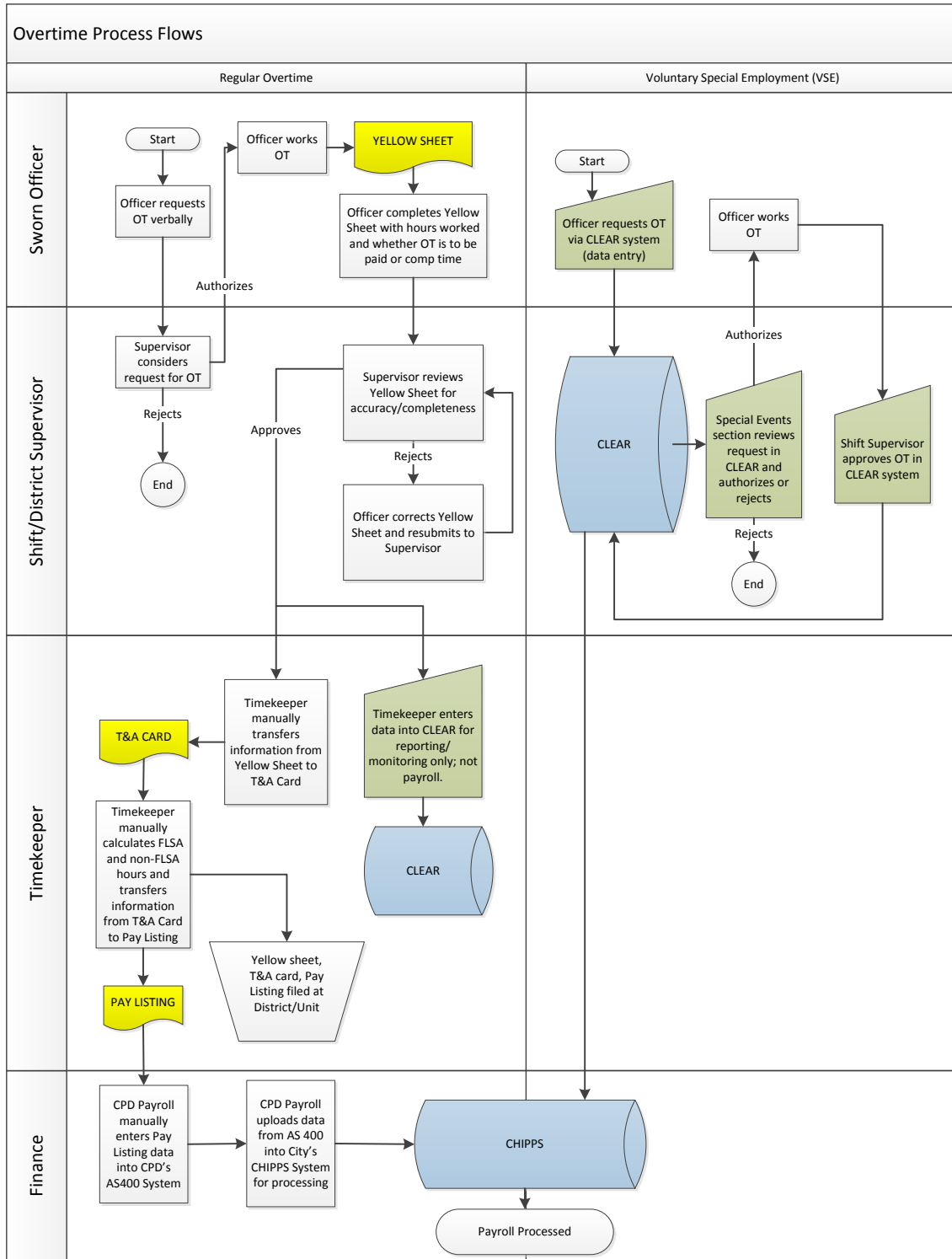
- A. When the time between court appearances exceeds two (2) hours (sign-out time from the first court to sign-in time at the next court), a minimum of two (2) hours will be credited for each court appearance.
- B. When the time between court appearances is two (2) hours or less, overtime will be computed on the basis of completed fifteen (15)-minute segments for the total time between sign-in at first court and sign-out time at the last court. A minimum of two (2) hours will be credited when this total time is two (2) hours or less.

Section 20.11 – Accumulation of Compensatory Time

The Employer will not restrict an accumulation of compensatory time except as provided in Section 20.2. The number of hours of compensatory time which an Officer has on record shall not be the controlling factor in determining whether an Officer will be allowed to take time due.

VIII. APPENDIX D: REGULAR-DUTY AND VSE OVERTIME PROCESS FLOWS

The following flowchart depicts the largely manual regular-duty overtime process on the left and the automated overtime process for Voluntary Special Employment on the right.



Source: OIG illustration based on information from CPD.

IX. APPENDIX E: OVERTIME BY TITLE

The following summarizes regular-duty overtime earned by CPD members from January 1, 2014 to July 31, 2016 by the title of the member earning overtime.⁹⁵

Title	Actual OT Hours	Credited OT Hours	OT \$ Amount	OT \$ Amount as % of Total
POLICE OFFICER	1,863,763.3	3,030,814.3	\$ 125,874,360	55.6%
PO AS DETECTIVE	627,774.3	970,237.9	46,275,029	20.5%
SERGEANT OF POLICE	417,020.5	635,474.5	32,640,799	14.4%
LIEUTENANT OF POLICE	59,058.8	89,352.0	5,250,601	2.3%
PO ASGN EVID. TECHNI	48,595.0	75,990.3	3,440,106	1.5%
PO/FIELD TRNING OFF	37,184.3	61,168.8	2,718,942	1.2%
PO/EXP DET CAN HAND	24,683.5	36,750.6	1,721,251	0.8%
P O ASSGN SEC SPEC	16,450.3	24,704.7	1,276,118	0.6%
POL FORENSIC INV I	14,023.5	21,136.3	1,132,696	0.5%
CAPTAIN OF POLICE	8,080.8	12,124.0	786,390	0.3%
EXPL TECH 1	11,226.5	13,961.2	751,833	0.3%
PO/MARINE OFFICER	9,884.3	14,661.6	675,659	0.3%
PO ASSG CANINE HANDL	10,052.5	14,366.5	670,909	0.3%
PO ASSGN TRAFF SPEC	8,763.3	14,273.1	665,820	0.3%
COMMANDER	2,588.3	3,858.4	301,465	0.1%
PO/MOUNTED PAT OFF.	4,907.3	5,304.1	241,564	0.1%
PO ASGN LATEN F/P EX	3,147.3	4,709.3	217,295	0.1%
DETENTION AIDE	4,963.0	7,122.5	215,790	0.1%
SR DATA ENTRY OPR	4,308.3	5,949.6	169,195	0.1%
PROPERTY CUSTODIAN	3,965.8	5,266.5	163,790	0.1%
POLICE TECHNICIAN	1,864.8	2,838.8	128,443	0.1%
TIMEKEEPER CPD	2,291.5	3,238.9	115,681	0.1%
PO (PER ARB AWARD)	1,464.0	2,259.8	108,325	0.0%
CLERK 3	2,292.8	3,094.0	76,513	0.0%
P.O. ASSIGNED AS HELICOPTER PILOT	984.5	1,539.3	71,332	0.0%
F/P TECH 3	1,097.0	1,536.3	66,567	0.0%
ACCOUNTING TECH 2	1,133.8	1,514.6	53,613	0.0%
FINGERPRINT TECH 1	1,409.0	1,782.3	51,607	0.0%
CRIM HIST ANAL	695.0	850.3	39,088	0.0%
LAB TECH III	773.3	1,206.0	37,747	0.0%
ADMIN ASSIST 2	810.5	1,017.3	32,403	0.0%
WARRANT & EXTR AIDE	539.5	737.7	28,795	0.0%
TRAINING OFFICER	436.5	651.3	28,709	0.0%

(continued on next page)

⁹⁵ As described in the Background section, this data includes VRI overtime beginning January 31, 2016.

Title	Actual OT	Credited OT	OT \$ Amount	OT \$ Amount as
	Hours	Hours		% of Total
F/P TECH 2	689.0	859.8	\$ 28,230	0.0%
PO ASGN SUPV LAT FP	237.5	356.3	19,475	0.0%
CRIMINALIST 3	289.0	402.0	19,094	0.0%
POLICE AGENT	265.8	396.8	18,546	0.0%
GRANTS RESEARCH SPEC	259.3	386.9	18,378	0.0%
POLICE ADMINISTRATIVE CLERK	460.5	692.9	12,422	0.0%
PERSONAL COMP OPER 2	315.5	426.8	11,170	0.0%
PERS ASSIST II	230.5	338.3	11,007	0.0%
SUPV.PROPERTY CUST.	220.5	288.0	10,443	0.0%
DATA ENTRY OPERATOR	230.3	333.1	6,923	0.0%
PROG ANLY	132.0	140.0	6,704	0.0%
ACCOUNTANT 2	108.0	159.0	6,123	0.0%
UNKNOWN	74.5	106.8	5,429	0.0%
COMMUNITY ORGANIZER	109.5	129.5	4,565	0.0%
ADMIN ASSIST 3	87.5	114.8	4,555	0.0%
SUPV DATA ENTRY OPER	82.5	106.3	3,853	0.0%
ACCOUNTANT 1	60.0	90.0	3,247	0.0%
CLERK 4	79.5	104.0	3,047	0.0%
TECH TRAINING ASST	35.5	48.3	2,207	0.0%
DEP CHIEF	16.0	24.0	1,963	0.0%
ADMIN SERV OFF I -EXCLUDED	40.0	51.0	1,732	0.0%
DIR RESEARCH/PLANING	20.0	30.0	1,481	0.0%
SR PHOTO TECHNICIAN	24.0	36.0	1,292	0.0%
PERSONAL COMP OPER 1	24.0	36.0	859	0.0%
SR PROG/ANALY	11.5	15.3	791	0.0%
YOUTH SERV COOR	12.0	16.0	698	0.0%
ADMIN SERV OFF II	8.5	12.8	507	0.0%
PROG/ANALYST	9.0	11.0	479	0.0%
PO LEGAL OFF 1	6.0	9.0	477	0.0%
SGT ASSGN SEC SPEC	0.5	3.0	144	0.0%
SR. RES ANALYST	3.5	3.5	139	0.0%
STAFF ASSISTANT	3.0	3.5	133	0.0%
AUDITOR III	1.5	1.5	71	0.0%
CROSSING GUARD	1.5	3.0	0	0.0%
Total	3,200,380.0	5,075,227.2	\$ 226,234,619	100.0%

Source: CPD CLEAR overtime data.

X. APPENDIX F: OVERTIME REASON CODES IN CLEAR

The following table summarizes by Reason Code the 798,113 CLEAR overtime entries OIG analyzed. The blank and 14 generic Reason Codes discussed on page 30 are highlighted.

Reason Code	OT Entries	OT \$ Amount	Reason Code	OT Entries	OT \$ Amount
["Blank"]	776,729	\$ 219,446,436	561 XXXXXXXXX	6	\$ 3,600
802 SEE COMMENTS	9,558	3,525,748	605 DIGNITARY VISIT	6	1,618
607 OTHER (EXPLAIN)	3,823	1,344,789	253 BEAT COMMUNITY MEETING	6	1,138
803 NO LUNCH (EXPLAIN)	1,434	50,818	152 ADMINISTRATION	5	1,267
868 K-9 TRAVEL ASSIGNMENT	966	34,608	220 26 CAL	5	789
861 FOP 20.7 AGREEMENT	669	131,550	165 FEDERAL TASK FORCE	5	527
109 OTHER (EXPLAIN)	656	245,882	867 BID LT-SGT DETL OUT	4	2,251
501 XXXXXXXXX	582	285,616	606 SECURITY DETAIL	4	1,706
801 XXXXXXXXX	425	178,112	211 DO NOT APPEAR	4	1,170
862 TRAINING (EXPLAIN)	340	115,999	201 PRELIMINARY HEARING	4	1,120
702 XXXXXXXXX	330	152,302	299 COURT APPEARANCE REQ	4	1,020
127 STAFF SHORTAGES	263	105,725	160 SUPERVISOR MEETING	4	973
105 F.T.O. ADMIN 1;2 HR	263	9,582	247 BRIDGEVIEW	4	826
103 REPORTS	233	71,540	303 SOP LEVEL 1 (DIST)	4	641
122 OTHER	232	77,350	147 COMPLETE PUBLICATION	4	602
261 OTHER - SEE REMARKS	160	45,327	115 WEEKEND COVERAGE	3	1,480
130 OTHER	132	48,702	D-4 DISTRICT FIELD LIEUTENANT	3	1,424
865 W;C-SGT OUT OF AREA	113	24,518	132 EQUIPMENT SERVICE	3	937
864 MISC (EXPLAIN)	107	33,305	108 WAITING FOR YOUTH	3	884
164 OTHER	105	31,184	123 ARRESTEE PROCESSING	2	1,183
104 ARREST	99	28,107	107 WAITING FOR DET.	2	824
136 OTHER	82	27,784	146 ISSUE POLICY DIRECT.	2	594
153 OTHER	71	25,758	249 VEH IMP	2	546
250 30 N LASALLE	70	13,851	110 RECRUIT PROCESSING	2	367
866 INTERPRETATION	61	6,268	245 SKOKIE	2	362
701 STAFF MEETING	51	11,351	307 DAC SUBCOMMITTEE MTG	2	332
503 SPECIAL EVENT	42	16,631	206 TRIAL	2	294
252 OTHER COURT LOCATION	41	7,639	A02 TRAFFIC	2	250
244 DALEY CENTER	39	6,977	143 ADMINISTRATION	2	245
603 FESTIVAL	32	16,576	308 MISCELLANEOUS CAPS	2	130
502 SPECIAL REPORTS	32	9,447	131 HELP DESK COVERAGE	1	497
401 CALL BACK (EXPLAIN)	25	7,453	125 CRIMINAL HISTORY IUU	1	435
137 BUDGET PREPARATION	21	5,740	226 BR 34	1	359
205 PRE-TRIAL CONFERENCE	20	3,690	233 BR 47	1	342
602 PARADE	19	8,496	203 JUDICIAL ORDER	1	289
202 SUBPOENA	18	2,377	166 INTERSTATE THEFT	1	284
129 ADMINISTRATION	16	3,790	255 DOC MEETING	1	271
302 BEAT;COMMUNITY MTG	16	3,454	305 SOP LEVEL 3 (HQS)	1	235
117 ADMINISTRATION	15	4,561	144 POLICY;PROCEDURE MTG	1	196
901 MAYORAL ELECTION	14	6,781	306 ADVISORY COMM. MTG	1	175
251 219 S DEARBORN	12	2,416	601 SPORTS	1	167
106 WAITING FOR ASA	11	5,398	149 COMPLETE GRANT APPL.	1	156
208 GRAND JURY	11	4,148	121 REMOVAL POLICE POWER	1	151
157 ADMINISTRATIVE	11	3,846	229 BR 42	1	151
135 ADMINISTRATION	10	2,831	A03 JUV COURT	1	137
102 ASSIST	9	3,511	162 CONDUCT IST	1	120
113 DRUG TESTING	9	911	140 YEAR END TRANSITION	1	69
243 DEPT ADMIN HEARING	8	1,265	118 PERS. CONCERNS CONF.	1	38
A01 26 CAL	7	1,296	Total	798,113	\$ 226,234,619

Source: CPD CLEAR overtime data.

XI. APPENDIX G: COUNT OF MEMBERS BY OVERTIME ENTRIES AND VALUE OF OVERTIME

The following tables summarize the number of CPD members by the number of regular-duty overtime entries in CLEAR between January 1, 2014 and July 31, 2016, as well as the total value of the members' overtime.⁹⁶

Number of OT entries	Number of Members	OT \$ Amount
900 or more	1	\$ 336,412
Between 800 and 899	1	241,553
Between 700 and 799	1	290,722
Between 600 and 699	3	549,410
Between 500 and 599	23	2,258,107
Between 400 and 499	67	6,145,646
Between 300 and 399	178	18,138,388
Between 200 and 299	511	37,796,319
Between 100 and 199	1,728	70,223,135
Between 50 and 99	2,606	52,771,415
Between 10 and 49	5,025	35,041,385
Less than 10	2,316	2,442,127
Grand Total	12,460	\$ 226,234,619

OT \$ Amount	Number of Members	Total
\$250,000 or more	4	\$ 1,201,301
Between \$200,000 and \$249,999	12	2,606,323
Between \$150,000, and 199,999	46	7,845,034
Between \$100,000 and \$149,999	155	18,725,068
Between \$50,000 and \$99,999	841	57,468,173
Between \$40,000 and \$49,999	511	22,825,934
Between \$30,000 and \$39,999	825	28,509,359
Between \$20,000 and \$29,999	1,189	29,313,048
Between \$10,000 and \$19,999	2,319	33,275,141
Less than \$10,000	6,558	24,465,238
Grand Total	12,460	\$ 226,234,619

Source: CPD CLEAR overtime data.

⁹⁶ As described in the Background section, this data includes VRI overtime beginning January 31, 2016.

XII. APPENDIX H: OVERTIME BY DISTRICT/UNIT

The following summarizes overtime earned by CPD members from January 1, 2014 to July 31, 2016 according to the name of the district or unit of the member earning overtime.⁹⁷

District or Unit	Name of District or Unit	Actual Hours	Credited Hours	OT Amount	OT Amount as % of Total
001	District 001	61,745.8	95,410.6	\$ 4,256,008	1.9%
002	District 002	47,422.3	79,196.5	3,431,864	1.5%
003	District 003	44,638.8	79,684.8	3,349,402	1.5%
004	District 004	75,945.8	128,363.9	5,364,564	2.4%
005	District 005	80,323.0	130,083.1	5,511,681	2.4%
006	District 006	51,820.8	92,189.6	3,934,839	1.7%
007	District 007	76,410.5	127,844.1	5,339,018	2.4%
008	District 008	64,614.8	112,128.5	4,787,470	2.1%
009	District 009	97,562.5	151,902.7	6,602,529	2.9%
010	District 010	68,346.8	116,162.5	4,885,604	2.2%
011	District 011	74,889.5	129,072.0	5,407,017	2.4%
012	District 012	61,989.0	100,466.8	4,387,302	1.9%
014	District 014	37,927.5	62,542.3	2,721,003	1.2%
015	District 015	62,866.3	108,627.2	4,511,839	2.0%
016	District 016	34,722.3	57,012.6	2,543,968	1.1%
017	District 017	32,434.0	52,664.7	2,320,812	1.0%
018	District 018	59,424.0	94,571.2	4,182,635	1.8%
019	District 019	58,437.0	94,317.7	4,149,738	1.8%
020	District 020	28,581.0	46,365.4	2,038,908	0.9%
022	District 022	40,898.0	67,267.3	2,973,554	1.3%
024	District 024	43,396.8	72,034.4	3,042,992	1.3%
025	District 025	65,928.3	115,138.6	4,853,548	2.1%
026	District Executive Officers Unit	2.0	3.0	181	0.0%
044	Recruit Training	12,386.5	12,422.8	391,477	0.2%
045	District Reinstatement	308.3	463.9	21,413	0.0%
050	Airport Law Enforcement Unit - North	61,563.8	93,212.4	4,245,355	1.9%
051	Airport Law Enforcement Unit - South	21,888.8	30,759.7	1,402,654	0.6%
055	Mounted Patrol Unit	6,349.0	7,262.3	342,036	0.2%
057	Detail Unit	10,502.8	13,771.8	504,787	0.2%
059	Marine Unit	13,477.0	20,008.8	953,786	0.4%
060	Helicopter Unit	937.0	1,406.9	65,916	0.0%
079	Special Investigations Unit	26,233.5	40,016.5	1,908,091	0.8%
102	Office of News Affairs	3,128.3	4,561.8	209,247	0.1%
111	Office of the Superintendent	588.3	901.6	41,318	0.0%
114	Office of Legal Affairs	136.0	223.9	9,353	0.0%
115	Office of Crime Control Strategies	2,090.3	3,141.4	144,127	0.1%
116	Deployment Operations Center	11,109.5	16,842.5	785,397	0.3%
120	Bureau of Administration	351.0	508.6	22,977	0.0%
121	Bureau of Internal Affairs	12,943.0	19,246.9	948,086	0.4%
122	Finance Division	268.3	398.0	16,890	0.0%
123	Human Resources Division	10,904.8	16,303.5	705,857	0.3%
124	Education and Training Division	28,842.3	43,266.0	1,938,851	0.9%
125	Public Safety Information Technology (PSIT)	7,237.3	11,287.4	521,156	0.2%
126	Inspection Division	827.0	1,230.0	68,472	0.0%
127	Research and Development Division	1,040.3	1,572.5	72,418	0.0%
129	Management and Labor Affairs Section	15.0	22.5	1,196	0.0%
130	Bureau of Organizational Development	8.0	12.0	981	0.0%
133	Information and Strategic Services	280.5	443.7	20,194	0.0%
135	Chicago Alternative Policing Strategy (CAPS) Division	318.8	442.1	18,836	0.0%
136	Special Events Unit	81.5	134.3	5,927	0.0%
140	Office of the First Deputy Superintendent	124.0	195.8	9,201	0.0%
141	Special Functions Division	1,655.5	2,430.8	111,113	0.0%

(continued on next page)

⁹⁷ As described in the Background section, this data includes VRI overtime beginning January 31, 2016.

District or Unit	Name of District or Unit	Actual Hours	Credited Hours	OT Amount	OT Amount as % of Total
142	Bureau of Patrol	505.3	777.0	40,241	0.0%
145	Traffic Administration Unit	16,619.3	24,589.3	1,078,177	0.5%
148	Traffic Court and Records Unit	747.3	1,078.4	42,791	0.0%
153	Special Functions Support Unit	4,512.0	6,595.1	295,907	0.1%
161	General Support Division	270.5	408.4	20,918	0.0%
163	Records Inquiry Section	1,535.3	2,284.0	81,855	0.0%
166	Field Services Section	14,126.0	20,022.2	819,873	0.4%
167	Evidence and Recovered Property Section	22,285.0	31,185.0	1,319,464	0.6%
169	Police Documents Section	224.5	336.3	14,619	0.0%
171	Central Detention Unit	11,618.0	17,414.2	785,697	0.3%
172	Equipment and Supply Section	110.5	161.3	7,228	0.0%
177	Forensic Services Division	24,356.3	36,694.5	1,728,773	0.8%
179	Reproduction and Graphic Arts Section	206.0	309.0	12,290	0.0%
180	Bureau of Detectives	4,731.8	7,114.7	331,590	0.1%
184	Youth Investigation Section	371.0	488.5	18,402	0.0%
187	Criminal Registration Unit	622.8	934.9	43,741	0.0%
188	Bureau of Organized Crime	1,028.5	1,539.4	69,359	0.0%
189	Narcotics Division	163,447.3	255,270.4	11,181,503	4.9%
191	Intelligence Division	46,314.3	69,402.0	3,108,201	1.4%
192	Vice and Asset Forfeiture Division	19,116.0	29,760.6	1,349,565	0.6%
193	Gang Intelligence Division	99,939.3	151,964.4	6,819,618	3.0%
196	Asset Forfeiture Section	10,949.0	16,377.7	728,433	0.3%
211	Deputy Chief - Area Central	63,626.8	100,789.3	4,314,962	1.9%
212	Deputy Chief - Area South	56,961.3	93,635.0	4,045,230	1.8%
213	Deputy Chief - Area North	55,222.0	91,017.3	3,890,880	1.7%
222	Timekeeping Unit - Headquarters	300.0	447.4	17,705	0.0%
231	Medical Services Section	120.3	195.4	8,356	0.0%
241	Troubled Buildings Section	757.3	1,104.8	49,957	0.0%
261	Court Section	2,621.3	3,909.8	186,774	0.1%
277	Forensic Services-Evidence Technician Section	43,501.3	67,201.8	3,237,815	1.4%
311	Gang Section - Area Central	37,962.8	59,856.9	2,624,936	1.2%
312	Gang Section - Area South	30,373.3	49,820.2	2,186,037	1.0%
313	Gang Section - Area North	29,057.0	47,363.4	2,089,035	0.9%
341	Canine Unit	14,048.3	20,004.1	953,797	0.4%
353	Special Weapons and Tactics (SWAT) Unit	66,301.0	98,758.9	4,369,948	1.9%
376	Alternate Response Section	4,694.5	7,064.1	344,777	0.2%
384	Juvenile Intervention Support Center (JISC)	9,206.8	13,729.4	651,987	0.3%
393	Gang Enforcement Division	24,190.3	38,008.6	1,664,648	0.7%
411	Area Central Deputy Chief	8,437.8	15,742.0	602,811	0.3%
412	Area South Deputy Chief	17,342.3	29,321.9	1,256,798	0.6%
413	Area North Deputy Chief	7,396.5	13,600.0	532,052	0.2%
441	Special Activities Section	3,017.5	4,532.0	196,925	0.1%
442	Bomb Unit	12,015.5	15,131.9	812,611	0.4%
541	FOP Detail	11.3	16.9	760	0.0%
542	Detached Services - Government Security Detail	16,332.3	24,516.0	1,265,013	0.6%
543	Detached Services - Miscellaneous Detail	159.3	292.2	12,265	0.0%
549	Inspector General Detail Unit	8.0	12.0	497	0.0%
603	Arson Unit	15,071.0	22,472.6	1,102,633	0.5%
606	Central Investigations Unit	96,619.0	144,109.0	6,625,496	2.9%
608	Major Accident Investigation Unit	11,123.0	17,772.2	843,800	0.4%
610	Detective Section - Area Central	247,648.0	381,565.5	18,380,708	8.1%
620	Detective Section - Area South	157,934.8	244,358.3	11,736,416	5.2%
630	Detective Section - Area North	185,997.5	287,722.6	13,918,198	6.2%
701	Public Transportation Section	12,093.0	18,734.7	893,384	0.4%
702	CTA Security Unit	1,342.3	2,050.5	108,078	0.0%
704	Transit Security Unit	14,236.8	22,206.9	981,545	0.4%
711	Violence Reduction Initiative - North	169.0	308.7	14,447	0.0%
712	Violence Reduction Initiative - South	346.0	558.8	30,021	0.0%
714	Summer Mobile Patrol	3,267.8	5,056.8	213,211	0.1%
(blank)	#N/A	1,310.5	1,992.4	88,269	0.0%
Total		3,200,380.0	5,075,227.2	\$ 226,234,619	100.0%

Source: CPD CLEAR overtime data.

XIII. APPENDIX I: REGULAR-DUTY OVERTIME CATEGORIES IN DIRECTIVE E02-02-02

The following is an excerpt from CPD Directive E02-02-02, Payroll and Timekeeping Overtime/Compensatory Time. It defines eight categories of overtime, including one that is not on the Yellow Sheet (“Day Off Group Change”). The Directive does not define three categories on the Yellow Sheet (“CAPS”, “Staff Meeting,” and “Election”), as noted in Findings 1 and 3.

Reason For Working Overtime Section: The form lists eight categories of overtime. One of the boxes must be checked. In the event that the overtime encompasses more than one category, only the category showing the primary reason the overtime was worked will be checked.

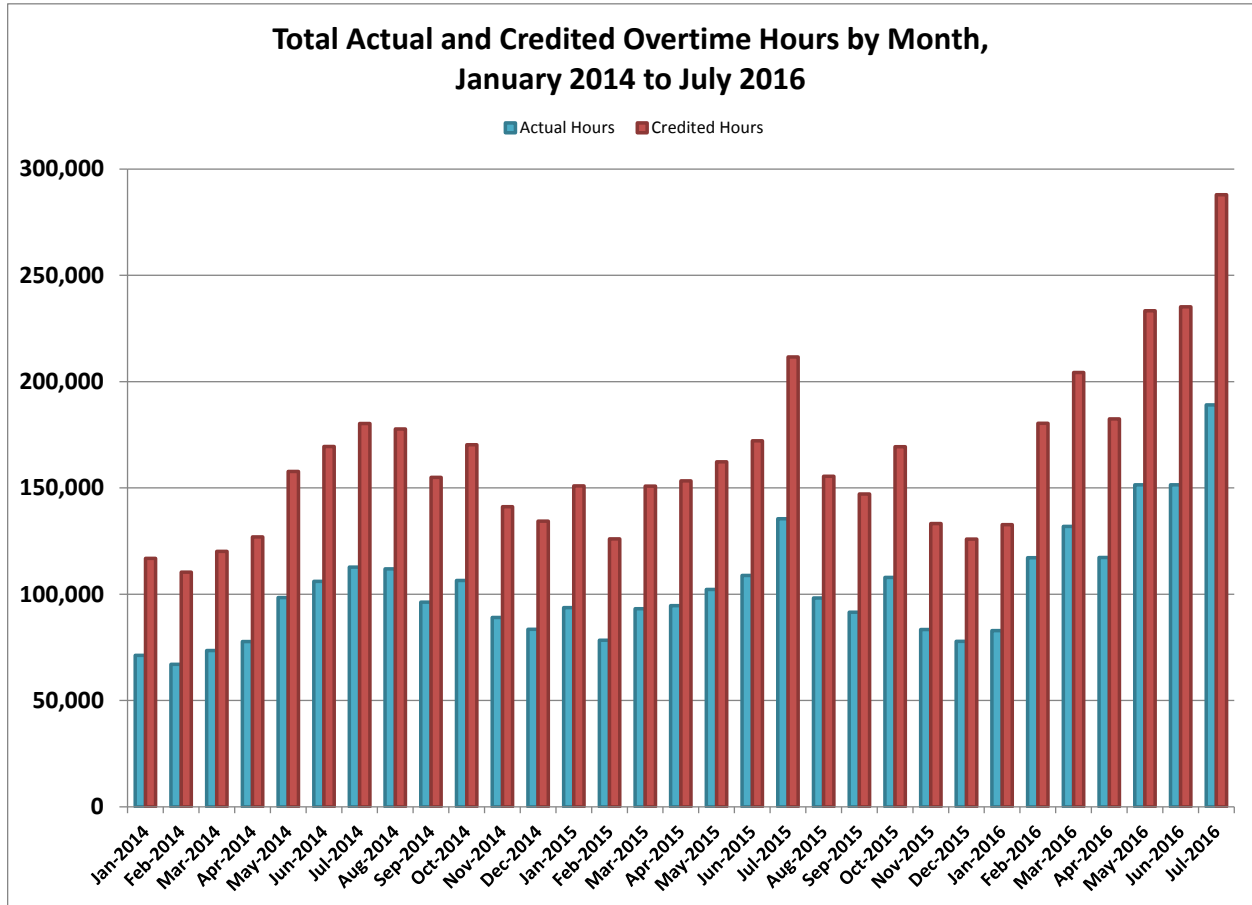
The categories are explained as follows:

- a. Extension of Tour: Any overtime worked immediately preceding or immediately following a tour of duty.
- b. Court Appearance: Any overtime worked for required off-duty attendance in Circuit Court, Federal Court, Grand Jury or at a Liquor Commission Hearing. The attendance must be required because of a duty related incident.
- c. Day Off Group Change: Any overtime worked as a result of an officer's day off group being changed by the Department after change day, causing a loss of a regular day off.
- d. Call Back: Any overtime worked as a result of an official assignment which does not immediately precede or follow an officer's regularly scheduled work hours, excluding court appearances; or who are required to report to the Medical Services Section.
- e. Worked Regular Day Off (required): Any overtime worked as a result of an officer working his regular day off at the direction of a watch commander or unit commanding officer.
- f. Special Event: Any overtime worked resulting from assignment to parades, details ,etc., by Department directives, including facsimile orders.
- g. Worked Regular Day Off (voluntary): Any overtime worked voluntarily on a member's regular day off.
- h. Other: Any overtime worked which does not fall into any of the above categories. Explanation is required.

Source: CPD Directive E02-02-02 Section IX.B.3

XIV. APPENDIX J: OVERTIME HOURS BY MONTH

The table below summarizes CPD total Actual and Credited overtime hours by month from January 1, 2014 to July 31, 2016.⁹⁸



Source: CPD CLEAR overtime data.

⁹⁸ As described in the Background section, this data includes VRI overtime beginning January 31, 2016.

XV. APPENDIX K: CPD MANAGEMENT RESPONSE



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Eddie T. Johnson
Superintendent of Police

September 27, 2017

Joseph M. Ferguson
Inspector General
740 N. Sedgwick Street, Suite 200
Chicago, Illinois 60654

RE: OIG Case No. 15-0198

Dear Inspector General Ferguson:

The Chicago Police Department (CPD) is writing in response to Inspector General Case Report No. 15-0198, which concerns an audit of regular-duty overtime use by members of the Department. The OIG alleges possible fraudulent behavior with the Department, a charge we take very seriously. As such, we are requesting any documentation you have and can provide to us relative to this allegation so that we can conduct an investigation and take necessary appropriate action.

CPD welcomes the OIG's input as well as the opportunity to respond to issues raised in the Report and to detail plans already in place to improve the Department's recording, supervision, accountability, and management of timekeeping and overtime use. Specifically, a major, two-part project is underway.

- First, before the end of this year, CPD will begin to transition to an electronic swiping system, starting at CPD headquarters. Once completed, the vast majority of CPD employees - - both sworn and civilian - - will be required to electronically record both the start and the end of their work day or shift, thereby capturing with precision most overtime worked for those entitled to receive overtime compensation.
- Second, CPD has started the process to complete its full transition to an electronic system for all timekeeping purposes, including overtime. Working with a consultant already familiar with current City and CPD timekeeping systems, CPD anticipates that the electronic system will resolve many of the issues and concerns raised in the Report and that timekeeping operations will be significantly improved. Although implementation will be complex, CPD has a set a goal of completion by mid-2019.

These and other plans noted in this response, as well as measures already in place, demonstrate the firm commitment of CPD management to improving overtime recording, management, and accountability. Further, over the course of the next year, CPD will begin a new process for more actively managing overtime use. Supervisors will be held accountable for appropriately managing and staying within their overtime budget and will be expected to use the Overtime Dashboard to regularly monitor overtime usage in their district or unit. Overtime spending will also become a regular part of the Department's Compstat process to ensure that district and unit commanders remain within budget. In addition, as noted below, CPD will continue to utilize the Inspections Division to monitor compliance with Department directives, training, and overtime usage.

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It should be noted that the audit that is the subject of the Report “did not review the effectiveness of CPD’s policing strategies related to overtime.” (Report, p. 22). Further, most of the analysis contained in the Report does not address or determine whether specific uses of overtime were appropriate, and CPD is confident that the vast majority of its overtime is legitimate, reasonable, and necessary.

Instead, the Report contains three components. First, the Report focuses primarily on “operational controls” and issues associated with timekeeping. While CPD acknowledges deficiencies with its current timekeeping system, it anticipates that many of the issues and concerns raised in the Report will be resolved and timekeeping operations will be significantly improved with the advent of daily swiping and electronic timekeeping, as discussed above. In the meantime, CPD has resumed intensive training for its timekeepers, with a particular emphasis on issues arising from the audit.

Second, the Report focuses on “management controls” and potentially inappropriate uses of overtime. This response questions the analysis underlying these uses of overtime, and details the relevant controls already in place. The Response, however, also acknowledges certain deficiencies in the documentation and auditing of overtime and ways in which these will be addressed. Finally, the Report and Response also address secondary employment.

Third, the Report focuses on certain timekeeping directives and policies. This response will address how timekeeping directives are updated and disseminated and discuss current projects already underway to further update, consolidate, and communicate protocols. Implementation of the new electronic timekeeping system will necessitate additional changes to the current timekeeping directives and associated training.

OIG Finding 1: “CPD’s operational controls do not adequately prevent unnecessary overtime, deter abuse of minimum time provisions, or ensure overtime is paid in compliance with policies and procedures.”

Response:

In this section of the Report, the OIG questions whether sufficient controls are in place to prevent “unnecessary overtime,” to deter improper use of certain overtime protocols, and to ensure that overtime is paid in accordance with Department rules. The Report also notes that many of these issues arise from the use of “manual, paper-based timekeeping and overtime approval processes.”

As noted above, CPD has already announced a change that will significantly affect the way in which all time will be recorded and monitored: electronic swiping and electronic timekeeping. Although CPD anticipates that most of the operational concerns raised in the Report will dissipate with electronic swiping and timekeeping,

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this response will address the current issues noted in the Report.

First, the Report addresses the minimum overtime allowance for time associated with travel for court appearances and call backs. CPD agrees that the purpose of such time should be accurately and sufficiently documented and that timekeepers should ensure proper application of the minimum overtime allowance and deny nonconforming requests. Toward this end, CPD will issue clearer guidelines and provide additional notice and/or training to supervisors, officers, and timekeepers. For example, CPD has issued a notice to all Department members reminding them that when completing overtime/compensatory time reports, they must specify a reason for the overtime, that they may select “other” as a reason only when the reason does not fall within any of the predefined overtime categories, and that an explanation is required for selecting the “other” option.

The remainder of this section of the Report focuses on ways in which the OIG believes the current, manual timekeeping system is deficient. Examples include what appear to be duplicate or overlapping entries, data entry errors, missing or vague coding information, and the absence of a backup for comp time balances. The OIG’s principal recommendation is implementation of an electronic timekeeping system, which is underway. CPD agrees with the OIG that the transition to a new electronic timekeeping system will help to rectify many of these issues and/or reduce their frequency. For example, the system will automatically provide a backup for comp time balances. In the meantime, it is important to note that CPD has a long-standing practice to address duplicate, incorrect, or inaccurate overtime submissions or entries. This process involves a report from the unit of assignment to CPD Finance specifying the error made and seeking an adjustment, and includes a reimbursement mechanism in situations where an officer was paid an incorrect amount. Improper submissions may also result in discipline, up to and including discharge. Finally, as noted above, CPD has resumed training for its timekeepers, with a particular emphasis on issues arising from the audit, and will correct any missing or vague coding information.

OIG Finding 2: “CPD management controls do not adequately prevent officer fatigue, control costs, or detect and prevent fraud, waste, and abuse.”

Response:

In this section of the Report, the OIG identifies several “potentially” abusive overtime practices. Few specifics supporting these findings are provided, however. Although certain functions and responsibilities associated with police work in general have the “potential” for abuse, CPD believes that each of the practices the OIG has identified is subject to a different interpretation.

First, the Report describes what it characterizes as a practice in which an officer “actively [pursues] situations

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that result in Extension of Tour overtime.” Specifically, the Report criticizes officers who seemingly “volunteer for calls,” “actively seek violations,” or “make arrests” at the end of their shifts. While CPD acknowledges that officers should not seek overtime solely to extend their tours of duty, no examples or statistics are provided to support these conclusions. More important, it is unclear what “end of shift” means in this context. For example, if an officer is closest to the scene of an assault reported five minutes before her shift ends, it would be inappropriate and contrary to Department policy and public safety for her not to respond, even if it meant she would likely incur overtime. Similarly, if she were to respond to an incident but depart immediately when her shift ended, leaving new officers to make and report the arrest, the new officers arriving to the scene would not have the benefit of her knowledge of what occurred. It is difficult to discern how this problem, if one exists, could be monitored, detected, or resolved-without creating greater problems for effective enforcement and public safety. Nevertheless, CPD is sensitive to issues associated with end of shift circumstances, as evidenced by a recent notice from the Chief of the Bureau of Patrol to all Deputy Chiefs, District Commanders, and Unit Commanding Officers concerning the need for proper notification and authorization before any officer is allowed to work overtime for an Extension of Tour.

Second, the Report criticizes what it describes as a practice in which officers “request inclusion on an arrest report despite having little or no involvement in the arrest” so that they will be called to appear in court. CPD acknowledges that police officers should not seek to be included on an arrest report without reason. However, it is the nature of law enforcement that situations may occur where multiple officers are involved in an arrest to varying degrees and it might not be entirely clear from an arrest report which officers had more participation in or knowledge about specific aspects of a particular arrest. As such, certain factors must be given consideration in order to analyze this issue, which do not appear to be acknowledged in the OIG’s report:

1. Officers who appear in court do so only at the request of the prosecuting attorney and upon advance notice. The Report itself acknowledges that CPD Employee Resource E02-02-02 provides that “members must receive notification through the Automated Court Notification Program prior to appearing in court during off-duty hours.” (Report, p. 11).¹ In other words, officers who were present at the scene of an arrest do not have the ability simply to show up in court as they please to obtain overtime.
2. By the same token, officers cannot decline to appear in court when required or summoned. General Order 08-02 (“Court Attendance and Responsibilities”) provides in

¹ Similarly, General Order G08-02 (“Court Attendance and Responsibilities”) provides that “[a] Department member whose appearance is required in any court or judicial-related proceeding will always obtain prior authorization” and that “[m]embers scheduled to appear in any court, judicial, or administrative proceeding will comply with the court appearance procedures outlined in this directive and if scheduled to appear during nonduty hours, the Department directive entitled “Payroll and Timekeeping.”



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pertinent part that “[a]rresting and investigating officers will: . . . be present on the specified court date in time for the scheduled court call hearing” and “appear in all cases when a summons or a subpoena has been issued for their presence or when the state’s attorney has requested their presence for an interview unless otherwise directed by the unit commander or their designee.”

3. The Report does not appear to distinguish between initial and subsequent court appearances. Often, only the officer designated on the arrest report as the “First Arresting/Appearing Officer” will appear for the initial or first few court dates, and many cases are resolved on the first or the first few court dates. See General Order 08-02. Moreover, General Order 08-02 contains specific and extensive guidelines setting forth criteria (e.g., the nature of the charge; the location of the courthouse; the availability of other arresting officers) dictating whether or not an arresting officer will appear in court.

4. It is not clear from the Report whether the analysis included consideration of court appearances necessitated by judicial orders or subpoenas issued by defense attorneys, over which neither CPD nor the officers have control.

5. Prosecuting attorneys must be afforded some discretion to exercise the judgment necessary to determine which officers might be needed for subsequent court appearances or at trial, and the reasons for their decisions cannot always be discerned simply from the arrest reports themselves. For example, after reviewing all of the documents associated with an arrest and interviewing the first officer, the prosecutor might determine that additional officers will be needed in advance of trial to bring in inventoried evidence or to prepare them for their testimony and at trial to secure a conviction.

6. Prosecuting attorneys often cannot predict or control whether defendants or their attorneys will seek and obtain continuances. The mere fact that the officers from the arrest scene show up or do not show up for court can influence whether defendants seek a continuance, proceed to trial, plead guilty, or plea bargain. In other words, the mere presence of officers in the courtroom can further public safety, whether or not it is always apparent.

Nevertheless, CPD does contact both prosecutors and defense attorneys directly when it has questions or concerns about the number of officers and frequency of court appearances for a particular case, and it is committed to continuing to ensure compliance with Department directives concerning court appearances and to work with prosecutors to ensure that the officers who appear for court are both appropriate and sufficient.

Next, the Report criticizes what it characterizes as a “practice of reporting to court and staying longer than needed[.]” However, little specific information is provided, and CPD is not aware of any evidence to suggest



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that any such practice is significant or widespread. Further, the Report acknowledges that a CPD directive, General Order 08-04-IV-I-2, exists to address this specific concern. General Order 08-04-IV-I-2 provides as follows:

[Officers will] log out of all court hearings immediately upon the conclusion of their testimony and release by the Assistant State's Attorney/Corporation Counsel, an attorney whose subpoena they may be under, or Court Section Personnel when present. Officers will not remain in court pending the final disposition of the case. Final disposition of the case is no longer required for completion of the Overtime/Compensatory Time Report.

Still further, many State's Attorneys and City prosecutors sign off on time due slips created by officers appearing in court to verify the legitimacy and accuracy of the information contained therein. CPD is taking additional steps to ensure this practice becomes uniform. Consequently, CPD believes that safeguards necessary to discourage this practice are already in place.

Finally, the Report criticizes what it characterizes as officers who are "self-appointed" DUI officers because they assist other officers to ensure that DUI stops and arrests are conducted fairly and appropriately. The number of such "self-appointed" officers is not clear from the Report, which uses the term "several," and CPD agrees it is at most very few. CPD also believes that officers experienced with DUI stops and arrests serve an important function by training other officers to make proper DUI stops and arrests. Further, the Report takes no issue with any of these arrests themselves, which are vital to public safety. Finally, changes in the forthcoming electronic timekeeping system as described above will likely ensure greater tracking and monitoring of overtime associated with these arrests.

In the next part of this section of the Report, the OIG cites examples of time records where supervisory approval of overtime was not evident; where overtime was authorized or approved by the same officer seeking the overtime; where overtime was authorized or approved by an officer at the same or a lower rank; or two officers seemingly approved each other's overtime. While all of these instances may reflect legitimate uses of overtime, CPD agrees that in most instances, these are not appropriate forms of authorization, approval, or documentation of overtime use.

CPD will reiterate and emphasize in training sessions and Department-wide notices that overtime requests of these types are prohibited absent specified, extenuating circumstances and, if made, must always be questioned or denied.

CPD also acknowledges that its Inspection Division has not conducted a formal review of the work of its timekeepers for several years, but spot check audits will resume before the end of the year. Further, formal training for timekeepers recently resumed with a focus on ensuring accuracy and consistency, and the advent of a new electronic swiping and timekeeping system should reduce errors, provide easier monitoring, and permit

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more routine internal auditing.

In the final part of this section, the Report addresses whether CPD is sufficiently monitoring overtime and secondary employment. Concerning monitoring, CPD concurs that the Overtime Dashboard can be used to a greater degree to analyze overtime and, as noted above, will take steps to require its greater use and better data entry.

With respect to secondary employment, the discussion in the Report acknowledges that, pursuant to Employee Resource E01-11 ("Secondary Employment"), CPD has the right to restrict secondary employment for good cause (e.g., when an officer is on medical leave). However, the Report does not mention other key, pertinent components of Employee Resource E01-11, such as the following:

III. POLICY

A. The Chicago Police Department has the right to restrict secondary employment for good cause. The duties and obligations of the Chicago Police Department take priority over any other employment. Department members who engage in secondary employment are reminded that their primary responsibility is to the Chicago Police Department. Department members are subject to call at any time for emergencies, special assignments, or overtime duty. Secondary employment will not infringe on this obligation.

B. Any conflict of interest will be resolved in favor of the Chicago Police Department.

C. An employer of a Department member engaging in secondary employment will not receive preferential treatment by the Department.

* * *

G. Department members engaged in a security capacity will neither request nor be credited with overtime for arrests or court appearances which occur as a consequence of their secondary employment.

NOTE: If an arrest occurs while working secondary employment, the responding on-duty officer will be the arresting/primary officer on the Arrest Report. The responding officer will process the arrest according to Department directives. The off-duty sworn member will be identified as a victim and/or witness to the incident. Under no circumstances will the

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officer seek compensation for any court appearance related to their secondary employment; the secondary employer will claim all responsibility for that incident.

IV. RESTRICTIONS

Secondary employment is prohibited under the following restrictions: any violation of this policy will result in discipline, up to and including separation.

* * *

F. When the working conditions, hours of work, or location where the secondary employment is performed tend to impair the Department member's efficiency or capabilities as an employee of the Department or interfere with the Department member's response to emergency calls.

NOTE: A member should provide a sufficient amount of time between secondary employment and the start of a tour of duty to allow for ample rest and relaxation.

* * *

M. When the number of educational courses that a Department member is enrolled combined with secondary employment impairs the Department member's efficiency as a Department employee.

In sum, Employee Resource E01-11 not only allows CPD to restrict secondary employment for good cause, it also mandates that service to the CPD must be an officer's employment priority, that secondary employment cannot impair his or her ability to work as a CPD officer, and that CPD will not pay the officer anything, including overtime, associated with secondary employment.

Second, as Employee Resource E01-11 reflects, CPD, like all employers, by necessity must rely to a significant degree on each employee's willingness and ability to report each day fit for duty. Fitness for duty includes being sufficiently rested to perform the job. Except in the rare case where it is clear that an employee is simply too tired to function when he or she reports to work, it is unclear how CPD would be able to assess the fatigue levels of every one of the thousands of officers who report for duty every day. The fact that CPD has an order directed to the officers themselves related to these issues demonstrates its appreciation of the issue, but, ultimately, the primary responsibility for being fit for duty in every respect must be placed where it belongs - - with each officer - - unless specific circumstances dictate or necessitate otherwise.

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OIG Finding 3: “CPD directives related to timekeeping do not reflect current practice, do not provide adequate detail to ensure consistent application of Department policies, and do not include policies to prevent excessive overtime, prevent officer fatigue, or control costs.”

Response:

In the final section of the Report, the OIG concludes that certain CPD timekeeping directives are out-of-date and thus, do not reflect current practices. However, the Report acknowledges that the directives by themselves are not the sole source for communicating changes to timekeeping policies and practices. “For example, CPD timekeeping staff stated that the Department provides updates during annual timekeeping meetings at CPD headquarters, and communicates interim changes to timekeepers through an online memo system.” Report, p. 43. Timekeepers are responsible for integrating these updates and retaining copies.

The example listed in the Report concerning FLSA time was updated in precisely this manner. In September 2009, all Department members received a fax message from the Deputy Superintendent, Bureau of Administrative Services, stating that a new policy regarding earned FLSA time had been implemented, that FLSA time would no longer be allowed to accumulate, that all earned FLSA hours would be paid out on a monthly basis according to established cycle schedules for overtime payrolls, and that the change in policy would eliminate the accumulation of any earned FLSA time. This change was also discussed at the annual timekeeper meeting in 2009.

Nevertheless, CPD agrees that the directives should be modified to incorporate subsequent changes. CPD has in fact been working to update and consolidate these and other timekeeping directives, with an expected completion date yet this year. Thus far, CPD has revised and issued ten directives and consolidated seven. Three other consolidations are in the final review process. Once updated, the timekeeping directives will specifically resolve several of the items listed in the Report: updating practices to reflect current CBA provisions; referencing the Overtime Dashboard, which permits supervisors to monitor overtime; and defining several previously undefined terms. However, CPD questions whether the phrase “necessary overtime” itself can be or should be defined with the degree of precision advocated by the OIG. Moreover, the current directive provides in relevant part that “[p]rior to authorizing a member to work overtime, the member’s appropriate supervisor will: 1) evaluate the necessity for the member working overtime[; and] 2) when practical obtain relief or replacement for the member seeking authorization to work overtime, provided that such relief will not adversely affect the police function being performed.” Employee Resource E02-02-02.

Once the overtime directives have been consolidated and revised, CPD will develop and issue a Department-wide training bulletin to ensure that everyone, including management, officers, and timekeepers, is fully

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apprised of this development and the protocols themselves. In the meantime, timekeepers have been reminded not to accept any overtime/compensatory time reports that do not include appropriate signatures and/or explanations. And, as noted elsewhere in this response, mandatory and frequent training for timekeepers, as well as spot check audits, will continue.

In closing, CPD welcomes the opportunity to have a continued dialogue with the OIG regarding the recommendations and responses contained herein. CPD believes that the transition to electronic swiping and timekeeping will not only remedy most deficiencies but also significantly streamline and improve its operations. In the meantime, CPD is committed to improve its current practices as set forth in this response.

Sincerely,

A handwritten signature in black ink that reads 'K. B. Navarro'.

Kevin Navarro
First Deputy Superintendent

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