



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



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

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***QUARTERLY REPORT OF THE  
OFFICE OF INSPECTOR GENERAL  
FIRST QUARTER 2015***

**APRIL 15, 2015**

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## OFFICE OF INSPECTOR GENERAL *City of Chicago*

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April 15, 2015

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

Enclosed for your review is the public report on the operations of the City of Chicago Office of Inspector General (OIG) during the first quarter of 2015, filed with the City Council pursuant to Section 2-56-120 of the Municipal Code of Chicago.

The first quarter of 2015 marked the closing of a months-long public discussion about the City's fiscal challenges—what they are, where they come from, who is responsible for them—and, at the quarter's end, a pivot to the necessary work of meeting them. As the City turns to this task, there may be an almost inevitable impulse to frame that work in terms of fixing budget deficits. However, the interests of all constituents might be best served by approaching the moment from the perspective of fixing government. This broader approach would pursue savings and efficiencies less from the naturally arising crisis management impulses and more from basic public administration principles and practices that would better position the City for sustainable, continual, long-term fiscal and operational health. This broader approach might include leveraging best practices in municipal management such as,

- Zero-based budgeting,
- Performance-based budgeting,
- Performance management,
- Quantification and justification for tax exemptions and tax expenditures, and
- Comprehensive risk assessment and management.

Incorporating and applying these and other practices and principles may in fact require investments by the City such as staffing the still uninhabited City Council Office of Financial Analysis, creating a robust full-time internal audit function for City programs, and providing additional resources to help the City's Office of Budget Management hold departments accountable for rigorous zero-based and performance-based budgeting. New investments seem illogical when the primary directive is to cut costs. However, such offices and programs would enable the City to identify savings and efficiencies, and would improve accountability and performance in City administration, all of which would contribute to addressing the City's deficits.

The work highlighted in this quarter's report is closely aligned with these principles and objectives. For example,

- OIG introduced concepts for a pilot claims analysis project to the Department of Finance.
- An OIG investigation found that a shortfall in supervisory oversight and procedures made possible the long-running embezzlement of over \$760,000 of City money. Paralleling OIG inquiries resulted not merely in the prosecution (and firing) of the embezzler and a financial recovery of stolen funds, but also the identification and resolution of cash handling and financial control issues in certain City operations.
- Audit follow-up inquiries that highlighted the continuing failure of the City's Fire Department to commit to meaningful performance measurement and insistence by the Department of Streets and Sanitation to carry forward an unchanged and costly legacy practice that may lack legal authority.

We look forward to continued dialogue, consultation, and contribution to the efforts of the Administration, the City Council, and the public in meeting the imperatives of the moment in ways that will promote the long-term, sustainable health of City government.

As always I encourage you to send OIG your complaints, concerns, and ideas for what OIG should explore through investigation, audit, or program review that might improve the administration of City programs and services

Respectfully,

A handwritten signature in blue ink, appearing to read 'J. Ferguson', is positioned below the word 'Respectfully,'.

Joseph M. Ferguson  
Inspector General  
City of Chicago

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This quarterly report provides an overview of the operations of the Office of Inspector General (OIG) during the period from January 1, 2015, through March 31, 2015. The report includes statistics and narrative descriptions of OIG’s activity as required by the City’s Municipal Code.

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

The mission of OIG is to promote economy, effectiveness, efficiency, and integrity in City government by rooting out corruption, waste, and mismanagement. OIG is a watchdog for the taxpayers of the City, and it has jurisdiction to conduct independent inquiries into most aspects of City government.

OIG accomplishes its mission through investigations, audits, and other reviews. OIG issues summary reports of investigations to the Mayor and appropriate City management officials,<sup>1</sup> with investigative findings and recommendations for corrective action and discipline. Narrative summaries of sustained investigations are released in quarterly reports. OIG’s audit reports and advisories are directed to management officials for comment and then are released to the public through publication on the OIG website. OIG’s department notifications are sent to management officials for attention and comment and are summarized, along with any management response, in the ensuing quarterly report. Finally, OIG issues reports as required by the Hiring Plan and as otherwise necessary to carry out its hiring oversight functions.

**B. INVESTIGATIONS**

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

**1. Complaints**

OIG received 622 complaints during the preceding quarter. The following table provides detail on the actions OIG has taken in response to these complaints.

**Table #1 – Complaint Actions**

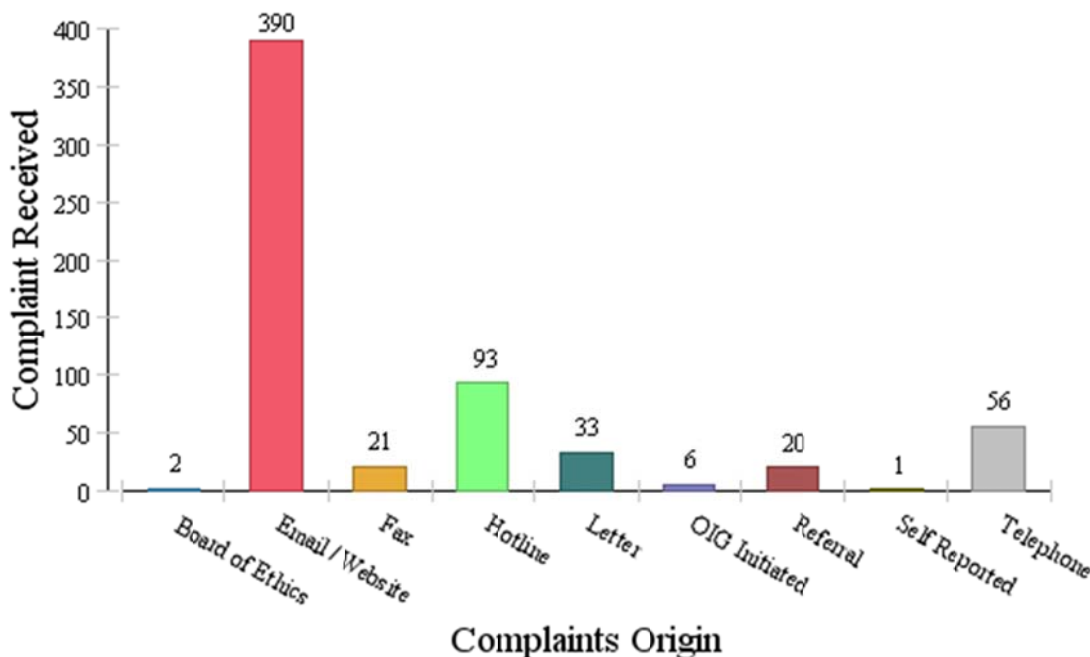
<b>Status</b>	<b>Number of Complaints</b>
Declined	471
Accepted	48
Referred	79
Other/Pending Review	24
<b>Total</b>	<b>622</b>

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<sup>1</sup> Public Building Commission recently entered into an Intergovernmental Agreement with the City of Chicago for the direct provision of oversight services by this office beginning February 1, 2015.

As the table shows, for the vast majority of complaints, OIG declined to investigate the allegation. Before OIG declines to investigate a complaint it is evaluated by a Complaint Intake Committee chaired by the Deputy Inspector General for Investigations. Among other factors, this evaluation gauges the investigative viability and potential magnitude or significance of the allegations—both individually and programmatically. The chart below breaks down the complaints OIG received during the past quarter by the method in which the complaint was reported.

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



**2. Newly Opened Investigations**

During the quarter, OIG opened 102 investigations. Of the opened investigations, 101 involved allegations of misconduct, and one involved an allegation of waste and inefficiency. There were 6 OIG-initiated investigations opened this quarter. Of the 102 opened matters, 78 were immediately referred to other departments or investigative agencies. A total of 24 cases proceeded to full OIG investigations and remained open at the end of the quarter.<sup>2</sup>

The following table categorizes the 102 matters opened by OIG based on the subject of the investigation.

<sup>2</sup> Opened investigations may include complaints received in prior quarters.

**Table #2 – Subject of Investigations**

<b>Subject of Investigations</b>	<b>Number of Investigations</b>
City Employees	85
Contractors, Subcontractors, and Persons Seeking City Contracts	6
Elected Officials	4
Other	7
<b>Total</b>	<b>102</b>

### **3. Cases Concluded in Quarter**

During the quarter, OIG concluded 98 investigative matters, 78 of which were the aforementioned referrals to City departments or other investigative agencies. Of the 78 referred investigative matters, 66 were referred to a City department, five were referred to a sister agency or its IG, and 7 were referred to the Office of Legislative Inspector General.<sup>3</sup> Of the remaining concluded matters, 8 were closed sustained, 10 were closed not sustained, and two were closed administratively. A case is sustained when the evidence sufficiently establishes that either an administrative or criminal violation has occurred. A case is not sustained when OIG concludes that the available evidence is insufficient to prove a violation under applicable burdens of proof. A case is closed administratively when the matter, in OIG's assessment, has been or is being appropriately treated by another agency or department, the matter was consolidated with another investigation, or the investigation was sustained but did not result in a disciplinary recommendation.

### **4. Pending Investigations**

Including the remaining 24 investigations opened this quarter, OIG has a total of 124 pending investigations.

### **5. Investigations Not Concluded in Twelve Months**

Under the Municipal Code of Chicago (MCC) § 2-56-080, OIG must provide quarterly statistical data on pending investigations open for more than twelve months. Of the 124 pending investigations, 42 investigations have been open for at least twelve months.

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<sup>3</sup> The sister agencies are separate units of local government, a number of which are led by boards or chief executives appointed in whole or part by the Mayor and on which the Mayor or City officials in some instances are members *ex officio*. These agencies provide core public services that collectively with those administered directly by the City of Chicago itself are what commonly understood to constitute Chicago municipal government. The agencies include Chicago Public Schools, Chicago Housing Authority, City Colleges of Chicago, Chicago Park District, each of which are assigned to the oversight jurisdiction of other offices of inspector general. Public Buildings Commission is a sister agency currently overseen by the Chicago OIG.

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

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

<b>Reason</b>	<b>Number of Investigations</b>
Complex investigation. Generally involve difficult issues or multiple subjects.	41
On hold, in order not to interfere with another ongoing investigation.	1
<b>Total</b>	<b>42</b>

**6. Ethics Ordinance Complaints and Investigations<sup>4</sup>**

During this quarter, OIG received two ethics ordinance complaints. It opened one complaint as a full OIG investigation and referred one to the Office of Legislative Inspector General. OIG also delivered one previously opened ethics related investigation to the Board of Ethics for disposition.<sup>5</sup>

**C. SUSTAINED ADMINISTRATIVE CASES**

OIG cases can be administrative, criminal, or both. Administrative cases may involve violations of federal, state or local law, or regulation, City rules, policies or procedures, and/or waste or inefficiency. For sustained administrative cases, OIG produces summary reports of investigation,<sup>6</sup> which consist of a summary and analysis of the evidence and recommendations for disciplinary or other corrective action. These reports are sent to the Office of the Mayor, the Corporation Counsel, and the City departments affected by or involved in the investigation, or as appropriate to designated officials of sister agencies subject to OIG.

Criminal cases involve violations of local, state, or federal criminal laws, and are typically prosecuted by the Cook County State’s Attorney’s Office, the U.S. Attorney’s Office, or the Illinois Attorney General’s Office, as appropriate. OIG may issue summary reports of investigation recommending administrative action based on criminal conduct.

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

<sup>4</sup> Pursuant to MCC § 2-56-120, OIG is required to report the number of ethics ordinance complaints declined each quarter and the reasons for declination.

<sup>5</sup> OIG will report on the disposition at the time the Board of Ethics issues a final ruling.

<sup>6</sup> Per MCC § 2-56-060, “Upon conclusion of an investigation the inspector general shall issue a summary report thereon. The report shall be filed with the mayor, and may be filed with the head of each department or other agency affected by or involved in the investigation.”



In addition to OIG’s findings, each description includes the action taken by the department in response to OIG’s recommendations. Departments have 30 days to respond to OIG recommendations. This response informs OIG of what action the department intends to take. Departments must follow the protocols set forth in City’s Personnel Rules, Procurement Rules, and/or applicable collective bargaining agreements, prior to imposing disciplinary or corrective action.

In deference to the deliberative processes of City departments and the contractual rights of employees relating to discipline, OIG waits to report on cases regarding current City employees until the subject’s department has acted on and/or responded to OIG’s report. For cases in which a department has failed to respond in full within 30 days (or 60 days if a full extension has been granted), the response will be listed as late.

**Table #4 – Overview of Cases Completed and Reported as Sustained Matters**

<b>Case Number</b>	<b>Department</b>	<b>Number of Subjects</b>	<b>OIG Recommendation</b>	<b>Department Action</b>
12-1542	Aviation	1	Discharge	Resigned in Lieu of Discharge, Ineligible for Rehire
13-0418	Procurement Services	4	Debarment and Penalties	Notice of Proposed Debarment
13-0420	Public Health	1	Appropriate Discipline	14-Day Suspension
14-0381	Water Management	1	Make Findings, Ineligible for Rehire	Ineligible for Rehire
14-0455	Streets and Sanitation	1	Termination, Ineligible for Rehire	Termination, Ineligible For Rehire
14-0555	Law	2	Designate Resigned Under Inquiry	Designated Resigned Under Inquiry

*(A) OIG Case # 12-1542*

An OIG investigation established that a Department of Aviation (CDA) Operating Engineer resides in Evergreen Park, IL, in violation of the City’s residency requirement. OIG accordingly recommended that CDA take action consonant with the Residency Ordinance, which mandates discharge, and designate and refer the Operating Engineer for placement on the ineligible for rehire list maintained by DHR.

CDA agreed with OIG’s findings and recommendation and served charges upon the Operating Engineer seeking discharge. In lieu of filing a response to the charges, the Operating Engineer resigned from City service. CDA referred the Operating Engineer for placement on DHR’s ineligible for rehire list.

*(B) OIG Case # 13-0418*

An OIG investigation established that a City contractor submitted two forged letters to the Department of Fleet and Facility Management (2FM) in an effort to fraudulently obtain price

increases for certain pieces of heavy machinery it was contracted to provide. OIG recommended that the Department of Procurement Services (DPS) initiate proceedings to permanently debar the contractor and the contractor's Owner and President, General Manager, and Sales Manager.<sup>7</sup> OIG further recommended that the City consider seeking penalties for the contractor's violations of the False Claims ordinance.

In response, DPS sent a Notice of Proposed Debarment to the contractor, the contractor's Owner and President, General Manager, and Sales Manager that provided them with notice of charges with 30 days to submit a written response, if any. Per its standing practice, DPS deferred to the City's Law Department the decision of whether to commence, "a recovery action with respect to the contractor's violation of the False Claims ordinance." That decision remains pending.

(C) *OIG Case # 13-0420*

An OIG investigation established that a Chicago Department of Public Health (CDPH) Communicable Disease Investigator who had supervisory and policy-making responsibilities, engaged in time theft. The Investigator regularly left the office before the end of the workday and drove up to an hour on City time in order to attend school. The Investigator then clocked out at a satellite CDPH facility near the school, thereby receiving credit and pay for time travelled between work and school.

CDPH and City policies direct employees to swipe out at preassigned locations unless they receive supervisory approval and there is appropriate documentation. The Investigator did not have supervisory approval to swipe out at any location other than a preassigned location and no documentation existed to suggest otherwise.

OIG recommended that CDPH, at its discretion, impose discipline commensurate with the seriousness of the Investigator's misconduct, position of authority, disciplinary history, and department standards. CDPH agreed with OIG's findings and suspended the Investigator for 14 days.

*Programmatic Findings and Recommendations*

OIG's investigation also exposed deficiencies in CDPH's record keeping and supervision. First, there was no documentation of the specifics of a schedule accommodation the Investigator had received. While it was determined that the Investigator used City time for personal benefit well outside of the schedule accommodation, the lack of documentation made disputed recollections difficult to resolve. Second, CDPH did not appear to conduct regular monitoring or auditing of time records for employees clocking in and out. For example, a cursory review during the time period relevant to this investigation would have revealed a clear pattern of improper time swipes by the Investigator. Finally, despite clear CDPH protocols for documenting field work, CDPH's

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<sup>7</sup> OIG views and treats knowing submission or making of false and/or fraudulent documents and/or statements in the conduct of City of business or duties to warrant termination in the case of employees and debarment of individuals and/or entities in the case of City contractors or vendors.

Xora mobile application records<sup>8</sup> for the Investigator contained large gaps for which the Department could provide no explanation. OIG recommended that if CDPH intends to use Xora to monitor field activity, it should perform regular monitoring to ensure that employees consistently document their daily stops. OIG further recommended that CDPH regularly review time keeping records to ensure their accuracy and to identify irregularities.

CDPH responded that it will instruct its staff to perform regular audits of timekeeping to ensure that no abuses occur. The Department also stated that it is developing clear policies and procedures for the use of the Xora phone application.

*(D) OIG Case # 14-0381*

A Department of Water Management (DWM) Senior Employee committed several traffic violations while operating a City vehicle, including driving under the influence of alcohol and disregarding a traffic signal in contravention of state law. The Senior Employee was arrested following these events. OIG's investigation subsequently established that the Senior Employee also violated City Personnel Rules. OIG would have recommended termination for this misconduct, however the Senior Employee had already resigned from City service. Therefore, OIG recommended that DWM make formal findings respecting the misconduct as revealed by the investigation and designate the Senior Employee for placement on DHR's ineligible for rehire list, with a copy of the investigative report and the department findings placed in the personnel file for consideration in the event the former employee seeks re-employment.

The Department concluded that the conduct violated City Personnel Rules and accordingly referred the former official for placement on DHR's ineligible for rehire list, and directed a copy of the OIG report and department findings for placement in the individual's personnel file.

*(E) OIG Case # 14-0455*

An OIG investigation established that a Department of Streets and Sanitation (DSS) Tow-Truck Driver violated City rules by releasing a towed vehicle in exchange for cash, while operating a City-owned tow truck on the midnight shift.

The Tow-Truck Driver moved a private vehicle parked in Grant Park and then sought a cash payment of \$150 from the vehicle owners in exchange for the vehicle's immediate release. The Tow-Truck Driver characterized the cash payment as "a bargain" for the vehicle owners, visitors to the city of Chicago, in lieu of towing and other impound fees. When the owners advised the Tow-Truck Driver that they did not have sufficient cash on hand to satisfy the Tow-Truck Driver's demands, the Tow-Truck Driver led them to a nearby bank so that they could withdraw funds and make the improper payoff. Before the Tow-Truck Driver led the owners to the bank, the Tow-Truck Driver warned them not to leave or try to escape, or else the Tow-Truck Driver would cite them with "all kinds of tickets."

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<sup>8</sup> Xora is a software application that is used to record and analyze GPS data obtained from cell phones. Employees with Xora-equipped phones can log in and out (sometimes referred to as "job in" and "job out") via their cell phone when they have reached a job location or have ended their work.

Based on the foregoing, OIG recommended that DSS terminate the Tow-Truck Driver, and refer the Tow-Truck Driver for placement on DHR's ineligible for rehire list.

In October 2014, after reviewing the Tow-Truck Driver's responses to its charges, DSS terminated the Tow-Truck Driver and referred the Tow-Truck driver for placement on DHR's ineligible for rehire list. The Tow-Truck Driver appealed the termination to the Human Resource Board (HRB). Following a full adversarial hearing, HRB issued a ruling in February of 2015 upholding the termination.

*(F) OIG Case # 14-0555*

An OIG investigation established that two Department of Law (DOL) Attorneys, exhibited conduct unbecoming a public employee and incompetence in the performance of their duties by providing questionable advice and exhibiting poor judgment in responding to an emergency call from three Officers of the Chicago Police Department (CPD).

OIG would have recommended that DOL impose discipline against the Attorneys commensurate with the gravity of their violations, past disciplinary and work history, department standards, and any other relevant considerations. However, both Attorneys submitted resignation letters during the course of the investigation and subsequent to their OIG interviews in this matter. Thus, OIG recommended that DOL make findings regarding their respective violations and, if appropriate, designate them as having resigned under inquiry. OIG also recommended DOL place a copy of its report and DOL's findings in their respective personnel files in the event they seek City employment in the future.

DOL agreed with OIG's findings and reported that both Attorneys will be designated as having resigned under inquiry. A copy of the department's response and OIG's report will be placed in their personnel files.

Additionally, OIG noted that the investigation highlighted a lack of clarity regarding the detail process between CPD and DOL. Inaccuracies in the CPD timekeeping process were further detailed in a Notification to CPD which is further described in this quarterly report along with CPD's corrective actions and response.

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

In criminal cases, OIG partners with the U.S. Attorney's Office, the Illinois Attorney General's Office, or the Cook County State's Attorney's Office. For the purposes of OIG quarterly reports, criminal cases are considered concluded when the subject(s) of the case is publicly charged by complaint, information, or indictment.

In administrative cases, a City employee may be entitled to appeal or grieve a departmental disciplinary action depending on the type of corrective action taken and the employee's classification under the City's Personnel Rules and/or applicable collective bargaining agreements. OIG monitors the results of administrative appeals before HRB<sup>9</sup> and grievance arbitrations concerning our disciplinary recommendations.

**1. Synopses of Criminal Cases**

During this quarter, one criminal charge resulted from an OIG case. A criminal charge in the form of a complaint or indictment is not evidence of guilt. The defendants are presumed innocent and are entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

(A) *United States v. Timothy Mason, et al.*, 15 CR 102 (ND IL)

On March 3, 2015, Timothy Mason and Mariana Gerzanych, owners of green tech startup 350Green LLC, a company that installed and maintained charging stations for plug-in electric vehicles, were indicted by a federal grand jury for allegedly engaging in a wire fraud scheme to fraudulently obtain federal and state grant funds from the City of Chicago, the State of Pennsylvania Department of Environmental Protection, and two California entities.

The indictment returned by a federal grand jury sitting in the Northern District of Illinois alleges that between August 2010 and September 2012, Mason and Gerzanych, as principals of 350Green LLC, applied for and received under false and fraudulent pretenses over \$2.9 million in grants from the City of Chicago, the Pennsylvania Department of Environmental Protection, the Association of Bay Area Governments, and the Bay Area Air Quality Management District. The grant funds were awarded to support installation and operation of charging stations for electric vehicles. Specifically, the indictment alleges that in order to obtain grant funds, Mason and Gerzanych falsely claimed that a company called Actium Power had supplied Level 3 DC fast chargers to 350Green and that 350Green had paid Actium Power for those chargers, when in fact Actium Power did not supply the chargers, and 350Green had never paid the actual manufacturer. The indictment further alleges that, in order to obtain the grant funds, 350Green submitted claims to the City of Chicago that falsely represented that subcontractors and vendors had been paid when in fact they had not.

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<sup>9</sup> HRB definition: "The three-member board is appointed by the Mayor and is charged with the responsibility of conducting hearings and rendering decisions in instances of alleged misconduct by career service employees. The Board also presides over appeal hearings brought about by disciplinary action taken against employees by individual city departments." City of Chicago. Department of Human Resources – Structure. [http://www.cityofchicago.org/city/en/depts/dhr/auto\\_generated/dhr\\_our\\_structure.html](http://www.cityofchicago.org/city/en/depts/dhr/auto_generated/dhr_our_structure.html) (accessed July 9, 2014)

Mason and Gerzanych were each charged with five counts of wire fraud (18 U.S.C. § 1343). Each count of the indictment carries a maximum penalty of 20 years in prison and a \$250,000 fine. If convicted, the Court must impose a reasonable sentence under federal statutes and the advisory United States Sentencing Guidelines. The indictment also seeks forfeiture of approximately \$1.9 million. Mason and Gerzanych and pled not guilty to the charges.

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

During this quarter, there were significant developments in two previously reported criminal cases.

### *(A) State of Illinois v. Abd Ayesh, 11 CR 1232801*

On January 27, 2015, following a joint investigation by OIG, the Cook County State's Attorney, and the Federal Bureau of Investigation (FBI), former Department of Business Affairs and Consumer Protection (BACP) tax and license compliance supervisor, Abd Ayesh, plead guilty to official misconduct and theft of confiscated cigarette cartons. In April 2010, Ayesh abused his position of employment with the City to steal and sell more than \$2,000 worth of unstamped cartons of cigarettes confiscated by City inspectors.

The Circuit Court of Cook County sentenced Ayesh to two years of probation to include the completion of the Treatment Alternative for Safe Communities' Treatment Program.

Ayesh's criminal conduct was a prompt for an OIG audit which, as reported in 2014, found that BACP's property confiscation and storage practices, as subsequently modified, effectively safeguard and accurately manage the Department's physical inventory per industry standards.

### *(B) United States v. Elias Garza, 10 CR 1044 (ND IL)*

On March 28, 2015, Elias Garza, a former Revenue Inspector for BACP, was sentenced to 12 months' probation after pleading guilty to extortion under color of official right. Following a joint investigation by OIG, the Cook County State's Attorney, and FBI, Garza admitted that while employed as a Revenue Inspector in 2009, he received money from a confidential source and an individual who controlled stores that sold cigarettes in Chicago. In return Garza provided advanced notification of upcoming City inspections of those stores that were designed to ensure proper payment of taxes on cigarettes. Specifically, Garza admitted that in May 2009, he accepted \$500 from the confidential source in return for providing information about upcoming inspections of Individual A's stores, and that in September 2009, Garza accepted another \$300 in return for his promise to alert them of upcoming inspections.

According to his plea agreement, Garza cooperated with the United States Attorney's Office and the Cook County State's Attorney's Office in their ongoing investigations of public corruption.

### 3. Synopses and Results of Administrative Appeals or Grievances

To date, OIG has been notified of one update of appeals to HRB occurring in this quarter regarding discipline imposed as a result of an OIG investigation.

(A) *OIG Case # 11-0294*

An OIG investigation previously found that a Department of Fleet and Facility Management (2FM) employee compromised a City facility's security system. The Employee's actions rendered the Facility and its contents, including valuable taxpayer property, vulnerable to, among other risks, theft. Indeed, the Employee's conduct occurred within a 24 day period spanning February/March 2011, during which property valuing approximately \$21,800 was stolen from the Facility. More specifically, OIG's investigation determined that on the night of Friday, February 11, 2011, and continuing into the early morning of Saturday, February 12, 2011, the Employee, while off-duty and without any legitimate operational or duty-related purpose,

1. remotely disarmed the alarm system at a Department of General Services (DGS) facility from the Employee's home without authorization;
2. reprogrammed the system's primary and secondary phone numbers so that system alerts would not be directed to the Department or the Office of Emergency Management and Communications in the event of an alarm at the Facility;
3. left the Facility in that disarmed state overnight for over ten hours;
4. early in the morning of Saturday, February 12, 2011, while still off-duty, reprogrammed the system's primary and secondary phone numbers so they again alerted the operationally appropriate departments; and
5. re-armed the system.

OIG's investigation revealed that the Employee also compromised City security by repeatedly allowing several other City employees to log onto and use the Employee's laptop to access the City facility's alarm system program which was a violation of the City's information security policy.

OIG recommended that 2FM take disciplinary action against the Employee, up to and including termination. In response, 2FM discharged the Employee.

The employee subsequently appealed his termination and a hearing officer found that the employee's activities, as identified by the investigation, took place but the City failed to prove that the actions enabled the theft. The hearing officer noted it was "certainly possible" that the employee's "inexplicable actions enabled the theft of the copper wire; but to move from 'possible' to 'more likely than not' is a leap that is not supported by the evidence." The hearing officer further stated that the City failed to prove by a preponderance of the evidence "that the [employee] violated departmental rules and/or the City Information Security Policy...by remotely arming or disarming the security system for the...facility." As a result, the hearing officer recommended that the employee be reinstated.

Following oral argument, the HRB upheld the hearing officer’s findings and reinstated the employee.

#### **4. Recoveries**

This quarter OIG received one report of a cost recovery action or other financial recovery related to an OIG investigation.

##### *(A) OIG Case # 14-0054*

An OIG investigation reported in the fourth quarter of 2014 established that a Supervisor’s neglect allowed a CDOT employee to carry out a massive theft of City funds through the handling of billing and receipts for CDOT permits. Based on documentation obtained in the course of OIG’s investigation, the City filed an insurance claim under its commercial crime insurance policy. On January 26, 2015, the City obtained an insurance payment of \$715,874.09 for reimbursement of the funds embezzled by the CDOT employee.

The CDOT employee who engaged in the years-long embezzlement was terminated in April 2014.

#### **E. AUDITS AND REVIEWS**

In addition to confidential disciplinary investigations, OIG produces a variety of public reports including independent and objective analyses and evaluations of City programs and operations with recommendations to strengthen and improve the delivery of City services. These engagements focus on the integrity, accountability, economy, efficiency, and effectiveness of each subject.

The following summarizes an audit and two follow-up reports released this quarter.

##### *(A) BACP Taxicab Regulatory Compliance Audit*

On March 17, 2015, OIG published an audit of BACP’s taxicab regulation during 2013, specifically focusing on the medallion auction process and taxicab safety inspections. The audit found that BACP employed an auction model that could reasonably be expected to maximize revenue, consistent with the MCC requirement. However, BACP could not provide documents detailing the 2013 auction closing because, while bidding closed in October 2013, no sales had been finalized as of the audit report date. Therefore, OIG could not assess compliance with all required auction procedures.

OIG examined taxicab safety inspection records and found that in 2013 BACP completed semiannual inspections for 99.5% of the 6,849 taxicabs needing inspection. However, BACP did not employ sufficient quality assurance procedures, such as covert and overt audits, to ensure that all inspections were conducted in accordance with the Department’s inspection standards. In



addition, BACP’s inspection standards required use of a specific brake testing machine that was frequently broken. OIG also found that missing or incorrect safety citation records prevented BACP from accurately monitoring inspection compliance.

In response, the Department committed to augmenting its current system of supervisory oversight with overt audits and updating protocols. BACP plans to remove the brake machine from its testing process and standards in favor of an alternative method (OIG did not examine the efficacy of various brake testing mechanisms). Finally, although the Department believes that its new method for transmitting Notices of Inspection is adequate, it stated that it will examine ways to make the process more efficient, including having supervisors review reports to ascertain if any taxicabs have failed to report for a required inspection.

*(B) Chicago Fire Department (CFD) Fire and Medical Incident Response Times Follow-Up Inquiry*

On March 3, 2015, OIG published a follow-up to our October 2013 audit of CFD’s fire and medical incident response times. The purpose of the 2013 audit was to determine if CFD fire and medical response times met National Fire Protection Association (NFPA) Standard 1710, which CFD historically claimed it had met or exceeded. Our audit found that, in the 2012 calendar year, CFD did not meet the NFPA standard and that CFD’s internal reports lacked the elements necessary to accurately assess whether the Department was in fact meeting or exceeding the national standards as it had publicly claimed.

Based on CFD’s follow-up responses, OIG concluded that CFD does not intend to implement any corrective actions related to the original findings, which were based on the standards of NFPA and the Commission on Fire Accreditation International. OIG maintains, as stated in the October 2013 audit report, that documenting performance goals and accurately assessing performance outcomes are basic and critical management functions.

*(C) DSS Garbage Ordinance Enforcement Follow-Up Inquiry*

On March 11, 2015, OIG published a follow-up to our June 2014 audit of DSS’s enforcement of MCC § 7-28-240 regarding eligibility for City garbage collection service. OIG concluded that DSS did not implement corrective actions related to the original findings and, as a result, savings of nearly \$6.6 million remain unrealized. The purpose of OIG’s June 2014 audit was to determine if DSS effectively and efficiently enforced the ordinance with respect to “grandfathered” multi-unit dwellings and not-for-profit organizations.

Based upon the results of our 2014 audit, OIG recommended that DSS,

- take steps to ensure garbage collection services are provided to only those multi-unit dwellings eligible under the grandfather clause;
- develop and implement a more efficient process for updating the grandfather list on an ongoing basis in order to reduce the resources needed to enforce the ordinance; and

- work with the City Council to set explicit standards in the MCC for not-for-profit refuse removal service. If the City Council chooses not to formalize this service by amending City ordinance, we recommended that DSS provide refuse removal service to only those properties defined as eligible by City ordinance.

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

Advisories and department notification letters describe management problems observed by OIG in the course of other activities including audits and investigations. These are problems that OIG feels merit particular attention by the City. OIG issued one department notification letter this quarter and one internal department memo which did not invite written response.

### *(A) Memo Regarding Claims Analysis Project*

In October 2014, OIG determined, that the City does not have a comprehensive program in place to conduct routine trend analysis of claims against the City in order to actively manage risks. Such matters range from small administrative claims such as vehicular damage from potholes to settlements and judgments of major litigative damages actions. OIG and the Department of Finance (DOF) agreed on the need for a pilot to demonstrate the value of such an analysis.

After OIG documented what data was available and what further data was needed, OIG and DOF agreed that DOF is in the best position to efficiently complete a pilot analysis. OIG's March 2015 memo to DOF describes the steps it considers necessary to perform a pilot analysis. The report also details current data limitations, such as access to claims data from the City Council's Committee on Finance, and gaps identified in the City's record keeping, such as the possibility that the City does not track whether someone files a claim with both DOL and the Committee on Finance, creating the risk of duplicate claims.

Following consultation with OIG, DOF, is initiating a test pilot targeted for completion by the end of 2015.

### *(B) Notification Regarding CPD's Timekeeping Procedures for Officers Detailed to the Department of Law*

OIG sent a notification to CPD and DOL regarding the timekeeping procedures for CPD officers detailed to DOL for trials and trial preparation. The notification, which followed an OIG investigation, explained that DOL attorneys were not required to document or otherwise verify timekeeping for detailed officers even though DOL attorneys released officers from DOL detail. Instead, CPD officers self-reported their shift times by calling in and out to CPD from designated PAX telephone lines. Without any release records from DOL, it is not possible to reconcile the self-reported time that officers called out with the time that DOL released them.

Additionally, it appears that a CPD employee who received "call-outs" routinely rounded call times to the quarter, half, or full hour. The inaccurate recording of call-out times has multiple

implications, not just for compensation purposes, but also for determining whether officers' actions during this period of time are made in the line of duty.

This absence of controls created a significant lack of accountability and a substantial risk for time falsification. It also rendered the Department and its officers—both those who actively took advantage of the loose controls and others who passively benefited from credit for time not worked—susceptible to allegations of time fraud, which could impair an officer's character and reputation for truthfulness in court proceedings.

OIG suggested that CPD and DOL consult and review the timekeeping procedures for CPD details to DOL, including release and call out procedures, to ensure such assignments are accurately documented and recorded. OIG also strongly suggested that such a review encompass officer details for legal and court proceedings generally, including those involving the Cook County State's Attorney's Office, where any paralleling release and call out procedure would pose a similar lack of accountability and risk of abuse.

In response, CPD reported that it had taken steps to improve the timekeeping process at DOL and court attendance process generally. Specifically, CPD reported that it had consulted with DOL and would develop a Court Log to be maintained by DOL. The Court Log will document officers' attendance at DOL and verify officers' call-ins and call-outs. DOL will also have access to CLEAR so the Department can directly input court notifications to CPD and schedule details. In addition, CPD stated that State's Attorneys are now able to directly enter subpoenas into the Court Notification System and to communicate with officers regarding scheduling availability. Finally, on March 11, 2015, CPD replaced its manual, paper-based sign-in logs at branch courts with an Automated Court Log and Disposition Application. The addition of this step to the Court Notification System is intended to improve accuracy, accountability, and tracking of the court attendance process.

## **G. HIRING OVERSIGHT**

Under Chapter XII of the City of Chicago General Hiring Plan, Chapter XI of CPD Hiring Plan, and Chapter IX of the CFD Hiring Plan,<sup>10</sup> OIG is required to review and audit various components of the hiring process and report on them quarterly. The General Hiring Plan requires both reviews and compliance audits. The plan defines reviews as a, “check of all relevant documentation and data concerning a matter,” and audits as a, “check of a random sample or risk-based sample of the documentation and data concerning a hiring element.”

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

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

OIG reviews all reported or discovered instances where hiring departments contacted DHR or CPD Human Resources (CPD-HR) to lobby for or advocate on behalf of actual or potential Applicants or Bidders for Covered Positions or to request that specific individuals be added to any referral or eligibility list except as permitted by the Hiring Plan.<sup>11</sup>

During the first quarter of 2015, OIG did not receive any reports of direct departmental contacts from DHR.

#### *(B) Exemptions*

OIG reviews adherence to exemption requirements, Exempt Lists,<sup>12</sup> and the propriety of Exempt List modifications. OIG receives and reviews notifications of all *Shakman* Exempt appointments and modifications to the Exempt List on an ongoing basis from DHR. In addition to these ongoing reviews, OIG conducts an annual review of the Exempt List to ensure that the City is complying with the *Shakman* requirements to determine whether DHR is maintaining an accurate record of *Shakman* Exempt employees and titles.

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<sup>10</sup> On June 24, 2011, the City of Chicago filed the 2011 City of Chicago Hiring Plan (General Hiring Plan). The General Hiring Plan, which was agreed to by the parties and approved by the Court on June 29, 2011, replaced the 2007 City of Chicago Hiring Plan, which was previously in effect. This Hiring Plan was refiled, though not amended, on May 15, 2014. The City of Chicago also filed an amended Chicago Police Department Hiring Plan for Sworn Titles (CPD Hiring Plan) and an amended Chicago Fire Department Hiring Plan for Uniformed Positions (CFD Hiring Plan) on May 15, 2014, which were approved by the Court on June 16, 2014. Collectively, the General Hiring Plan, the CPD Hiring Plan, and the CFD Hiring Plan will be referred to as the “City’s Hiring Plans.”

<sup>11</sup> Chapter II, C(1) of the General Hiring Plan provides that Hiring departments shall not contact DHR to lobby for or advocate on behalf of actual or potential Applicants or Bidders for Covered Positions, nor may hiring departments request that specific individuals be added to any referral or eligibility list except as permitted in this Hiring Plan. Hiring departments may contact DHR to inquire about the status of selected Candidates. Any DHR employee receiving a contact violating this section shall report it to the DHR Commissioner and OIG Hiring Oversight within forty-eight (48) hours.

<sup>12</sup> The Exempt List is a list of all City Positions that are excepted from the requirements governing Covered positions (*Shakman* Exempt). *Shakman* Exempt Positions are those for which any factor may be considered in actions covered by the City’s Hiring Plans and Other Employment Actions, unless otherwise prohibited by law.

*(C) Senior Manager Hires*

OIG reviews hires pursuant to Chapter VI covering the Senior Manager Hiring Process.<sup>13</sup>

Of the 46 hire packets<sup>14</sup> OIG reviewed this past quarter, five pertained to Senior Manager positions and none of those five contained errors.

*(D) Written Rationale*

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

During the first quarter of 2015, OIG received and reviewed one Written Rationale for a Consensus Meeting that did not result in a consensus selection.

*(E) Emergency Appointments*

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

The City reported no emergency appointments during the first quarter of 2015.

*(F) Review of Contracting Activity*

Prior to offering any contract or other agreement terms to any not-for-profit agency, for-profit contractor, or other organization or entity to provide services for the City, the requesting department shall give OIG advance notification. OIG is also required to review City departments' compliance with the City's "Contractor Policy" (Exhibit C to the City's Hiring Plan). Per the Contractor Policy, OIG may choose to review draft contract or agreement terms to assess whether they are in compliance with the Policy. In addition to contracts, pursuant to Chapter X of the Hiring Plan, OIG must receive notification of the procedures for using volunteer workers at least 30 days prior to implementation. The following chart details these contract and volunteer program notifications.

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<sup>13</sup> Senior Manager Classes are not covered by a collective bargaining agreement; not career service positions (i.e. they are employees-at-will); not Exempt; and involve significant managerial responsibilities.

<sup>14</sup> A "Hiring Packet" is the file maintained at DHR that includes all of the documents utilized in a hiring sequence, including, but not limited to, all forms, certifications, and notes maintained by individuals involved in the selection process by which candidates are selected for positions with the City. This may include a copy of the job posting, any and all lists of selected or Pre-Qualified Candidates, any and all test scores, any and all lists of candidates referred to the department, interview notes, evaluation forms, screening and hiring criteria, consensus notes, justification letters, notes to file, and original signed and executed Hire Certifications.

<sup>15</sup> A "Consensus Meeting" is a discussion that is led by the DHR Recruiter at the conclusion of the interview process. During the Consensus Meeting, the interviewers and the Hiring Manager review their respective interview results and any other relevant information to arrive at a hiring recommendation.

**Table #5 – Contract and Volunteer Opportunity Notifications**

<b>Contractor, Agency, Program, or other Organization</b>	<b>Contracting Department</b>	<b>Duration of Contract or Agreement</b>
Early College STEM School Internship Program (ECSS)	Aviation	6-8 weeks
Lake FX Summit + Expo	Cultural Affairs and Special Events	4/17/2015-4/18/2015
Volunteer Services	Cultural Affairs and Special Events	unknown
Request for Proposals	Family and Support Services	60 months
M3 Medical Management	Family and Support Services	3/6/2015-6/6/2015
Ellen M. Kogstad	Fleet and Facilities Management	1/22/2015-1/23/2015
Request for Proposals	Library	unknown
Professional Dynamic Network	License Appeal Committee	4/3/2015-4/10/2015; 6/29/2015-7/10/2015; 11/27/2015;12/21/2015-1/1/2016
Environmental Defense Fund	Mayor’s Office	10-12 weeks
Ideas42	Mayor’s Office	12/1/2014-11/30/2015
Blaida and Associates, LLC	Mayor’s Office	12 months
M3 Medical Management	Mayor’s Office for People with Disabilities	12/30/2014-3/6/2015
M3 Medical Management	Mayor’s Office for People with Disabilities	3/6/2015-6/6/2015
Computer Aid, Inc. (CAI)	Procurement Services	unknown
M3 Medical Management	Public Health	1/1/2015-3/6/2015
M3 Medical Management	Public Health	1/5/2015-6/6/2015
M3 Medical Management	Public Health	4/1/2015-7/31/2015
Request for Proposals	Streets and Sanitation	36 months
A Safe Haven Foundation	Transportation	60 months

## 2. Hiring Process Audits

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

OIG audits modifications to Class Specifications, minimum qualifications, and screening/hiring criteria. In the last quarter, OIG received notification that the City changed the minimum qualifications or included equivalencies for 12 hiring sequences within 2FM, CFD, CPDH, Chicago Public Library, Department of Cultural Affairs and Special Events, Department of Planning and Development, and the City Clerk. OIG had no objections to the changes.

DHR continues to submit to OIG a bi-monthly report of updated or newly created Class Specifications.

### (B) *Referral Lists*

OIG audits the lists of Applicants/Bidders who meet the predetermined minimum qualifications generated by DHR for the position. Each quarter, OIG examines a sample of referral lists and provides commentary to DHR whenever potential issues arise. OIG recognizes that aspects of candidate assessment can be subjective and that there can be differences of opinion in the evaluation of a candidate's qualifications. Therefore, our designation of "error" is limited to cases in which applicants, based on the information provided,

- were referred and did not quantitatively meet the minimum qualifications;
- were referred and failed to provide all of the required information and/or documents listed on the job posting; or
- were not referred and quantitatively met the minimum qualifications.

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

### (C) *Testing*

OIG also audited testing administration materials<sup>17</sup> for 18 completed test administrations<sup>18</sup> from the fourth quarter of 2014.

OIG found and reported to DHR three errors. These errors did not affect any candidates' placement on position eligibility lists or any final candidate selection decisions and did not

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<sup>16</sup> "Class Specifications" are descriptions of the duties and responsibilities of a Class of Positions that distinguish one Class from another. They are, in effect, the general descriptions utilized to determine the proper level to which a Position should be assigned, and they include the general job duties and minimum qualifications of the Position. Class Specifications shall include sufficient detail so as to accurately reflect the job duties.

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

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

constitute a violation of the Hiring Plan. The individual errors and DHR’s response to each error are detailed below.

i. Department of Buildings – Iron Inspector, Multiple Choice

OIG determined that a candidate’s score was calculated incorrectly. The DHR Testing Manager agreed with our assessment and rescored the test. Ultimately, the rescore did not affect the candidate’s placement on the eligibility list or the final selection decision for the position.

ii. Department of Finance – Booter Parking, Directional Assessment

OIG determined that the grading of a candidate’s answer sheet did not conform to the answer key. The DHR Testing Manager agreed with our assessment and rescored the test. Ultimately, the rescore did not affect the candidate’s placement on the eligibility list or the final selection decision for the position.

iii. Department of Fleet and Facilities Management – Service Writer, Written Test

OIG Hiring Oversight determined that the grading of a candidate’s answer sheet did not conform to the answer key. The DHR Testing Manager agreed with our assessment and rescored the test. Ultimately, the rescore did not affect the candidate’s placement on the eligibility list or the final selection decision for the position.

(D) *Selected Hiring Sequences*

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

Hire packets include all documents and notes maintained by City employees involved in the selection and hiring process. As required by the Hiring Plan, OIG examines some hire packets prior to the hires being completed and others after the hires have been completed.

During the first quarter of 2015, OIG completed an audit of hire packets for 41 hiring sequences. OIG selected these packets based on risk factors such as past errors, complaints, and historical issues with particular positions. These 41 hiring sequences involved 17 departments and 183 selected candidates. Of the 41 hire packets audited, there were errors in two, both of which related to Hire Certification Forms. One Hire Certification Form was incomplete and the other was completed incorrectly.

Additionally, in our review of the hire packets, OIG found that for one hiring sequence, some Personnel File Part II coversheets were missing. While these coversheets formerly served as checklists, they now also document verification that former City employees are not “ineligible for rehire.” OIG must have the ability to adequately audit this verification step. Therefore, OIG recommended that DHR ensure a Personnel File Part II coversheet is always included in new hiring packets; DHR agreed with OIG.



(E) *Monitoring Hiring Sequences*

In addition to auditing hire packets, OIG checks hiring sequences through in-person monitoring of intake meetings, interviews, and consensus meetings. Monitoring involves observing and detecting compliance anomalies in real time with a primary goal of identifying gaps in the internal controls.

OIG identifies the hiring sequences to be monitored based on risk factors such as past errors, complaints, and historical issues with particular positions. During the past quarter, OIG monitored two intake meetings, one test administration, six sets of interviews, and six consensus meetings. The table below shows the breakdown of monitoring activity by department.<sup>19</sup>

**Table #6 – First Quarter 2015 OIG Monitoring Activities**

<b>Department</b>	<b>Intake Meetings Monitored</b>	<b>Tests Monitored</b>	<b>Interview Sets Monitored</b>	<b>Consensus Meetings Monitored</b>
Business Affairs and Consumer Protection	0	0	1	1
City Clerk	0	1	0	0
Fire Department	0	0	2	2
Fleet & Facility Management	2	0	2	1
Public Library	0	0	0	1
Emergency Management & Communications	0	0	1	1
<b>Total</b>	<b>2</b>	<b>1</b>	<b>6</b>	<b>6</b>

During the first quarter of 2015, OIG issued one Monitoring Memorandum. A “Monitoring Memorandum” serves as formal notice to DHR or the CPD-HR of issues observed by OIG in the course of monitoring hiring sequences. While monitoring a sequence in 2FM, OIG observed that the Hiring Manager was not present during the Consensus Meeting due to a scheduling conflict and was only accessible via phone. Because Hiring Managers bear responsibility for the hiring process as the ultimate decision maker, it is important that they are present for the Consensus Meeting in its entirety, as required by the General Hiring Plan.

Therefore, OIG issued a report recommending that DHR Recruiters should ensure that departments and Hiring Managers are aware of their obligation to be physically present in Consensus Meetings. Further, in the rare instances where a Hiring Manager cannot physically attend a Consensus Meeting, they must attend via conference call. These occurrences should be properly documented within DHR’s master hiring file. DHR agreed with our recommendation and instructed the Recruiter to inform 2FM that all future Consensus Meetings must have the Hiring Manager present or they will be rescheduled. Additionally, DHR presented this reminder to all Human Resource Liaisons (HRLs) at a City-wide HRL Meeting.

<sup>19</sup> If a department is not included in this table, OIG did not monitor any elements of a hiring sequence for that department.

(F) *Hiring Certifications*

Hiring Certifications are the required certifications attesting that no political reasons or factors or other improper considerations were taken into account in the applicable action.

Of the 46 hire packets audited in the last quarter, two contained errors of a clerical nature related to Hiring Certification.

(G) *Acting Up*<sup>20</sup>

OIG audits the City's compliance with Chapter XI of the General Hiring Plan,<sup>21</sup> the Acting Up Policy, and all Acting Up waivers processed by DHR.

DHR did not grant any waivers to the City's 90-Day Acting Up limit approved by DHR in the last quarter.

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

OIG is required to conduct audits of all arbitration decisions and grievance settlement agreements that may impact procedures under the City's Hiring Plans or Other Employment Actions.

During the first quarter of 2015, OIG received notice of one settlement agreement from CPD-HR. In this agreement, CPD-HR agreed to allow the grievant to be added to the list of eligible candidates to take the Evidence Technician test because the grievant missed the application deadline due to military service deployment.

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

(A) *Escalations*

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

OIG received five escalation notifications during the first quarter of 2015. Two were reviewed and resolved within the first quarter. Additionally, OIG received a response from DHR regarding an escalation that was carried over from the fourth quarter of 2014. The details of the completed escalations are outlined below.

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<sup>20</sup> Acting Up is where an employee is directed to, and does perform, or is held accountable for, substantially all of the responsibilities of a higher position.

<sup>21</sup> Chapter VIII of the CFD Hiring Plan and Chapter X of the CPD Hiring Plan follow the same guidelines as Chapter XI of the General Hiring Plan.

i. Department of Aviation

On October 9, 2014, a DHR Recruiter reported that CDA had concerns that an internal candidate who had been originally selected for hire at the Consensus Meeting did not meet minimum qualifications for that position. After conducting its review, OIG found that the candidate did not have the required supervisory experience related to the responsibilities of the position and should not have been referred to the department. OIG recommended that CDA reconvene the Consensus Meeting in order to consider the remaining candidates. DHR agreed with our assessment that the candidate should not have been referred. CDA conducted another Consensus Meeting, which was monitored by OIG, and selected another candidate for hire.

ii. Department of Police

On March 3, 2015, CPD-HR reported to OIG that a Unit had posted notice of a vacancy within the Unit contrary to the procedures outlined in Appendix E of the CPD Hiring Plan. After conducting its review, OIG made no process recommendations because the Unit rescinded the posting and made appointments to the Unit using the Operational Deployment process.

iii. Chicago Public Library

On March 4, 2015, DHR informed OIG of an irregularity within a hiring sequence that occurred after DHR discovered that a selected candidate would not be hired due to a leave time coding error. After conducting its own review, OIG determined that DHR timely self-reported and corrected the error. Therefore OIG made no process recommendations.

(B) *Processing of Complaints*

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

OIG Hiring Oversight received 8 complaints in the past quarter. The chart below summarizes the disposition of these complaints as well as the complaints and cases from the previous quarter that were not closed when OIG issued its last report.

**Table #7 – Disposition of Hiring Oversight Complaints Received in the First Quarter 2015**

<b>Status</b>	<b>Number of Complaints</b>
Cases Pending at the End of the 4 <sup>th</sup> Quarter of 2014	22
Complaints Pending at the End of the 4 <sup>th</sup> Quarter 2014	0
Complaints Received in the 1 <sup>st</sup> Quarter of 2015	8
Complaints Referred by OIG Investigations in the 1 <sup>st</sup> Quarter 2015	0
Total Complaints Closed without Inquiry in the 1 <sup>st</sup> Quarter of 2015	0
Total Cases Closed in the 1 <sup>st</sup> Quarter 2015	8
Closed by Referral to OIG Investigations	0
Closed by Referral to DHR	0
Closed with Recommendations to the Hiring Department and/or DHR	0
Pending with OIG-HO as of 3/31/2015	22