

Advisory Concerning Personal Service Contractor Requests and Contractor Policy Violations

December 11, 2025



Deborah Witzburg | Inspector General City of Chicago Office of Inspector General 231 S. LaSalle Street, 12th Floor Chicago, IL 60640

Phone: (773) 478-7799

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The City of Chicago has laws and policies prohibiting the City from basing employment decisions, including hiring decisions, on political factors in most circumstances. This prohibition covers not only the hiring of City employees, but also the City's use of contractors who perform services for the City. Thus, City departments seeking to use contractors must comply with several provisions of the City of Chicago Hiring Plan Contractor Policy, to ensure compliance with this prohibition on the use of political reasons and factors.

Among these are a requirement that all contracts include the "2014 Hiring Plan Prohibitions," which generally provide that City employees may not direct a contractor to hire any particular individual, nor may City employees encourage individuals to apply for a job with a contractor. Moreover, the Prohibitions state that contractors will not consider political reasons in hiring personnel to work on a City contract. All contracts must also include a term establishing the contractor's duty to cooperate with OIG in any inquiries related to the contract. The Contractor Policy further requires all City employees who participated in the City contractor selection process sign a "Contractor Selection Certification" that affirms "no political reasons or other improper considerations influenced the selection of the Contractor." Finally for purposes of this matter, the Contractor Policy requires that City departments obtain prior written approval to retain Personal Service Contractors—individuals engaged directly by the City to perform services—from both the City of Chicago Department of Human Resources (DHR) and the Office of Budget and Management (OBM).

OIG notified DHR that between January 1, 2024, and May 14, 2025, it reviewed 192 requests to use Independent Contractors under the City of Chicago Hiring Plan Contractor Policy and that 190 of those requests violated the Contractor Policy. In particular, 189 of the contracts did not include the 2014 Hiring Plan Prohibitions, yet were approved by DHR anyway. Additionally, 189 of the contracts did not include the Contractor Selection Certifications, yet were approved by DHR anyway. Another 190 of the contracts were not approved by OBM in addition to DHR, as required by the Contractor Policy. Furthermore, 155 of the contracts were approved by DHR after a department or official had already entered into a fully executed agreement with a contractor.

OIG recommended that DHR provide training on the requirements of the Contractor Policy to all contracting entities, including department heads, elected officials, and City Council members. OIG also recommended that DHR institute internal procedures to ensure that all elements of the Contractor Policy are met before they are approved by DHR.

In response, DHR stated that 180 of OIG's asserted contract violations "relate to contracts that members of City Council have executed." DHR argued that alderpersons are not City Departments for purposes of the Contractor Policy because they are "a branch of municipal government that is separate and independent from the executive branch" and they "enter into these contracts solely to support their individual ward-based and legislative activities." Moreover, DHR asserted that

"Aldermanic expenditures are not made by 'the City' or on behalf of 'the City." Instead, DHR argued, "City Council members enter into these contracts (for example, an office space lease or a copier lease) as individuals, to assist them in their ward-focused individual capacities as elected officials of the legislative branch of government. Consistent with this framework, on those occasions when aldermanic contract disputes have arisen, the City has taken the position that any liability is not a City liability, because the relevant alder entered into the contract not as an agent of the City/executive branch, but on their own behalf as an independent elected official."

Notably, however—as acknowledged by DHR—the form independent contractor agreement that was in use at the time of its response is styled as an agreement "by and between the City of Chicago . . . acting through the above-named Alderman" and contains references to the "City" as a party. However, DHR concluded that the Contractor Policy is "simply inapplicable to aldermanic independent contractor agreements, and the sole role of DHR in these agreements is to review and affirm that a proposed individual, non-entity contractor will be functioning as an independent contractor pursuant to IRS quidelines."

As to violations of the policy by City departments, DHR stated it would remind City departments of the necessity of OBM approval, as well as prior approval by both DHR and OBM and the use of the 2014 Hiring Plan Prohibitions and Contractor Selection Certifications. DHR stated they had established new review processes and protocols for engaging independent contractors, and had distributed these materials to City Council. DHR also provided OIG copies of these revised documents. DHR also stated it would be reviewing the Contractor Policy and associated forms for necessary updates.

OIG's letter to DHR is attached at Appendix A, and DHR's full response to OIG is attached at Appendix B.

¹ OIG notes that in a 2021 response to an OIG report regarding City Council Committee spending and the use of Committee staff persons to do work for individual aldermanic wards, DOL opined that City Council was a single municipal "department or agency . . . similar to a City executive department" for purposes of State budget law. DOL concluded that, as such, it could transfer funds or staff members within City Council as it saw fit without legislative approval. See City of Chicago Office of Inspector General, "Audit of City Council Committee Spending and Employee Administration," October 2021, https://igchicago.org/wp-content/uploads/2021/10/OIG-Audit-of-City-Council-Committee-Spending-and-Employee-Administration.pdf.

Appendix A | OIG Letter



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Via Electronic Mail

May 28, 2025

Sandra Blakemore Commissioner City of Chicago - Department of Human Resources 121 N. LaSalle St., Room 100 Chicago, Illinois 60602

RE: OIG Case C2024-000000180: Personal Service Contractor Requests and Contractor Policy Violations

Dear Commissioner Blakemore:

The Compliance unit of the Office of Inspector General (OIG) has identified a number of systemic issues associated with requests to use Independent Contractors submitted between January 1, 2024 and May 14, 2025 which have violated the City of Chicago Hiring Plan Contractor Policy ("Contractor Policy"). OIG received notice of 192 of these requests during this timeframe from the Department of Human Resources (DHR) and determined that 190 of the requests violated the Contractor Policy because the documents associated with them do not include the requisite 2014 Hiring Plan Prohibitions, or Contractor Selection Certifications, or were not approved by the Office of Budget and Management (OBM), which are all requirements under the Contractor Policy.

A | OIG's Authority

Section II of the Contractor Policy provides that OIG may review any contracts, "for the purpose of assessing whether the contract or agreement terms are in compliance with [the] Policy," and requires OIG to "report on all service contracts or agreements received and reviewed. . ."
Following review, Section V of the Contractor Policy provides that OIG may also "recommend appropriate corrective action to the relevant Department."

B | Contractor Policy Background

The City established the Contractor Policy in order to guarantee compliance with the *Shakman* decrees.³ The Contractor Policy states that City departments must comply with the "rules and procedures with respect to the use of Contractors to perform services for the City" that are

¹ City Of Chicago Hiring Plan Contractor Policy, Section III(A), III(B).

² Id. at Section V.

³ See Shakman v. City of Chicago, Def.'s Mem. In Support, No. 69 C 2145 (N.D. III. May 15, 2014), ECF No. 3765 ("[t]he City has also developed internal rules and procedures to ensure that its use of outside contractors complies with all aspects of the Shakman decrees.").

established within the policy.⁴ As relevant, these are explained in greater detail below. For personal service contractors, a request form is attached to the Contractor Policy and a department must receive prior written approval by DHR and OBM before retaining a contractor.

The current Contractor Policy became effective on April 15, 2019.

C | Contractor Policy Violations

OIG has determined that there are violations of the Contractor Policy associated with 190 out of 192 of the Independent Contractor requests received by DHR between January 1, 2024 and May 14, 2025. OIG identified the issues as being consistent, systemic issues affecting almost every contract request or contract received by DHR. Specifically, contracts did not contain the 2014 Hiring Plan Prohibitions, Contractor Selection Certifications were not signed, and contractor requests were not approved by the Office of Budget and Management (OBM), which are all requirements under the Contractor Policy.

A table listing the violation details of each contract and request is attached to this letter as Appendix A.

1 | 2014 Hiring Plan Prohibitions

All contracts must include the "2014 Hiring Plan Prohibitions" (formerly known as the "Shakman Boilerplate Language") as well as "a term establishing the Contractor's duty to cooperate with any inquiries by OIG. . . related to the contract." The text to be attached to each contract is attached to the Contractor Policy.

Of 192 contracts reviewed by OIG between January 1, 2024 and May 14, 2025, 189 contracts did not include the 2014 Hiring Plan Prohibitions. These 189 contract requests were all nonetheless approved by DHR.

2 | Contractor Selection Certifications

Prior to signing agreements with a Contractor, the Commissioner of the contracting Department, any other City signatories to the contract, and any other City employees who participated in the selection process to choose the Contract must sign a Contractor Selection Certification ("CSC").⁶ This certification affirms that no political reasons or other improper considerations influenced the selection of the Contractor.⁷ Since the Contractor Policy defines a Personal Service Contractor as "a Contractor," City signatories must complete CSCs prior to signing agreements with Personal Service Contractors.

In her "May 21, 2014 Report on Substantial Compliance," *Shakman* Decree Monitor Noelle Brennan explained that it became evident that the Hiring Plan which existed prior to 2014 required additional modifications to protect against improper hiring considerations, including political

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⁴ City Of Chicago Hiring Plan Contractor Policy, Section I(C).

⁵ City Of Chicago Hiring Plan Contractor Policy, Section III(E).

⁶ Id. at Section III(F).

⁷ Id.

considerations.⁸ The Amended Hiring Plan which eventuated included a Contractor Policy to prevent the City's past use of non-City employees to work under the City's supervision and control in contravention of City hiring policies.⁹ Investigations by the Monitor's office determined that departments had circumvented the City's hiring controls by hiring preselected candidates through outside contractors in spite of prolonged litigation between the City and the Plaintiffs regarding the hiring of contract employees outside the formal process, several internal City memoranda explaining the legal requirements, and further prohibitions memorialized in the Accord and a Court Order.¹⁰

The Contractor Policy prohibited political considerations and required all City employees who participated in selecting a Contractor to "certify" that no political reasons or other improper considerations influenced their decision. ¹¹ An example of a CSC was attached to the Contractor Policy.

Of 192 contract requests reviewed by OIG between January 1, 2024 and May 14, 2025, 189 contract requests did not include Contractor Selection Certifications. These 189 contract requests were all nonetheless approved by DHR.

3 | Prior Written Approval from DHR and OBM

City departments must obtain prior written approval to retain a Personal Service Contractor from both DHR and the Office of Budget and Management (OBM).¹²

Of 192 contracts reviewed by OIG between January 1, 2024 and May 14, 2025, 190 contracts were not approved by OBM. OIG's review revealed that a majority of these requests used an incorrect version of the "Request to Use Personal Services Contractor" form which is not the one attached to the Contractor Policy, and does not contain a signature line for OBM's approval.

Additionally, 155 of 192 of the contracts reviewed between January 1, 2024 and May 14, 2025 were approved by DHR *after* a department or official had already entered into a fully executed agreement with a contractor.

D | Recommendations

OIG recommends the following:

 DHR should provide all City departments a current copy of the Contractor Policy and provide Contractor Policy training to potential requestors, including department heads, elected officials, and City Council members on points including but not limited to the requirements for prior written approval from DHR and OBM, the inclusion of the 2014 Hiring Plan Prohibitions, and completion of Contractor Selection Certifications.

¹⁰ *Id*.

⁸ See Shakman v. City of Chicago, Monitor Rpt. of Substantial Compliance, No. 69 C 2145 (N.D. III. May 21, 2014), ECF No. 3780, at 16-18.

⁹ *Id*.

¹¹ Id.

¹² City Of Chicago Hiring Plan Contractor Policy, Section IV(A)(1)(a).

2. DHR should institute internal procedures to ensure that all elements of the Contractor Policy are met before issuing approval.

Pursuant to Chapter XIV (B)(6) of the Employment Plan, please report to OIG within 30 days of receipt of this violation letter what action, if any, has been taken. Please provide a written explanation of the reasons for the action taken if it is other than that recommended by OIG. If you have any questions or concerns, please contact Compliance Officer Tim Paschke at (773) 478-8678.

Respectfully,

Deborah Witzburg Inspector General City of Chicago

Dann Eizhern

Nathaniel Wackman, General Counsel, OIG Sanford Roth, Chief Assistant Inspector General, OIG

CC:

Appendix A

Request Date	Department	Contractor	DHR Approval	Contract Date	OBM Approval	၁ၭ၁	2014 Prohibitions	Current Form	No Prior Approval
4/25/2025	City Council	George Smith - KGB Multimedia	4/30/2025	4/25/2025	No	No	No	No	Yes
4/25/2025	City Council	Julia Porter Maddox	4/30/2025	4/25/2025	No	No	No	No	Yes
4/25/2025	City Council	Gerardo Alvarez - Ed Signs	4/30/2025	4/29/2025	No	No	No	No	Yes
4/23/2025	City Council	Lindsey Block	4/23/2025	4/18/2025	No	No	No	No	Yes
4/21/2025	Office of City Clerk	Knights Consulting, LLC	5/8/2025		No	No	No	Yes	No
4/10/2025	City Council	David Balestrery - Sentry Security	4/15/2025	4/10/2025	No	No	No	No	Yes
4/8/2025	City Council	Chosyn Lockett	4/15/2025	4/8/2025	No	No	No	No	Yes
4/2/2025	City Council	Dean'e Lamb - Liberty Street Marketing	4/9/2025	4/2/2025	No	No	No	No	Yes
4/2/2025	City Council	Richard Robinson	4/15/2025	4/2/2025	No	No	No	No	Yes
4/2/2025	City Council	MS Productions & Kiddie World Characters	4/2/2025	4/12/2025	No	No.	No	No	No
3/28/2025	City Council	Erik Blome	4/2/2025	3/28/2025	No	No.	No	No	Yes
3/25/2025	City Council	Quinton McNair - Strugglebeard Bakery	3/26/2025	3/25/2025	No	No No	No	No	Yes
3/19/2025	Chicago Department of Public Health	Dr. Helen Cejtin	4/2/2025	3/18/2025	No	No	No	No	Yes
3/18/2025	City Council	Darwin Gordon - Gorges Catering	3/18/2025	3/18/2025	No	No	No	No	No

Request Date	Department	Contractor	DHR Approval	Contract Date	OBM Approval	csc	2014 Prohibitions	Current Form	No Prior Approval
3/14/2025	City Council	Gardner Douglas/Ear Kandi	3/18/2025	3/14/2025	No	No	No	No	Yes
3/13/2025	City Council	Kenneth Williams - Silk-N- Classy LLC	3/12/2025	3/13/2025	No	No	No	No	No
3/13/2025	City Council	Daniel Cohen	3/17/2025	2/25/2025	No	No	No	No	Yes
3/13/2025	City Council	Daniela Camacho - Magic Cleaning Chicago	4/1/2025	3/21/2025	No	No	No	No	Yes
3/12/2025	City Council	Regina Jackson - Carni-Go LLC Catering	3/12/2025		No	No	No	No	No
3/10/2025	Office of City Clerk	M. Harris & Co.	3/31/2025		No	No	No	No	No
3/7/2025	City Council	Lindsey Block	3/31/2025	3/28/2025	No	No	No	No	Yes
3/7/2025	City Council	William Sampson	3/24/2025	3/21/2025	No	No	No	No	Yes
3/6/2025	City Council	Christine Pierce	3/6/2025	3/6/2025	No	No	No	No	No
3/6/2025	City Council	Brian Berg	3/31/2025	3/28/2025	No	No	No	No	Yes
3/6/2025	City Council	Druker Yadgir & Haupt LLC	3/6/2025	3/6/2025	No	No	No	No	No
3/5/2025	City Council	Yves Hughes	3/11/2025	3/5/2025	No	No	No	No	Yes
2/28/2025	City Council	Antonio Lightfoot, Indigo Portrait Studio	3/4/2025	2/14/2025	No	No	No	No	Yes
2/28/2025	City Council	Demetrius Thornton - Dsquare Media Group	3/26/2025	2/28/2025	No	No	No	No	Yes
2/28/2025	City Council	Cynthia Love	4/30/2025	2/28/2025	No	8	No	No	Yes

Request Date	Department	Contractor	DHR Approval	Contract Date	OBM Approval	csc	2014 Prohibitions	Current Form	No Prior Approval
2/19/2025	City Council	Martha Smart	3/12/2025	2/19/2025	No	No	No	No	Yes
2/18/2025	City Council	Boyce Possley Communications	3/4/2025	2/18/2025	No	No	No	No	Yes
2/18/2025	City Council	Corvus Janitorial	2/28/2025	2/18/2025	No	No	No	No	Yes
2/14/2025	City Council	Nijeria Boone - Mosiac Media Strategies	3/24/2025	2/14/2025	N _O	No	No	9	Yes
2/7/2025	City Council	Breana Braden - B Creative Marketing	3/31/2025	2/7/2025	No	No	No	No	Yes
2/7/2025	City Council	Emily Rapport	3/4/2025	2/7/2025	No	No	No	No	Yes
2/3/2025	City Council	Breana Braden - B Creative	4/15/2025	1/15/2025	No	No	No	No	Yes
1/31/2025	City Council	Reyna K Wences Najera	2/18/2025	1/31/2025	No	No	No	No	Yes
1/31/2025	City Council	Xanat Sobrevilla	2/18/2025	1/27/2025	No	No	No	No	Yes
1/29/2025	City Council	Cleopatra Draper	2/28/2025	2/3/2025	No	No	No	No	Yes
1/28/2025	City Council	Levar Elliot - New Beginnings Rehab	3/7/2025	1/28/2025	No	No	No	No	Yes
1/28/2025	City Council	Steve Valenziano	2/27/2025	2/27/2025	No	No	No	No	No
1/27/2025	City Council	Nelson Martin (NELMAR LLC)	3/4/2025	1/28/2025	No	No	No	No	Yes
1/27/2025	City Council	Raven King - Synergetic Strategies	4/15/2025	1/31/2025	No	No	No	No	Yes
1/27/2025	City Council	Antonio Gutierrez	2/4/2025	1/27/2025	No	S S	No	No	Yes

Request Date	Department	Contractor	DHR Approval	Contract Date	OBM Approval	၁ၭ၁	2014 Prohibitions	Current Form	No Prior Approval
1/22/2025	City Council	Dometria Lawrence	1/24/2025	1/22/2025	No	No	No	No	Yes
		(CRST)							
1/13/2025	City Council	Patricia Vasquez	2/4/2025	1/13/2025	No	N _o	No	No No	Yes
1/13/2025	City Council	Dwight avis	3/13/2025	1/13/2025	No	No	No	No	Yes
1/10/2025	City Council	Mark Sledge	2/28/2025	2/24/2025	No	ON	No	ON	Yes
1/8/2025	City Council	Alvin Rider Jr	2/28/2025	1/8/2025	No	ON	No	ON	Yes
1/8/2025	City Council	Boyce Possley Communications	2/28/2025	1/8/2025	No	ON	No	No	Yes
1/8/2025	City Council	Delinda Ellis	1/30/2025	1/8/2025	No	ON	No	ON	Yes
1/8/2025	City Council	Lavell Pitts	1/30/2025	1/8/2025	No	ON	No	No	Yes
1/8/2025	City Council	Breana Braden - BCreative Marketing Agency	3/18/2025	1/8/2025	No	No	No	N _o	Yes
1/1/2025	City Council	Lana Manson - Clean All Maid Service	3/18/2025	12/31/2024	No	oN N	No	No	Yes
12/23/2024	City Council	BClean Cleaning Service - British Cooper	3/19/2025	1/22/2025	No	No.	No	No	Yes
12/23/2024	City Council	Steven Vance - CityScape LLC	3/19/2025	12/30/2024	No	No	No	No	Yes
12/23/2024	City Council	Breana Braden - B Creative Marketing	3/24/2025	1/10/2025	No	No No	No	No	Yes
12/20/2024	City Council	Lanette Warbington	1/6/2025	12/20/2024	No	No	No	No	Yes
12/20/2024	City Council	Elisabeth Espino	12/20/2024		No	No No	No	No	No
12/20/2024	City Council	Michael C Dorf, Law Offices	12/31/2024	12/18/2024	No	No	No	No	Yes

No Prior Approval	Yes	Yes	Yes	No	Yes	Yes	Yes	No	Yes	Yes	Yes
Current Form	No	No	No	No	No	No	No	No	No	No	No No
2014 Prohibitions	No	No	No	No	No	No	No	No	No	No	No
csc	No	No	No	No	No	No	No	No	No	No	No No
OBM Approval	No	o O	No	No	No	No	No	No	No	No	No
Contract Date	12/18/2024	12/19/2024	12/18/2024		12/18/2024	12/7/2024	12/5/2024		11/26/2024	11/5/2024	11/15/2024
DHR Approval	12/31/2024	1/8/2025	12/20/2024	12/20/2024	3/19/2025	12/31/2024	12/11/2024	12/5/2024	12/5/2024	11/22/2024	11/19/2024
Contractor	Annice Fisher - Developing Capacity Consulting	Richard Harris (Zariah's Cleaning Service LLC)	Ezes Painting & Design	Ean Willis (The Loung Online LLC)	Jordan Dubin - JNDubin Consulting	James Ginderske	David Guzman Cruz	The William Everett Group	Norman Bolden (NorFlo Holding Copr)	Mark Mason (eDot, LLC)	Renuka Sharma (ScaleLit NFP)
Department	City Council	City Council	City Council	City Council	City Council	City Council	City Council	Chicago Department of Public Health	City Council	City Council	City Council
Request Date	12/20/2024	12/19/2024	12/19/2024	12/18/2024	12/18/2024	12/7/2024	12/5/2024	12/4/2024	11/26/2024	11/22/2024	11/15/2024

Request Date	Department	Contractor	DHR Approval	Contract Date	OBM Approval	၁သ	2014 Prohibitions	Current Form	No Prior Approval
9/12/2024	Offlice of City Clerk	Farrah Harris	9/30/2024		No	No	No	Yes	No
9/11/2024	City Council	Danielle Dorsey	10/9/2024	9/11/2024	No	No	No	No	Yes
9/11/2024	City Council	Shannon Nutter	9/24/2024	9/12/2024	No	No	No	No	Yes
9/10/2024	City Council	Mathew Podgorski - Public Research LLC	9/24/2024	9/13/2024	No	No	No	No	Yes
8/27/2024	City Council	Brittany Bindrim - Black Dove Design	9/4/2024	8/27/2024	No	No	No	No	Yes
8/16/2024	City Council	Dean Cantave	8/26/2024	8/16/2024	No	No	No	ON	Yes
8/13/2024	City Council	Cody Morrison (Pax Nexus LLC)	8/20/2024	6/24/2024	No	No	No	No	Yes
8/13/2024	City Council	Daniel Burke, Security Professionals LLC	8/20/2024	8/13/2024	No	No	No	No	Yes
8/12/2024	City Council	Nelson Martin (NELMAR LLC)	8/20/2024	8/13/2024	No	No	No	No	Yes
8/1/2024	City Council	Marlene Gonzalez - Life Coaching LLC	9/12/2024	8/1/2024	No	No	No	No	Yes
8/1/2024	City Council	John C. Stamps	8/12/2024	8/1/2024	No	No	No	No	Yes
8/1/2024	City Council	Jacqueline Anderson	9/4/2024	8/9/2024	No	No	No	No	Yes
7/31/2024	City Council	Leslie Sadkowski	7/31/2024	7/31/2024	No	No	No	No	No
7/23/2024	City Council	Matt Podgorski, Mark Cavers	8/9/2024	7/23/2024	No	8	No No	No	Yes

Request Date	Department	Contractor	DHR Approval	Contract Date	OBM Approval	csc	2014 Prohibitions	Current Form	No Prior Approval
7/18/2024	City Council	Yves Hughes, Next Door Multimedia	7/25/2024	1/1/2024	No	% 8	No	No	Yes
7/18/2024	City Council	Orange Hat Innovation LLC	7/24/2024	7/12/2024	No	8	No	No	Yes
7/9/2024	City Council	KRP Supplies	7/18/2024	7/9/2024	No	N _o	No	No	Yes
7/3/2024	City Council	Lisa Howard	7/22/2024	7/3/2024	No	No	No	ON	Yes
7/1/2024	City Council	Terraza's Landscaping	7/22/2024	7/1/2024	No	No	No	No	Yes
6/14/2024	City Council	Elizabeth Espino	6/25/2024	6/14/2024	No	No	No	No	Yes
6/6/2024	City Council	Erik Blome	6/11/2024	6/6/2024	No	No	No	No	Yes
5/31/2024	City Council	JG's Reptile Road Show and More	7/1/2024	6/24/2024	No	No	No	No	Yes
5/30/2024	Office of City Clerk	Knights Consulting	6/7/2024		No	No	No	No	No
5/30/2024	City Council	Graeson Rosa	6/10/2024	5/30/2024	No	No	No	No	Yes
5/24/2024	City Council	Bumperball Chicago	5/29/2024	4/24/2024	No	8	No	No	Yes
5/14/2024	City Council	Smoktiques	6/10/2024	6/7/2024	No	No	No	No	Yes
5/13/2024	Department of Finance	Susan Kennedy- Riechers	5/23/2024		No	No	No	No	No
5/13/2024	City Council	Union Promo Store - Ben J Ritter	5/14/2024	5/13/2024	No	No	No	No	Yes
5/13/2024	City Council	Michael K Peery	5/23/2024	5/13/2024	No	No	No	No	Yes
5/8/2024	City Council	Richard Richardson	5/29/2024	5/22/2024	No	No	No	No	Yes
5/3/2024	City Council	Connor Mitchell	5/14/2024	5/2/2024	No	No	No	No	Yes
4/30/2024	City Council	Melvin Woolfolk	5/7/2024	4/10/2024	No	8	No	N _o	Yes
4/30/2024	City Council	Melvin Wollfolk	5/7/2024	4/10/2024	No	2	No	8	Yes

Request Date	Department	Contractor	DHR Approval	Contract Date	OBM Approval	င်္ဂင	2014 Prohibitions	Current Form	No Prior Approval
4/23/2024	City Council	Jacqueline Anderson	4/29/2024	4/24/2024	No	N _o	No	No	Yes
4/22/2024	City Council	Plymouth Restaurant	5/7/2024	4/22/2024	No	No	No	No	Yes
4/22/2024	City Council	Liberty Street Marketing LLC	4/24/2024	4/23/2024	No	No	No	No	Yes
4/19/2024	City Council	Carni-Go LLC	5/7/2024	4/22/2024	No	No	No	No	Yes
4/18/2024	City Council	Patricia Vasquez	4/29/2024	4/24/2024	No	No	No	No	Yes
4/12/2024	City Council	N. Dean & Co	4/15/2024	1/1/2024	No	No	No	No	Yes
4/9/2024	Chicago Department of Public Health	DH Systems Solutions (Daniel Hazlett)	5/23/2024		No	Yes	Yes	Yes	No
4/1/2024	Department of Administrative Hearings	Kathryn Bailey, Richard Danaher, Catherine Diggins, Natashia Holmes and	4/1/2024	4/1/2024	4/1/2024	Yes	Yes	Yes	No
4/1/2024	City Council	Joelle Lamarre	4/4/2024	4/4/2024	No	No	No	No	No
4/1/2024	City Council	William Powell	4/4/2024	4/4/2024	No	No	No	No	No
4/1/2024	City Council	Cameo Humes	4/4/2024	4/4/2024	No	8	No	No	No
4/1/2024	City Council	Leah Dexter	4/4/2024	4/4/2024	No	No	No	No	No
4/1/2024	City Council	Gold Coast Deli	4/4/2024	4/4/2024	No	2	No	No	No
4/1/2024	City Council	Jolene Scott	4/4/2024	4/4/2024	No	8	No	No	No
3/27/2024	City Council	Leslie Sadkowski	4/1/2024	3/26/2024	No	No	No	No	Yes
3/27/2024	City Council	Isaac Silver	4/4/2024		No	No	No	No	No

Request Date	Department	Contractor	DHR Approval	Contract Date	OBM Approval	csc	2014 Prohibitions	Current Form	No Prior Approval
2/14/2024	City Council	Supervoid LLC dba Always Open Design (Emily Rapport)	3/13/2024	2/1/2024	No	No	No	No	Yes
2/9/2024	City Council	Ear Kandi Entertainment	2/15/2024		N _o	2	No	No No	ON
2/9/2024	City Council	WECYCLE LLC	2/28/2024	2/9/2024	No	No	No	No	Yes
2/6/2024	City Council	Latino Express Corp	2/9/2024		No	No	No	No	No
2/6/2024	City Council	B Creative Marketing Agency	4/2/2024	3/25/2024	O N	No	ON O	No	Yes
2/5/2024	Department of Finance	Lisa Walker	2/6/2024		12/1/2023	Yes	Yes	Yes	No
2/3/2024	City Council	Modern Tech Consultants LLC	2/9/2024	2/8/2024	No	No	No	No	Yes
2/2/2024	City Council	Daniel Cohen	2/28/2024	2/2/2024	No	No	No	No	Yes
2/1/2024	City Council	Jam Music	2/2/2024		No	No	No	No	No
2/1/2024	City Council	Emily Talen (Geo Da Press LLC)	2/28/2024		No	No	No	No	No
1/31/2024	City Council	Manuel Diaz, FELA LLC	12/31/2024	1/31/2024	No	No	No	No	Yes
1/31/2024	City Council	Barbara's Your Home and House Care	2/2/2024	1/31/2024	N _O	No	No	No	Yes
1/30/2024	City Council	KGB Multimedia	1/31/2024	1/8/2024	No	No	No	No	Yes
1/25/2024	City Council	FELALLC	2/6/2024		No	9	No	No	No
1/23/2024	City Council	Phyllis Gooden- Smiley	1/24/2024	1/8/2024	No	No.	No	No	Yes
1/12/2024	City Council	Kristina Ferran	2/5/2024	1/17/2024	No	2	No	9 8	Yes

Appendix B | Department Response



July 25, 2025

Deborah Witzburg Inspector General Office of the Inspector General

Re: OIG File C2024-0180: Violations of the City's Hiring Plan Contractor Policy

Inspector General Witzburg:

The Department of Human Resources (DHR) welcomes the opportunity to respond to your letter of May 28, 2025, asserting multiple violations of the City of Chicago Hiring Plan Contractor Policy (Policy).

Policy

The version of the Policy at issue became effective on April 15, 2019. The Policy explains that the City's Hiring Plan and Executive Order 2009-3 "prohibits the City from basing employment decisions, including hiring decisions, on political factors." Purpose of the Policy, Section 1., A. Further, the Policy states, "all *City Departments* must comply with the following rules and procedures with respect to the use of the Contractors to perform services for the City." *Id.* at 1., C. (emphasis added). Notably absent from the Policy is any reference to Alders.

Given this distinction, DHR's response is split into two sections, below, the first relates to contracts by Alders, and the second relates to contracts by City departments.

Policy Application to City Council

Out of 192 asserted violations, 180 relate to contracts that members of the City Council have executed. As to these contracts, the Office of the Inspector General's (OIG) assertion of a violation appears to rest on the premise that City Council members are considered to be a department of the City for purposes of the Policy.

However, an Alder is not a City Department, nor does an Alder execute a contract such as the ones at issue on behalf of the City. Rather, the members of the City Council, a branch of municipal government that is separate and independent from the executive branch, enter into these contracts solely to support their individual ward-based and legislative activities. Hence, the Policy does not apply to these contracts, either on its face or as a matter of interpretive purpose.

The OIG's findings as they relate to Alders create a paradox with the City's Employment Plan (Employment Plan). The stated purpose of the Employment Plan is to prohibit "basing . . . hiring decisions, on political factors." Yet the Employment Plan excludes all elected officials and all employees of the City Council from its application. *See* Exempt Titles List (June 30, 2023 rev.).

The source of funds for City Council contracting, and the Municipal Code (Code) provision governing the use of those funds, are also important elements here and reinforce the plain language of the Policy. The source is an allotment of funds for each alder that is determined and included in each year's Annual Appropriation Ordinance and is commonly referred to as the Aldermanic Expense Account (Expense Account) (\$122,000 per alder for FY2025). Code Section 2-8-050 (titled Aldermanic expense allowance) states that these funds are to be used "for ordinary and necessary expenses incurred in conjunction with the performance of an alderman's official duties," authorizes expenditure of those funds, and sets out a roster of allowable and non-allowable uses for those funds. Those allowable uses include uses typically performed by an independent contractor, such as "minor [office] repairs or alterations" (see par. (b)(10)) and "consultants or professional services" (see par. (b)(18)).

Aldermanic Expense Account expenditures do not follow the same administrative and approval processes as would apply to similar expenditures made by the executive branch for two reasons — first, expenditure of these funds has been legislatively authorized by virtue of Section 2-8-050 and the annual appropriation of those amounts for those purposes.

Second, those Aldermanic expenditures are not made by "the City" or on behalf of "the City." Rather, the City Council members enter into these contracts (for example, an office space lease or a copier lease) as individuals, to assist them in their ward-focused individual capacities as elected officials of the legislative branch of government. Consistent with this framework, on those occasions when aldermanic contract disputes have arisen, the City has taken the position that any liability is not a City liability, because the relevant alder entered into the contract not as an agent of the City/executive branch, but on their own behalf as an independent elected official.¹

The executive branch is involved in aldermanic Expense Account expenditures in two scenarios and for two reasons. First, the Department of Finance (DOF) generally reviews such expenditures, ideally when they are proposed, to make sure that an expenditure is in an allowed category under Code Section 2-8-050 and thus eligible for payment or reimbursement by DOF. And DHR is involved solely when evaluating requests to engage individuals (as opposed to entities) as independent contractors, for the *sole purpose* of determining whether the proposal properly meets the criteria for the work to be considered independent contractor work under the Internal Revenue Service (IRS) guidelines distinguishing an independent contractor from an employee. If the proposed contractor is an entity, DHR directs the entity to DOF for review. The reason DHR has this limited role is to protect the City – City funds are used to pay an aldermanic contractor, and if the IRS were to determine that the contractor was instead functioning as an employee, the City

¹ DHR recognizes that the form of independent contractor agreement currently in use is styled as "by and between the City of Chicago . . . acting through the above-named Alderman . . ." and contains references to the "City" as a party. This form of agreement predates DHR's current administration and may call for an update to reflect that the Alder, not the City, is the correct contracting party.

would be liable for employee-associated costs (e.g. Social Security, Medicare deductions). This same potential liability is not present in a scenario involving an entity, which is itself responsible for meeting IRS requirements as to its employees.

The documents that DHR uses in processing aldermanic independent contractor requests are crafted for that sole protective purpose. In furthering that purpose, they resemble Appendix D used by the administration in evaluating independent contractor requests. But that does not require that documents, such as Appendix A to the Policy (2014 Hiring Plan Prohibitions) or Appendix B to the Policy (Contractor Selection Certifications), be included.

The stated purpose of Appendix A is to "prohibit[] the City from hiring persons as governmental employees in non-exempt positions on the basis of political reasons or factors." Here, however, the City is not doing the hiring, and the Alders doing the hiring are not subject to the same restraints on hiring based on "political reasons or factors" as apply to the City's executive branch.

Similarly, Appendix B focuses on a non-exempt scenario that is not present in aldermanic contracting. Section III(F) of the Policy requires affirmation by a Department Commissioner (not present in contracts entered into by Alders), any other City signatories (the sole City signatory is the alder), and any other City employees who participated in the selection process (also inapplicable here, because the sole person "selecting" the contractor is the alder).

Further, Appendix D is intended for use by, and is limited to, a City Department and its Department Head. Requiring Office of Budget Management (OBM) signature on Appendix D (Request to Use Personal Services Contractor) for aldermanic contracting would needlessly include OBM participation in a process in which they would have no role.²

In summary, the Policy is simply inapplicable to aldermanic independent contractor agreements, and the sole role of DHR in these agreements is to review and affirm that a proposed individual, non-entity contractor will be functioning as an independent contractor pursuant to IRS guidelines.

With regard to your assertion that 155 of the contracts at issue were approved by DHR after a department or official had already entered into an agreement with a contractor, DHR agrees that DHR approval should indeed precede contract execution, while noting that DHR cannot, as a practical matter, dictate when an Alder signs an independent contractor agreement. However, DHR is well aware of the importance of the proper sequence, and accordingly, has recently established a new review process and new protocols, coupled with educational materials distributed to the City Council, to better ensure that this sequence is properly followed.

The new forms and educational material were sent to Alders on May 5, 2025. (See the attachment included in this email.)

² It is DHR's understanding, based on discussions with OBM personnel, that the OBM approval reflected in Appendix D is intended to ensure that: (1) a requesting executive department has sufficient funds in their appropriate budgeted line for the sought contract, and (2) that the requested work aligns with the pertinent department's powers and duties. With regard to Aldermanic independent contracting requests, DOF manages both of these functions.

Violations Involving City Departments

OIG also determined that there were 12 instances in which the Policy was not followed as it relates to City Departments.

No OBM Approval

Ten of the twelve departmental matters cited by OIG did not have OBM approval. DHR agrees that all departmental personal service contracts require approval from OBM.³ DHR will modify its existing processes to ensure that OBM always approves the request prior to the operating department entering into a Personal Service Contractor agreement. DHR will remind departments of this requirement and create training for them.

No Appendix A – 2014 Hiring Plan Prohibitions

Appendix A is to be included in the language of all City contracts, per the Policy. DHR is not involved in the drafting of City contracts. That function lies with each user department working closely with the Department of Law (DOL) and the Department of Procurement Services (DPS). DOL has indicated that, for contracts covered under the policy, DOL incorporates the 2014 Hiring Plan Prohibitions in contracts that it drafts for DPS or at the request of operating departments. However, the prohibitions language may not be included in contracts if the operating departments do not seek assistance from DOL or if they have sought assistance and then do not use the DOL-provided contract language. DHR will include a reminder of this requirement in its email to departments and its training material.

No Appendix B - Contractor Selection Certification

Similarly, DHR does not have a role in the management of Appendix B, which is required only for "discretionary contracting decisions." As noted in the Policy, the Commissioner of the contracting Department must sign Appendix B along with other City signatories to the contract or agreement and City employees involved in the contractor selection process. Those packets are then sent to the DPS. DHR is not involved in this process, including the sending of the packets to DPS, unless it is the contracting department. In DPS, when RFPs and RFQs are utilized rather than awarding contracts by low bid, the Contractor Selection Certification Form is signed by all members of the evaluation committee used to select the contractor(s). DHR will include a reminder in its email to departments and spell out this and other requirements in its training material.

Outdated Form

DHR will flag when departments are using the incorrect form and require the submissions to be resent using the correct form.

No Prior Approval

The Policy states, "No Department may retain a Personal Service Contractor without the *prior* written approval of both DHR and [OBM]" and that Appendix D must be used. Section IV., A., 1., (a). (emphasis in original). DHR will ensure its employees are aware of this requirement and

³ OBM holds the position that it is not involved in approving personal service contracts relating to Alders and DHR agrees with the same.

⁴ DPS utilizes the DOL provided templates for its contracts; therefore, DPS issued contracts also include the 2014 Hiring Plan Prohibitions.

educate the operating departments of the prohibition of entering into contracts before DHR and OBM approve their requests.

Additional Steps

DHR will work with the departments cited in OIG's May 28 letter to ensure compliance with the Policy, send a reminder to all departments about their obligations under the Policy, and provide training material to all departments. Further, DHR will be reviewing the Policy and forms for necessary updates.

Very truly yours,

Sandra Blakemore Commissioner From: Raquel Rodriguez-Northern
To: Raquel Rodriguez-Northern

Cc: Sandra Blakemore (She/Her); Jeffrey Levine; Jessica Higgins; Julian McDonough; Carmen Rocha; Raquel

Rodriguez-Northern

Subject: DHR Process for Independent Contractor Approvals

Date: Monday, May 5, 2025 4:14:36 PM

Attachments: image001.png

Independent Contractor Request Procedure V4 4-20225.pdf

Request To Engage Rev. 042025 v5.0.pdf W-9 Blank Form Rev. March 2024.pdf

Good afternoon, Alders & staff,

The Department of Human Resources (DHR) has updated the Independent Contractor Request procedure and Request to Engage form. We believe these updates will enable the Aldermanic contracts to be expedited faster.

The attached forms and short video will provide a quick guide on what is needed for DHR's approval prior to engaging the Independent Contractor.

Independent Contractors for Aldermanic Offices

Please review and share with your staff.

Thank you.

Raquel Rodriguez-Northern | Managing Deputy Commissioner

City of Chicago | Department of Human Resources

121 N. LaSalle St., Suite 1100 | Chicago, Illinois 60602-2575

Tel: 312.744.9118 Cell: 773.762.9228



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VERIFICATION PROCESS FOR INDEPENDENT CONTRACTOR REQUEST

STEP 1. Aldermanic ward offices must obtain a completed W9 form from the prospective independent contractor / vendor.

- a. If the 1st box on the W9 form is checked, proceed with Step 2.
 - Individual/sole proprietor or single-member LLC
- b. If any other box on the W9 form is checked, **STOP**, your request should be submitted to the Department of Finance (DOF).

STEP 2. The Aldermanic office must send the completed W9 form and the **DHR**Independent Contractor Approval (ICA) form to ContractRequests@cityofchicago.org
mailbox for review.

- a. Contractor services **MAY NOT** be retained without prior written approval from the Commissioner of DHR.
- b. All questions on the ICA form must be answered and the form signed and dated.
- c. Incomplete W9s or ICA forms will be returned.

STEP 3. DHR will review the information in the ICA form and notify the Aldermanic office whether the selected Contractor will be performing as an Independent Contractor.

STEP 4. If DHR concludes that the applicant will be performing as an Independent Contractor, DHR will send the request to the Office of the Inspector General (OIG) and DOF for notification. The Aldermanic office can then proceed with engaging the independent contractor.



INDEPENDENT CONTRACTOR APPROVAL

E-Mail: ContractRequests@cityofchicago.org

Re	questor:	Date:
Wa	rd Contact Name and Number:	Ward #
A.	Please provide the following information (attach	additional sheets as needed):
1.	Name of the Independent Contractor, business name	e and type of entity (such as LLC, Inc., Ltd.).
2.	Describe the project the Independent Contractor wil	ll perform, and the special skill set.
3.	Explain why the contractor is an independent contraplease refer to Independent Contractor vs. Employe	
4.	Where is the location where the work will be perfor	med?
5.	Will the Contractor provide their own workspace, e performance of the work? Yes, No	equipment, materials and staff support for the
6.	Is the Contractor free to provide services to clients contract? Yes, No	other than the City during the term of the
7.	If the contractor is a former employee, please providuties, and the last date of employment with the city an Outside Employment Form must be attached.	y. If the contractor is a current City employee
	ed on the information provided by the Alderman, mon law employee.	DHR believes the contractor is not a
R C	ommissioner:	Date



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