



CITY OF CHICAGO
OFFICE OF INSPECTOR GENERAL

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Follow-up to OIG's Audit of Chicago Department of Public Health's Construction and Demolition Debris Recycling Enforcement

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I | Introduction

The City of Chicago Office of Inspector General (OIG) has completed a follow-up to its June 2023 audit of Chicago Department of Public Health's (CDPH) Construction and Demolition (C&D) Debris Recycling Enforcement.¹ Based on CDPH's responses, OIG concludes that CDPH has fully implemented one corrective action and has not implemented seven corrective actions related to the audit findings.

CDPH is responsible for ensuring that contractors who work on construction and demolition projects comply with the provision in the Municipal Code of Chicago (MCC) requiring them to recycle at least 50% of C&D debris generated. Contractors must demonstrate compliance with the ordinance within 30 days of project completion. If they do not meet the 50% requirement or fail to demonstrate compliance within the 30-day window, they may be subject to fines. Furthermore, CDPH may coordinate with the Department of Buildings (DOB) to withhold permits or certificates of occupancy from non-compliant contractors. In addition, the MCC requires the City to maintain a construction/demolition debris management fund and to use it "for the regulation of construction or demolition debris." Such use includes "enforcement against illegal dumping of construction and demolition debris and oversight of recycling of concrete debris."²

The purpose of OIG's 2023 audit was to determine, first, whether CDPH engaged in oversight activities—such as reviewing recycler's affidavits obtained from contractors and sending enforcement letters—to ensure compliance with the City's C&D debris recycling requirements, and, second, whether the City used the construction/demolition debris management fund in the manner required by the MCC.

OIG found that CDPH did not ensure that contractors comply with C&D debris recycling requirements. CDPH could not determine the extent of contractors' compliance or identify contractors who did not meet the requirements. Nor could CDPH calculate the C&D debris recycling rate for inclusion in the Citywide diversion rate.³ Additionally, the City did not meet the MCC requirements related to expenditures from the construction/demolition debris management fund. The City, therefore, could not determine whether it used the \$1.2 million collected between January 1, 2017, and July 1, 2021, in a manner that complied with the MCC. Contrary to applicable law, the City deposited fees collected during this period into the corporate fund—its general operating fund—rather than a dedicated construction/demolition debris management fund.

Based on the results of the audit, OIG recommended that CDPH,

- work with DOB to develop a process to identify the population of projects subject to the MCC's C&D debris recycling requirements;

¹ Per the City's 2026 Budget Recommendations, the C&D debris management program is within the Department of Environment (DOE). OIG confirmed this proposed move with CDPH who stated, "It's our understanding that C&D debris management is moving to the Department of Environment (DOE) effective May 2026. This move should not impact the information presented [in CDPH's response] as the corrective action plan will transition to DOE. DOE will be responsible for implementing the plan rather than CDPH after the transition is complete." See City of Chicago Office of Budget and Management, "2026 Budget Recommendations," October 2025, accessed November 5, 2025, https://www.chicago.gov/content/dam/city/depts/obm/supp_info/2026Budget/2026%20Budget%20Recommendation%20Book.pdf.

² MCC § 11-4-1962.

³ A diversion rate is the percentage of waste generated that is diverted from landfills by recycling, reuse, composting, and other means.

- document and implement procedures to ensure that contractors submit the required compliance documentation within 30 days of project completion;
- document and implement standardized procedures to review the documentation and ensure that each contractor recycles at least 50% of C&D debris, as required;
- develop and implement both enforcement procedures and a method to incorporate the C&D debris diversion rates into the Citywide diversion rate;
- implement a process to periodically train contractors on the MCC requirements and collaborate with the chief sustainability officer to develop procedures that incentivize or further require material reuse; and
- work with the relevant departments to create the required dedicated construction/demolition debris management fund and ensure both that C&D debris fees are deposited there and that, as required by applicable law, the fund is used to regulate C&D debris. Such regulation, according to the MCC, would include “monitoring, planning, inspecting, providing technical assistance, and enforcing rules, regulations and ordinances with respect to [. . .] construction/demolition debris.”⁴ It would also include the oversight of concrete debris recycling and enforcement against illegal dumping of debris.

In August 2025, OIG inquired about corrective actions taken by CDPH in response to the 2023 audit. Based on CDPH’s follow-up response, OIG concludes that CDPH has fully implemented one corrective action and has not implemented seven corrective actions. Specifically, CDPH worked with relevant City departments and established the C&D debris management fund. The City transferred into the fund unallocated fees and fines collected prior to its creation. As of October 16, 2025, the C&D debris management fund contained \$2.8 million.

Regarding the remaining corrective actions, ultimately, CDPH intends to use a web-based waste management software, but this depends on an upgrade of DOB’s software which is not expected until sometime in 2026. While waiting for the new software, CDPH has developed a manual process to identify some projects subject to MCC C&D debris recycling requirements. However, this manual process does not allow CDPH to identify the full population of projects subject to these requirements. Because CDPH has not procured the anticipated web-based waste management software, it has not implemented the seven corrective actions dependent on that resource.

OIG acknowledges that the C&D debris management program is expected to transition from CDPH to the Department of Environment (DOE) in 2026. OIG urges CDPH and/or DOE to fully implement corrective actions, such as procuring a web-based waste management software, identifying the population of projects subject to the MCC’s C&D debris recycling requirements, developing written procedures to ensure that contractors submit all recycling compliance documentation, developing enforcement procedures, calculating the recycling diversion rate, creating periodic training sessions for contractors, and developing procedures to incentivize contractors to reuse materials. Below, OIG summarizes its two audit findings and recommendations, as well as CDPH’s response to the follow-up inquiry.

OIG thanks the staff and leadership of CDPH for their cooperation during the audit and their responsiveness to the follow-up inquiries.

⁴ MCC 11-4-1962.

II | Follow-Up Results

In August 2025, OIG followed up on its June 2023 Audit of CDPH's C&D Debris Recycling Enforcement.⁵ CDPH responded by describing the corrective actions it has taken and providing supporting documentation. Below, OIG summarizes the two original findings, the associated recommendations, and the status of CDPH's corrective actions in response to those recommendations. OIG did not observe or test implementation of the new procedures in this follow-up; thus, it makes no determination as to their effectiveness, which would require a new audit with full testing.

| Finding 1: CDPH does not ensure that contractors comply with C&D debris recycling requirements.

OIG Recommendation 1 |

OIG recommended that CDPH, in consultation with DOB, develop a process to identify the population of projects subject to MCC C&D debris recycling requirements.

State of Corrective Action 1 | Not Implemented

In response to the 2025 follow-up inquiry, CDPH stated it "does not currently have a list of identified projects subject to the ordinance." CDPH met with a vendor to evaluate a web-based waste management software. Through the evaluation, CDPH determined that to identify the population of buildings subject to the MCC's C&D debris recycling requirements, it would need access to DOB's main database. DOB is currently in the middle of a large-scale database upgrade, which it anticipates will be complete in 2026. CDPH stated that it decided to wait to procure its web-based waste management software until after DOB completes its upgrade. CDPH plans to implement its web-based waste management software by the end of the first quarter of 2027.

As an interim measure, CDPH has started manually reviewing standard project applications it receives from DOB to identify those that require environmental review.⁶ However, CDPH stated DOB does not provide it with all applications. Additionally, CDPH stated that "when a contractor submits a demolition notice of intent before beginning work, CDPH receives a C&D recycling plan with that notice. If a plan is not provided, CDPH notifies the contractor of the MCC requirement and assists them in preparing one." The C&D recycling plan requires contractors to include information about the method of separation, transportation, and destinations of materials. While positive, these interim measures do not allow CDPH to identify the full population of projects subject to MCC C&D debris recycling requirements.

⁵ City of Chicago Office of Inspector General "Audit of Chicago Department of Public Health's Construction and Demolition Debris Recycling Enforcement," June 14, 2023, <https://igchicago.org/publications/audit-of-cdph-construction-and-demolition-debris-recycling-enforcement/>.

⁶ City of Chicago Department of Public Health, "Office of Environmental Permitting & Inspections SPR Environmental Plan Review Form," accessed November 5, 2025, https://www.chicago.gov/content/dam/city/depts/cdph/environment/forms/SPR-Environmental-Review-Form_06.30.2025.pdf.

OIG Recommendation 2 |

OIG recommended that CDPH document and implement procedures to ensure that contractors submit required recycling compliance documentation within 30 days of project completion.

OIG Recommendation 3 |

OIG recommended that CDPH document and implement standardized procedures to review contractors' documentation and ensure that each contractor recycles at least 50% of C&D debris.

OIG Recommendation 4 |

OIG recommended that CDPH develop and implement enforcement procedures, which may include warning contractors of non-compliance, issuing citations to non-compliant contractors, and when appropriate, working with DOB to withhold relevant certificates of occupancy and/or building permits.

State of Corrective Actions 2, 3, and 4 | Not Implemented

CDPH has not developed or implemented formal written procedures to ensure that contractors submit compliance documentation or standardized procedures for reviewing contractor documents. Nor has CDPH developed enforcement procedures. CDPH stated it will develop these procedures once it procures a web-based waste management software by the end of the first quarter of 2027.

CDPH stated that "at present, CDPH continues to manually receive compliance documentation from some contractors."

OIG Recommendation 5 |

OIG recommended that CDPH develop procedures to calculate the C&D debris diversion rate and work with the chief sustainability officer to incorporate it into the calculation of the Citywide diversion rate.

OIG Recommendation 6 |

OIG recommended that CDPH implement a process to periodically train contractors on the C&D debris recycling requirements, thus increasing contractor education as prioritized in the Waste Strategy.⁷

OIG Recommendation 7 |

OIG recommended that CDPH work with the chief sustainability officer to develop procedures incentivizing or further requiring contractors to reuse materials by specifying materials and parameters, as prioritized in the Waste Strategy.

⁷ City of Chicago, "2021 Waste Strategy," accessed November 5, 2025, <https://www.chicago.gov/city/en/progs/env/2021-waste-strategy.html>.

State of Corrective Actions 5, 6, and 7 | Not Implemented

CDPH stated it has not developed procedures for calculating the C&D debris diversion rate, implemented a process to periodically train contractors, or developed procedures to incentivize contractors to reuse materials. Further, CDPH stated that although it meets with the chief sustainability officer regularly, they have not worked on developing procedures on these topics.

With respect to training, CDPH continues to provide information first published during former Mayor Richard M. Daley's administration on the City's webpage for contractors to reference.⁸ CDPH stated it will address developing these procedures and online trainings once it procures a web-based waste management software by the end of the first quarter of 2027.

| Finding 2: The City has not created the construction/demolition debris management fund required by the MCC.

OIG Recommendation 1 |

OIG recommended that CDPH work with other relevant departments to develop and implement procedures to ensure that fees collected from the generation of C&D debris and fines collected for noncompliance are deposited into the required dedicated construction/demolition debris management fund, and that the fund is used to regulate C&D debris.⁹

State of Corrective Action 1 | Fully Implemented

Following the publication of the audit in 2023, CDPH worked with the Office of Budget and Management and the Department of Finance to establish the construction/demolition debris management fund. Initially, the City deposited any previously unallocated fees and fines, which equaled the \$1.2 million identified in the audit. As of October 16, 2025, the fund had a balance of \$2.8 million. Further, CDPH developed formal procedures to ensure that the appropriate fees and fines are allocated to the construction/demolition debris management fund. CDPH currently uses the fund to cover one environmental engineer I position. It has also purchased two vehicles, uniforms, trainings, professional licenses, and general office supplies to support C&D debris management. CDPH stated that it plans on using a portion of these funds to procure its web-based waste management software by the end of the first quarter of 2027.

III | Conclusion

CDPH now has a dedicated construction/demolition debris management fund. However, CDPH has not implemented corrective actions related to the seven remaining OIG recommendations. Rather, it awaits a web-based waste management software. OIG acknowledges that the C&D debris management program is expected to transition from CDPH to DOE in 2026. OIG urges CDPH and/or DOE to fully implement procedures to ensure that contractors submit compliance documentation; to standardize procedures for reviewing contractors' compliance documents; to implement enforcement procedures; to develop procedures for calculating the C&D diversion rate;

⁸ City of Chicago, "Best Management Practices Chicago's Guide to Construction & Demolition Cleanliness & Recycling," November 2, 2004, accessed November 5, 2025, https://www.chicago.gov/content/dam/city/depts/doe/general/RecyclingAndWasteMgmt_PDFs/CandDrecycling/ConstBestMgmtPractices2.pdf

⁹ As noted in the Introduction, C&D debris management is moving to DOE in 2026.

to train contractors on C&D debris recycling requirements; and to develop procedures to incentivize contractors to reuse materials. Additionally, while CDPH has explored a software solution and developed some manual procedures, it still cannot identify the population of projects subject to MCC C&D debris recycling requirements. Rather, CDPH can only review documents from contractors who self-report. Once it procures the web-based waste management software anticipated by the end of the first quarter of 2027, CDPH and/or DOE, in consultation with DOB, should prioritize developing a process to identify the full population of relevant projects.



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