



CITY OF CHICAGO  
OFFICE OF INSPECTOR GENERAL

20  
26

# Audit of the Department of Finance's Management of Outstanding Debt

April 16, 2026

# Table of Contents

- Debt Relief Resources.....4
- I | Executive Summary ..... 5**
  - A | Conclusion .....5
  - B | Findings .....5
  - C | Recommendations .....6
  - D | DOF Response.....6
- II | Background ..... 8**
  - A | What Is Outstanding Debt? .....8
  - B | Why Does Outstanding Debt Matter? .....9
  - C | Government Debt-Collection Practices.....10
  - D | City of Chicago Debt Collection and Debt Checks .....11
    - DOF AR Notification and Referral .....11
    - DOL Collection, Ownership, and Administrative Litigation (COAL) Division .....12
    - DOF Business Privilege Debt Checks .....13
    - Employee Indebtedness and Wage Garnishment .....14
- III | Objectives, Scope, and Methodology ..... 16**
  - A | Objectives .....16
  - B | Scope .....16
  - C | Methodology .....16
  - D | Standards .....17
  - E | Authority and Role .....17
- IV | Findings and Recommendations ..... 18**
  - Finding 1: No City department has knowledge or management oversight of all debt owed to the City. The outstanding debt DOF manages exceeds \$8.1 billion. ....18
    - A | The Debt Managed by DOF Totals Over \$8.1 Billion .....18
      - Unique Debtors Are Difficult to Identify .....19
      - Most Outstanding Debt was Incurred in Recent Years, but Some Originated in the 1990s .....20
      - Types of Debt Vary Across Databases .....23
      - Fines, Fees, and Penalties Account for Large Portions of Outstanding Debt.....25
    - B | DOF Cannot Calculate the Overall Amount of Outstanding Debt Because Its Debt Systems Are Not Integrated with One Another or with Systems from Other Departments .....26
  - Finding 2: DOF lacks overarching policies, strategies, and goals for addressing the overall amount of outstanding debt owed to the City. DOF’s debt checks are based on incomplete data and rely on manual processes, impairing its ability to recover debt and prevent debtors from obtaining business or employment with the City. ....28
    - A | DOF’s Lack of a Unified Strategy for Managing Outstanding Debt Impairs the Effectiveness of Collections .....28
    - B | DOF Lacks Policies to Clarify Key Terms and Accounting Procedures .....29
      - DOF Uses Differing Definitions of Debt and Amounts Considered Uncollectible .....30
    - C | DOF Neither Evaluates nor Monitors Collection Performance .....33
      - DOF Does Not Hold Collection Agencies Accountable for Performance Provisions in Their Contracts .....33

At the Time of OIG’s Analysis, Aged Outstanding Debt that DOF Referred to Collection  
 Agencies and Law Firms Remained Difficult to Collect ..... 34  
 DOF Does Not Coordinate Other City Departments’ Collection Efforts..... 37  
 D | Due to Technological Barriers, Reliance on Longstanding Practices, and Lack of  
 Standardization, DOF Does Not Conduct All Debt Checks Required by the  
 MCC ..... 38  
 DOF Does Not Conduct All Business Debt Checks ..... 38  
 DOF Faces Longstanding Challenges to Recovering Debt from Local Government  
 Employees and City Elected Officials..... 40  
 Finding 3: Owing City debt can have a greater impact on economically vulnerable  
 individuals. .... 49  
 A | City Debt is Concentrated in Economically Vulnerable Areas ..... 49  
 B | The City Offers Various Programs for Debt Relief or Amnesty ..... 51  
 C | Respondents to OIG’s Survey Described Varying Impacts ..... 52  
**V | Conclusion..... 54**  
**Appendix A | Complete DOF Management Response..... 55**  
**Appendix B | Supplemental DOF Management Response ..... 64**

## Acronyms

ADR	Administrative Debt Relief
ARMS	Automated Referral Management System
CANVAS	Chicago Adjudication, Noticing, and Violation Administration System
CEDA	Community and Economic Development Association of Cook County
CCC	City Colleges of Chicago
CHA	Chicago Housing Authority
CPR	Clear Path Relief
CPS	Chicago Public Schools
CTA	Chicago Transit Authority
DOF	Department of Finance
EDS	Economic Disclosure Statement
EMS	Emergency Medical Services
FMPS	Financial Management and Purchasing Systems
GFOA	Government Finance Officers Association
IPS 11	Infor Public Sector 11
IRIS	Integrated Revenue Information System
LIHEAP	Low Income Heating and Energy Assistance Program
LRP	Leak Relief Pilot
OIG	City of Chicago Office of Inspector General
UBR	Utility Billing Relief

City of Chicago Office of Inspector General (OIG)

# Audit of the Department of Finance's Management of Outstanding Debt

OIG conducted an audit of the Department of Finance's (DOF) management of outstanding debt owed to the City of Chicago.

## Debt sources include:



overdue fees for City services;



uncollected fines for Municipal Code violations;



emergency medical services provided by the City; and,



additional interest and collection costs.

## OIG found:

DOF lacks foundational management tools for addressing the overall amount of outstanding debt owed to the City; as a result, outstanding debt totals at least:

**\$8.1 billion**

Owing debt to the City disproportionately impacts economically vulnerable residents, who may live in communities where fines and fees are highly concentrated and correlate with higher levels of poverty.

## OIG recommends:

OIG recommends that DOF establish policies and procedures to improve its management of outstanding debt. DOF should:



create a formal debt management plan;



standardize definitions related to debt;



supervise collection agency performance; and,



pursue technical solutions to better track and collect debt.

## Debt Relief Resources

This report addresses issues of indebtedness to the City of Chicago. The City and its partners offer several programs to help residents manage and pay debts to public entities, as described and linked in this list.

- [Administrative Debt Relief \(ADR\)](#): ADR provides income-based relief for administrative hearings debt, which can include fines for code violations cited by City departments. Eligibility for this program requires meeting income guidelines or existing enrollment in UBR or CPR (described below). To have interest, costs, and fees waived, applicants must pay 50% of the debt or enroll in and successfully complete a payment plan with a minimum down payment of \$25.
- [Clear Path Relief \(CPR\)](#): CPR assists low-income motorists by allowing them to enroll in payment plans for vehicle-related debt, such as parking, red light camera, and speeding violations. The program guidelines state that if a participant in this program pays the original fine amounts for tickets issued within the past three years, the City will also waive any older vehicle-related debt.
- [Fresh Start Debt Relief](#): The Fresh Start program provides relief from vehicle ticket debt incurred within a three-year period before a Chapter 7 bankruptcy discharge. The program guidelines state that after a participant completes a payment plan covering the original base ticket amounts, the City will waive fines and penalties.
- [Leak Relief Pilot \(LRP\)](#): LRP is a temporary pilot program set to run through December 31, 2026. It provides relief for certain property owners who experienced high water bills due to a confirmed leak on or after January 1, 2023. The program is open to all customers, regardless of income level.
- [Utility Billing Relief \(UBR\)](#): UBR provides assistance with past-due water charges, sewer charges, and water-sewer tax bills. Participants are eligible for a 50% rate reduction and debt forgiveness after successfully completing one year in the program. There is also a pause in penalties and debt collection while enrolled in this program. Eligibility for UBR is based on household size and 30-day gross income.

In addition to these City programs, the Community and Economic Development Association of Cook County (CEDA) provides low-income households with assistance paying non-City utility bills through its Low Income Heating and Energy Assistance Programs-Direct Vendor Payment/Reconnection Assistance ([LIHEAP-DVP/RA](#)) initiatives.

# I | Executive Summary

The Office of Inspector General (OIG) conducted an audit of the Department of Finance's (DOF) management of outstanding debt owed to the City of Chicago.

The objectives of OIG's audit were to,

1. determine whether DOF can identify all debts owed to the City and the corresponding debtors;
2. determine whether DOF's management practices support the collection of outstanding debt; and
3. describe the community's experience with DOF's debt-collection practices.

## A | Conclusion

OIG concluded that DOF's management of outstanding debt relies on decades-old practices and fragmented information systems that are not managed through global policies, procedures, or goals intended to reduce the overall amount of debt owed to the City. The systems actively used by DOF contain approximately \$8.1 billion in outstanding debt. However, this figure is almost certainly a floor for the true amount, which would include debts recorded in various City payment systems that DOF does not directly manage.

The City's decentralized approach to debt management impairs its ability to maximize revenue collection or tailor its collection efforts to reflect equity concerns.

Owing debt to the City disproportionately impacts economically vulnerable residents, who may live in communities where fines and fees are highly concentrated and correlate with higher levels of poverty. Some survey respondents found it confusing to navigate the City's various repayment programs with unclear instructions and limited assistance from DOF.

## B | Findings

OIG found that DOF, the entity responsible for supervision of all revenues owed to the City, does not manage all debt and is not aware of the total amount managed by other City departments. No City department has knowledge or management oversight of all debt owed to the City. The outstanding debt within systems managed by DOF at the time of OIG's analysis totaled over \$8.1 billion.

OIG also found that DOF lacks overarching policies, strategies, or goals related to the overall amount of outstanding debt owed to the City. Its debt checks, which are intended to identify City debt owed by those seeking City business or employment, are based on incomplete data and inconsistent manual processes. This impairs the City's ability to collect debt.

Finally, OIG learned through community engagement that owing money to the City can create or exacerbate financial harms for some debtors. City debt tends to be concentrated in economically vulnerable areas of Chicago. Moreover, some community members expressed that the City's payment processes are cumbersome, requiring multiple manual steps. These respondents wanted more information about their eligibility for debt relief, more flexible repayment options, and a method to pay all their debts in one location.

## C | Recommendations

OIG recommends that DOF implement a reporting system that yields the total amount of past-due receivables across all payment systems.

Further, OIG recommends that DOF establish policies and procedures to improve its management of outstanding debt:

- DOF should implement a formal plan for managing and ultimately reducing the overall amount of debt owed to the City. Such a plan should include performance indicators, timelines, and measurable goals for collecting outstanding debts in accordance with applicable laws. The plan should also include working with the Department of Law (DOL) to develop and implement performance measures for outside counsel retained to collect debt under DOL's management.
- DOF should adopt policies to ensure compliance with relevant local, state, and federal laws related to collection actions. These policies should address whether and when DOF has the authority to write off debt it deems uncollectible.
- To standardize definitions related to debt and bring consistency to the reporting of outstanding receivables, DOF should create and disseminate to other City departments the manual of accounting required by MCC § 2-32-110.
- DOF should adopt a written definition of debt that complies with the MCC and establishes a standard process for City departments to refer outstanding receivables for collection.
- DOF should implement a unified procedure for debt-check referrals from other departments to ensure consistent enforcement of debt-related restrictions across the City's permitting, licensing, contracting, and employment functions.
- DOF should enforce existing terms in contracts with collection agencies retained by the City, such as reporting on outstanding balances, timelines, and outcomes. To promote timely collection, DOF could exercise its option to transfer collections work to other agencies after an established time period.
- DOF should work with DOL to negotiate intergovernmental agreements to improve the collection of outstanding debts from Sister Agency employees.
- DOF should pursue solutions, including technical improvements, that will enable it to fulfill its duty under MCC § 1-19-040 to debt-check City contractors and to set off any debt against payments made to those contractors.
- DOF should develop a procedure to refer indebtedness of elected officials to the City Clerk in accordance with state law (65 ILCS 5/3.1-10-51).

## D | DOF Response

In response to OIG's audit findings and recommendations, DOF stated that it will,

- work with City departments to ensure complete reporting of outstanding debt;
- explore the ability to write off and eliminate uncollectible debt from its source systems;
- work to ensure that City departments adhere to the Municipal Code of Chicago's (MCC) definition of debt, including by incorporating this definition into manuals and training;
- work with the Department of Law (DOL) to determine when debt checks are required and remind City departments of this requirement;

- work with DOL to negotiate intergovernmental agreements with Sister Agencies to require debt checks when onboarding new employees;
- explore technical improvements that would allow it to debt-check City contractors before payment, and work to increase the frequency of these checks; and
- contact the Office of the City Clerk to assist in developing a process to refer indebtedness of elected officials.

The specific recommendations related to each finding, and DOF's response, are described in the "Findings and Recommendations" section of this report. DOF's management response form is attached at Appendix A. DOF also submitted a supplementary response memorandum, attached at Appendix B.

## II | Background

The Municipal Code of Chicago (MCC) assigns the City Comptroller the role of the City’s “fiscal agent,” which includes the duty to supervise all City officers charged “in any manner” with the collection of City revenues.<sup>1</sup> The City’s Department of Finance (DOF), overseen by the Comptroller, is responsible for collecting revenue and ensuring the “effective and efficient management of the City’s financial resources.”<sup>2</sup>

The MCC further grants the Comptroller the authority to enter into agreements with “county, state, and federal governments” to assist in the collection of revenues and to “take such steps, actions, and to request prosecutions by the corporation counsel’s office, for the purpose of enforcing ordinances relating to revenue, tax, license and permit fees receivable by the City of Chicago.”<sup>3</sup>

Also, the Comptroller is empowered to prescribe the forms and books of account used by “the various departments and boards of the city government in the transaction of all public business,” unless otherwise required by law.<sup>4</sup> Finally, the MCC declares that “All departments, bureaus, boards, officers and persons connected with the city government [ . . . ] are also required to use the books and forms prescribed by the comptroller.”<sup>5</sup>

OIG launched this audit in July 2024 and shared a draft of this report with DOF in March 2026. DOF reports that it made improvements to its processes during the course of the audit. The findings reported herein relate specifically to the period of OIG’s inquiry. OIG appreciates proactive efforts made by DOF and will assess the efficacy of these program updates in its regular follow-up to this report.

### A | What Is Outstanding Debt?

For the purposes of this report, debt is overdue revenue owed to the City. MCC § 1-19-010 defines the term:

‘Debt due and owing’ or ‘debt’ means a specified sum of money owed to the city for fines, penalties, fees, interest, or other types of charges or costs imposed by this code, or administrative or judicial judgments after: (i) the period granted for payment has expired; (ii) the exhaustion of, or the failure to exhaust, judicial review procedures; or (iii) in the case of tax debt, an assessment has become final under Section 3-4-330 of this code [Right to protest tax determination and assessment].

Debts arise from various sources, such as overdue charges for City services, unpaid fines for Municipal Code violations, and expenses related to emergency medical services (EMS) provided by the City. Additional interest or collection costs associated with these amounts are also considered debt.

<sup>1</sup> Municipal Code of Chicago § 2-32-030 states, “The Comptroller shall be the fiscal agent of the City and as such shall be charged with and shall exercise general supervision over all officers of the City charged in any manner with the receipt, collection or disbursement of the City revenues and all funds required to be in the custody of the City Treasurer.”

<sup>2</sup> City of Chicago, “Finance,” n.d., accessed January 8, 2026, <https://www.chicago.gov/city/en/depts/fin.html>.

<sup>3</sup> MCC § 2-32-080(E).

<sup>4</sup> MCC § 2-32-170.

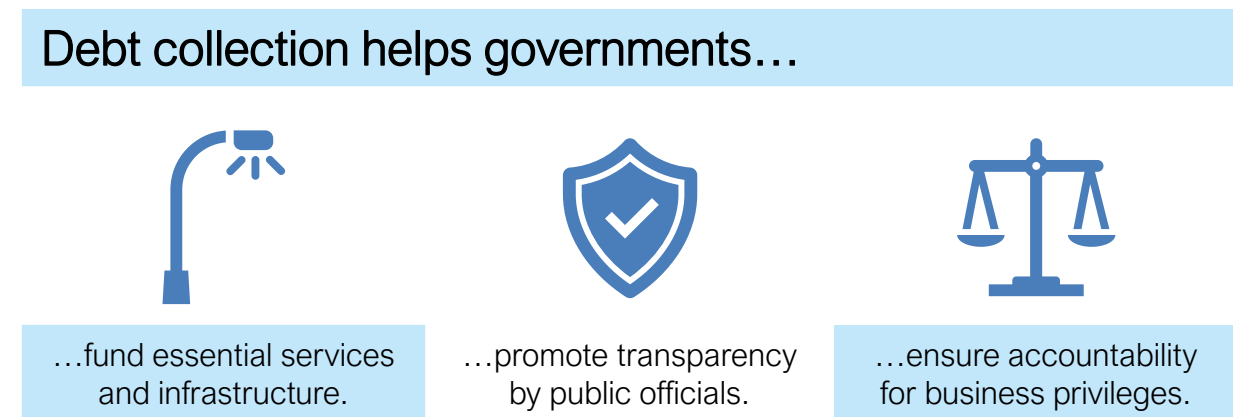
<sup>5</sup> MCC § 2-32-110.

Some outstanding revenue, such as the City's portion of property taxes collected by other government agencies and grant funds not yet disbursed by awarding agencies, are not considered to be forms of indebtedness to the City of Chicago.

## B | Why Does Outstanding Debt Matter?

In addition to generating revenue, debt collection ensures that governments maintain established rules around public transparency and business interests, as illustrated in Figure 1.

Figure 1: Management of Outstanding Debt Supports City Services and Promotes Accountability



Source: OIG visualization.

Fines, user fees, and taxes fund public safety functions, infrastructure needs, and social programs. Effective debt collection thereby supports these fundamental municipal services, which are in some cases linked to dedicated fees. For example, the City imposes a surcharge on certain vacation rentals to raise funds for the specific purpose of aiding survivors of domestic violence.<sup>6</sup>

Enforcing rules related to indebtedness can also help guard against unethical behavior. First, prohibiting government officials from owing debt can avert conflicts of interest (such as making decisions about programs to which those officials owe money) or improper influence (such as being pressured or exerting pressure based on indebtedness). It also sets a standard of fairness by holding public servants to the same expectations as the residents they serve. Accordingly, Illinois law provides that "an elective office in a municipality of 500,000 or more shall become vacant" if a person holding such office fails to either pay or successfully contest a debt to their municipality.<sup>7</sup> For its part, the MCC restricts the hiring of new employees who owe money to the City, and for current employees, City indebtedness can result in discipline up to and including discharge.<sup>8</sup> As discussed in Finding 2, however, the City has long struggled to enforce these provisions.

Additionally, prohibiting debtors from doing business with the City can advance other policy goals. For example, since debts can arise from regulatory penalties like fines for building violations, barring

<sup>6</sup> MCC § 3-24-030(c).

<sup>7</sup> 65 ILCS 5/3.1-10-51.

<sup>8</sup> MCC § 2-152-150(c); City of Chicago Personnel Rule XVIII §1.52 establishes failure to pay City debt within 30 days as a cause for disciplinary action, including discharge, unless the employee has 1) entered into a payment agreement, 2) is contesting the debt, or 3) has filed for bankruptcy.

entities that owe such debt from receiving local business privileges can protect residents by giving the scofflaws a strong incentive to address safety issues.

Finally, Illinois law requires that the City balance its planned annual expenditures with its estimated revenues.<sup>9</sup> Effective debt collection promotes budget transparency by more closely matching estimated revenues with actual income.

## C | Government Debt-Collection Practices

The Government Finance Officers Association (GFOA), a professional organization representing federal, state, and local public finance officials, has issued recommendations for the effective management of governmental revenues.<sup>10</sup> The recommendations state, “a formal manual that documents the entity’s revenue control and management procedures can facilitate policy implementation, as well as serve as an effective internal control in and of itself.”<sup>11</sup>

GFOA also recommends that, as part of an overall revenue management policy, each government should analyze outstanding debts by age to help to develop the most effective collection strategy. In an interview with OIG, representatives from GFOA explained that observing trends in collection over time can help governments determine which outstanding debts are unlikely to be collected. GFOA recommends that governments establish policies for writing off these debts, “including timeframe, dollar thresholds and decision-making authority,” and then execute the policies by periodically writing off debts.<sup>12</sup> GFOA stated that budget transparency is the primary reason to write off uncollectible debts.

As defined by the United States Treasury, a **write-off** is an accounting procedure to remove a debt as an asset on financial statements because it no longer has any value.

A write-off is distinct from the decision to end active or passive collection efforts.

Finally, GFOA recommends that, where cost-effective, governments consider engaging outside collection agencies that comply with applicable regulations.<sup>13</sup>

Source: United States Treasury, “Managing Federal Receivables,” Chapter 7-14.

Municipalities such as New York City and the City of Los Angeles have write-off practices, as do the State of Illinois and the United States Department of the Treasury.<sup>14</sup>

<sup>9</sup> 65 ILCS 5/8-2-6(d).

<sup>10</sup> Government Finance Officers Association, “About GFOA,” accessed January 9, 2026, <https://www.gfoa.org/about>.

<sup>11</sup> Government Finance Officers Association, “Revenue Control Policy,” October 31, 2012, accessed January 6, 2026, <https://www.gfoa.org/materials/revenue-control-policy>.

<sup>12</sup> GFOA, “Revenue Control Policy.”

<sup>13</sup> GFOA, “Revenue Control Policy.”

<sup>14</sup> Under the Illinois Uncollected State Claims Act (30 ILCS 205), state agencies may request certification by the Attorney General that particular receivables over \$1,000 are uncollectible and may be written off. Agencies may unilaterally certify and write off amounts under \$1,000. Along the same lines, the Bureau of the Fiscal Service of the United States Treasury has published a policy manual entitled *Managing Federal Receivables*. The manual advises federal agencies to develop debt-collection strategies that “promote the resolution of delinquencies as quickly as possible, since the ability of an agency to collect its delinquent debts will generally decrease as the debts become older” (Ch. 6-1). Chapter 6 of the manual, entitled “Delinquent Debt Collection,” discusses strategies and tools for debt collection by federal agencies. Chapter 7, entitled “Termination of Collection Action, Write-off and Close-out/Cancellation of Indebtedness,” provides a guide for determining when to pause or desist collection activities.

Federal, state, and local regulations also establish standards for collecting debt in an ethical manner. The federal Fair Debt Collection Practices Act prohibits abusive and deceptive practices by collection agencies, as do the Illinois Collection Agency Act and the MCC.<sup>15</sup>

In December 2025, Mayor Brandon Johnson issued Executive Order 2025-10, which referenced the importance of “federal, state, and local consumer-protection laws” to the City’s debt-collection practices. The Order prohibited the sale of City medical debt to third-party collectors due to the risk, documented by the federal government, of “abusive, deceptive, and coercive debt-collection” by such debt buyers.<sup>16</sup>

## D | City of Chicago Debt Collection and Debt Checks

DOF’s Accounts Receivable and Cost Recovery Division (DOF AR) is responsible for collecting overdue receivables. DOF AR pursues outstanding debt in two primary ways: by mailing notices of collection and by conducting debt checks, which entail checking information in DOF’s databases to determine whether an applicant for employment or local business privileges owes money to the City.

The City’s Department of Law (DOL) also plays a significant role in debt collection, though the Comptroller and DOF are ultimately responsible for overseeing City revenues. DOL collects City debt through two major avenues: management of outside law firms that act as collection agencies and litigation conducted directly by attorneys with DOL’s Collections, Ownership, and Administrative Litigation division (COAL).

### DOF AR Notification and Referral

DOF stores its data on overdue receivables across multiple databases. When bills in these systems go unpaid, DOF AR sends pertinent information on the debts to a City contractor. The contractor then mails notices of collection to each debtor. If debts remain unpaid following a second and final notice, DOF’s debt databases automatically assign them to one of several collection agencies. This distribution is based on the type of debt and the last name of the debtor, with each collection agency assigned a range of the alphabet. Since the launch of this audit, DOF has held contracts with two non-law firm collection agencies—Mintex and Advanced Data Processing, Inc. As discussed below, DOF also refers debt for collection by outside law firms retained by DOL.

The timeframe for DOF’s referral of overdue debt to collection agencies varies depending on which City database houses the record of the debt. For example, Figure 2 shows the referral steps within the Chicago Adjudication, Noticing, and Violation Administration System (CANVAS) database, which stores parking and vehicle violation debt records. The system automatically refers unpaid fines to a collection agency 90 days after the pay- or contest-by date (i.e., 90 days after the fines have become debt according to the MCC).

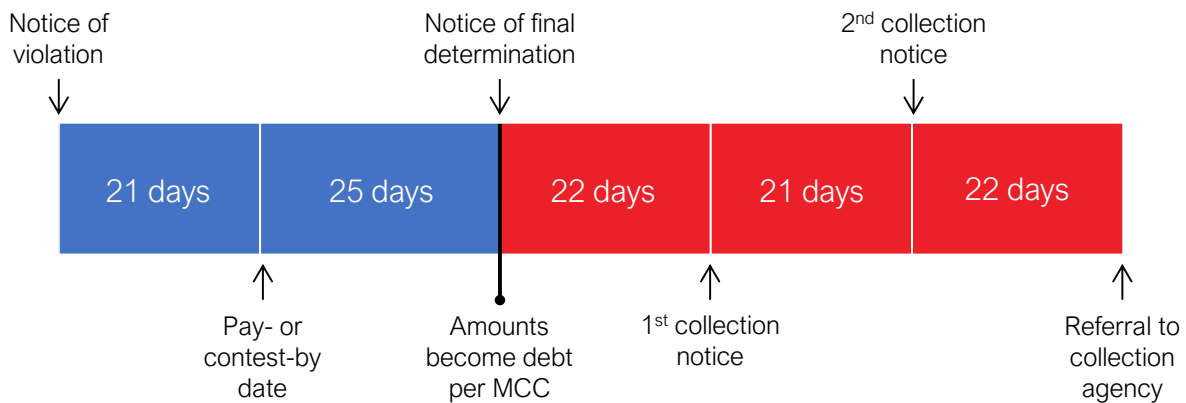
---

United States Treasury Bureau of the Fiscal Service, “Managing Federal Receivables: A Guide for Managing Loans and Administrative Debt,” United States Department of the Treasury, March 2015, accessed January 23, 2026, <https://www.fiscal.treasury.gov/files/debt-management/managing-federal-receivables.pdf>.

<sup>15</sup> 15 USC §1692; 205 ILCS 740; MCC § 4-6-150.

<sup>16</sup> City of Chicago Office of the Mayor, “Executive Order No. 2025-10: Prohibiting the Sale or Assignment of City-owned Medical Debt and Establishing Fair, Public-Interest Debt Recovery Practices,” December 23, 2025, accessed January 12, 2026, <https://chicityclerk.s3.us-west-2.amazonaws.com/s3fs-public-1/Executive%20Order%202025-10.pdf>.

Figure 2: Automated Database Rules Advance CANVAS Debt from Notice to Collection



Source: OIG visualization of DOF process flow.

Other City databases apply different rules. For example, Banner—which houses records of unpaid water and sewer bills—is programmed to refer the debt to collection agencies after 90 days for inactive accounts (provided the amount owed is at least \$200), and after 365 days for active accounts (provided the amount owed is at least \$1,000).

## DOL Collection, Ownership, and Administrative Litigation (COAL) Division

DOL executes retention agreements with law firms, which are then appointed as Special Assistant Corporation Counsel to pursue collections, administrative judgments, and wage garnishment, and to undertake any other litigation related to outstanding debt. The City pays the firms a percentage of the amount collected, which varies depending on the type of debt.<sup>17</sup> In addition, COAL stated that firms conducting more complex collection actions—for example, those requiring full administrative adjudication—earn higher percentages than firms handling simpler matters.<sup>18</sup>

According to DOF, the outside law firms retained by DOL for debt-collection services during the time of OIG’s audit included,

- Arnold Scott Harris;
- Goldman & Grant;
- Heller & Frisone;
- Markoff Law LLC;
- Talan & Ktsanes; and
- Tristan & Cervantes.

<sup>17</sup> Misconduct investigations conducted by OIG have revealed that two firms previously contracted by the City to perform debt collection work misused their access to the City’s debt collection portal and thereby received contingency fee payments to which they were not entitled. See City of Chicago Office of Inspector General, “Quarterly Report: Fourth Quarter 2023,” January 12, 2024, 23, <https://igchicago.org/wp-content/uploads/2024/01/OIG-Quarterly-Report-Fourth-Quarter-2023.pdf>, and City of Chicago Office of Inspector General, “Quarterly Report: Third Quarter 2024,” October 15, 2024, 21, <https://igchicago.org/wp-content/uploads/2024/10/OIG-Quarterly-Report-Third-Quarter-2024.pdf>.

<sup>18</sup> In addition, MCC §§ 1-19-020 and -030 establish that persons who default on fines or other debts “shall be liable” for the City’s collection costs and attorney’s fees.

Some debt litigation is handled directly by City attorneys from COAL. The 2026 appropriation ordinance provided the division with a budget of \$4,678,402 in salary and wages for 34 attorneys, 3 legal support staff, 8 administrative support staff, and an hourly rate for law clerks.<sup>19</sup> COAL attorneys represent the City in various proceedings related to the collection of debt, including actions to recover unpaid fines for repeated or egregious unlawful conduct by property owners, lien-enforcement and mortgage foreclosure actions, bankruptcy cases, wage garnishment actions, and probate matters. While DOF leadership stated that DOL handles “high-profile” cases, COAL management explained that there is no “bright-line rule” defining when DOL attorneys will assume any particular matter.

Examples of litigation led by COAL include a 2018 suit against the village of Dolton for more than \$9 million in utility debt and a 2024 case against a property owner scofflaw owing over \$15 million in administrative fines for ordinance violations.<sup>20</sup> According to DOL, in November 2024, the division was handling more than 1,000 active matters related to debt collection. COAL’s data did not include information about the amount being sought in each case.

### DOF Business Privilege Debt Checks

To ensure that the City recovers debt owed by those seeking City business, the MCC includes various provisions making City debtors ineligible for permits, licenses, and other business transactions, as illustrated in Figure 3.

**Figure 3: Those Who Owe City Debt are Restricted from Certain City Business Privileges**

Debt-related Restrictions	Authority
Receiving a City license or permit <sup>21</sup>	MCC §§ 1-23-400, 2-32-094, 4-4-150
Holding an active City license <sup>22</sup>	MCC § 4-4-084
Seeking official City action, such as: <ul style="list-style-type: none"> <li>• approval of a City contract</li> <li>• award of TIF funding</li> <li>• passage of a zoning amendment</li> <li>• sale of a City-owned lot</li> <li>• inclusion in a concession or privatization agreement</li> <li>• rental of a Chicago Housing Trust unit</li> <li>• award of City funding for a development project<sup>23</sup></li> </ul>	MCC § 2-154-010

Source: MCC.

<sup>19</sup> City of Chicago Office of Budget and Management, “FY2026 Annual Appropriation Ordinance,” 164-175, accessed January 22, 2026, [https://www.chicago.gov/content/dam/city/depts/obm/supp\\_info/2026Budget/FY2026%20Annual%20Appropriation%20Ordinance.pdf](https://www.chicago.gov/content/dam/city/depts/obm/supp_info/2026Budget/FY2026%20Annual%20Appropriation%20Ordinance.pdf).

<sup>20</sup> *City of Chicago v. Village of Dolton*, 2018CH3937; *City of Chicago v. Suzie Wilson, Regal, LLC, NRH, LLC, FCOO, LLC*, 2024L004271.

<sup>21</sup> Exceptions include permits sought by government agencies, emergency repair permits, and certain administrative permits described in MCC § 14A-12-1204.2.

<sup>22</sup> MCC § 4-4-084 states that the license of a person with delinquent debt “may” be suspended or revoked in accordance with the requirements set forth in MCC § 4-4-280.

<sup>23</sup> Entities seeking these sorts of actions by the City must complete an Economic Disclosure Statement (EDS), which contains a certification stating, “The Disclosing Party and its Affiliated Entities are not delinquent in the payment of any

Additionally, MCC § 2-92-380(a) requires that all City contracts contain language authorizing the offset of payments to the contractor by the amount of any debt they owe to the City. Building on this, in 2024, the City enacted MCC § 1-19-040, which requires the Comptroller to conduct a debt check prior to issuing “payment from the City, including, but not limited to” settlement payments, judgment payments, contract payments, and refunds. If it is determined that a payee owes money to the City, the MCC provides that the Comptroller “shall” offset the payment by the amount owed, plus any interest, fees, or expenses.

DOF AR conducts debt checks to determine whether applicants for business privileges (as well as job applicants, as discussed below) owe money to the City. In fiscal year 2026, the City budgeted for 14 Collections Representatives, who primarily conduct these checks, though DOF management stated that turnover is high and only 8 or 9 of these positions are typically filled.<sup>24</sup> DOF AR’s debt checks comprise manual review of multiple types of debt recorded across various sources, as shown in Figure 4.

**Figure 4: DOF’s Debt Checks Entail Manual Review of Several Systems**

System	Types of Debt
Integrated Revenue Information System (IRIS)	Business licensing, permitting, and tax charges
Banner	Water, sewer, and refuse charges
Chicago Adjudication, Noticing, and Violation Administration System (CANVAS)	Parking and vehicle fines
Automated Referral Management System (ARMS)	Several data modules including, <ul style="list-style-type: none"> <li>• administrative hearings fines;</li> <li>• building inspection fees;</li> <li>• traffic control fees; and</li> <li>• EMS fees.</li> </ul>

Source: DOF.

When conducting debt checks, DOF AR does not consider as outstanding any debt for which the debtor has entered into a payment plan; it treats these as paid in full. When a license- or permit-holder defaults on a payment plan, the City does not seek to revoke the license or permit. Instead, they are flagged for review upon application for renewal. DOF described facing challenges with businesses that maintain their eligibility for permits by repeatedly enrolling in and defaulting on payment plans, or by dissolving and reincorporating under new names that make them difficult to track. DOF management stated that once debt is identified by DOF AR, user departments themselves are responsible for enforcing holds on licenses and permits falling under their purviews.

### Employee Indebtedness and Wage Garnishment

DOF AR conducts debt checks for new City employees during onboarding by the Department of Human Resources, as well as upon an employee’s resignation, retirement, or return from leave.

---

fine, fee, tax or other source of indebtedness owed to the City of Chicago, including, but not limited to, water and sewer charges, license fees, parking tickets, property taxes and sales taxes, nor is the Disclosing Party delinquent in the payment of any tax administered by the Illinois Department of Revenue.”

<sup>24</sup> City of Chicago, “FY2026 Annual Appropriation Ordinance,” 128, 133.

DOF AR also completes a proactive employee debt check, referred to as a “debt cycle,” three times per year. This process covers both employees of the City and those of five Sister Agencies: Chicago Public Schools (CPS), the Chicago Park District, City Colleges of Chicago (CCC), the Chicago Housing Authority (CHA), and the Chicago Transit Authority (CTA). DOF provides employee indebtedness reports to human resources liaisons at each department or agency. Each agency determines its own disciplinary steps for employees who owe outstanding debt.

State law and the MCC also allow the City to recover unpaid debt from certain public employees through wage garnishment, as illustrated in Figure 5, but prohibit garnishing more than 25% of any one salary payment.<sup>25</sup>

**Figure 5: State Law Allows Garnishment of Employee Wages for Debt Owed to the City**

<p>Entities that may garnish employee wages to satisfy debts to the City include:</p>	<ul style="list-style-type: none"> <li>• City of Chicago</li> <li>• Cook County</li> <li>• Chicago City Colleges</li> <li>• Chicago Housing Authority</li> <li>• Chicago Park District</li> <li>• Metropolitan Transit Authority</li> <li>• Chicago Public Schools<sup>26</sup></li> <li>• Cook County Forest Preserve District</li> <li>• Metropolitan Water Reclamation District</li> </ul>
---	---

Source: 20 ILCS 115.

<sup>25</sup> 20 ILCS 115/9; MCC § 2-32-392.

<sup>26</sup> State and local laws regarding employee indebtedness refer both to Chicago Public Schools and the Chicago Board of Education, which is the school system’s governing body. Throughout this report, OIG uses the term Chicago Public Schools.

## III | Objectives, Scope, and Methodology

### A | Objectives

The objectives of the audit were to,

- determine whether DOF can identify all debts owed to the City and the corresponding debtors;
- determine whether DOF's management practices support the collection of outstanding debt; and
- describe the community's experience with DOF's debt-collection practices.

### B | Scope

The scope of OIG's audit included,

- policies, procedures, internal controls, and interagency collaboration related to DOF's role in managing the overall amount of debt owed to the City;
- a quantitative analysis of the amount of debt under DOF's management between July and September 2025, as well as further inquiry resulting in an updated total of EMS debt in February 2026;
- DOF's role in implementing procedures and rules to prevent debtors from obtaining business or employment with the City; and
- the community impacts of DOF's debt-collection practices.

The scope of this audit did not include,

- the performance of the City's collection agencies;
- most debt collection activities of other City departments, except where they illustrated aspects of DOF's collaboration with other agencies; or
- amounts owed by City agencies to one another (e.g., unpaid interfund transfers) or by external governmental agencies to the City.

### C | Methodology

To assess whether DOF could identify all debts and debtors and to understand the characteristics of outstanding debt, OIG analyzed extracts from three databases under DOF's direct management: Banner, IRIS, and ARMS. OIG also obtained summary analyses of data in the CANVAS database from a City vendor and reviewed the vendor's methodology. To understand the limitations of DOF's debt data, the audit team interviewed representatives from DOF's database vendors and interviewed the leadership of DOF's Revenue Services, Payment Processing, General Accounting, and Enterprise Accounting divisions.

To better understand best practices related to debt collection, OIG interviewed experts from the Government Finance Officers Association. To gain familiarity with common practices in municipal debt collection, OIG interviewed finance department staff from New York City and the City of Los Angeles.

To learn about DOF's policies and procedures related to the management of outstanding debt, OIG interviewed the department's senior leadership and sought documentation related to financial reporting, vendor contracts, data analysis, and system rules. OIG also interviewed the management

of DOL's COAL division and received written answers to additional questions. To understand DOF's debt checks, the audit team received a walkthrough of the process from DOF AR. OIG also requested documentation of notices of indebtedness sent to elected officials from the Office of the City Clerk.

To assess the effectiveness of DOF's practices from the perspective of other City agencies, OIG interviewed employees of the Chicago Department of Transportation, Department of Housing, and Department of Procurement Services.

Finally, to understand the community impacts of DOF's debt-collection practices, OIG reviewed existing research by local advocacy groups and interviewed members of a statewide coalition for fines and fees reform. OIG also solicited comments from the public on their experiences with City debt and debt collection through a survey distributed via flyers and social media.

## D | Standards

OIG conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that OIG plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on its audit objectives. OIG believes that the evidence obtained provides a reasonable basis for its findings and conclusions based on its audit objectives.

## E | Authority and Role

The authority to perform this audit is established in MCC § 2-56-030, which states that OIG has the power and duty to review the programs of City government in order to identify any inefficiencies, waste, and potential for misconduct, and to promote economy, efficiency, effectiveness, and integrity in the administration of City programs and operations. The role of OIG is to review City operations and make recommendations for improvement. City management is responsible for establishing and maintaining processes to ensure that City programs operate economically, efficiently, effectively, and with integrity.

## IV | Findings and Recommendations

### Finding 1: No City department has knowledge or management oversight of all debt owed to the City. The outstanding debt DOF manages exceeds \$8.1 billion.

MCC § 2-32-030 defines the power and duty of the Comptroller to exercise general supervision of revenue collection across City government. However, DOF does not manage all debt owed to the City, and it cannot calculate the total amount of debt housed in other City departments' payment systems.

During the time period of OIG's audit, outstanding debt owed to the City and recorded in the systems DOF manages exceeded \$8.1 billion. The true total amount of outstanding debt, including amounts housed outside of DOF's databases, is unknown. In effect, no City department has knowledge or management oversight of the full universe of debt owed to the City.

#### A | The Debt Managed by DOF Totals Over \$8.1 Billion

OIG originally calculated the debt recorded in ARMS, IRIS, Banner, and CANVAS databases based on data provided by DOF and its database vendors between July and September 2025. That original calculation identified \$6.9 billion of outstanding debt. OIG later learned, however, that the data provided for outstanding debt related to EMS, totaling \$326.8 million, represented only a portion of that type of debt. The amount originally provided was limited to EMS debt that DOF's billing vendor was actively pursuing; it did not include debt that the vendor was no longer pursuing and had returned as uncollectible or for alternative collection action, such as referral to a law firm collection agency. As of February 2026, the true total amount of outstanding EMS debt was \$1,551,392,771. Taking this into account, recalculation reveals that the total amount of debt owed to the City during the period of OIG's audit exceeded \$8.1 billion.<sup>27</sup>

<sup>27</sup> DOF produced similarly inconsistent EMS debt totals in response to public records requests by the news media. As a result, the City has provided inconsistent information to the public about the total amount of outstanding debt. In December 2023, the *Sun-Times* reported that "[o]utstanding ambulance bills and other miscellaneous overdue costs have built up beyond \$415 million since 1993"; in November 2025, the paper reported that City debt included \$1.5 billion in ambulance fees. The more-than-\$1 billion discrepancy in both instances illustrates how a lack of defined terms hinders DOF from accurately and transparently reporting the true amount of debt owed to the City. DOF's reporting practices are discussed further in Finding 2.

Mitchell Armentrout and Tim Novak, "Chicago City Hall is owed billions of dollars it hasn't managed to collect," *Chicago Sun-Times*, December 1, 2023, accessed February 18, 2026, <https://chicago.suntimes.com/2023/12/1/23972601/unpaid-fines-fees-chicago-city-hall>.

Mitchell Armentrout and Tim Novak, "Debt owed to City Hall has risen \$1 billion during Brandon Johnson's term, money his budget could use," *Chicago Sun-Times*, November 25, 2025, accessed February 18, 2026, <https://chicago.suntimes.com/the-watchdogs/2025/11/25/debts-unpaid-fines-chicago-city-hall-mayor-brandon-johnson>.

Figure 6: Total Outstanding Debt in DOF Databases

Type of Debt	Database	Outstanding Debt
Administrative Hearings Violations	ARMS	\$3,086,597,593
Parking/Vehicle Violations	CANVAS	2,591,720,450
Emergency Medical Services	ARMS	1,551,392,771
Utilities (Water, Sewer, and Refuse)	Banner	845,532,224
Business/Tax Debt	IRIS	38,903,900
Building Inspection Fees	ARMS	21,507,831
Traffic Control	ARMS	237,723
<b>TOTAL</b>		<b>\$8,135,892,492</b>

EMS debt was originally reported to OIG as \$326.8 million, which only represented a portion of that debt. This corrected amount represents EMS debt as of February 2026.

Source: ARMS, Banner, CANVAS, and IRIS data. Outstanding debt balances were calculated from July through September 2025, except for EMS debt, which was calculated in February 2026. OIG’s analysis excluded debt records with amounts less than or equal to zero.

### Unique Debtors Are Difficult to Identify

DOF’s systems vary in the completeness and formatting of information relating to debtors’ names and addresses. As a result, it is impossible to reliably determine the number of unique debtors to the City. The ARMS database excerpt in Figure 7, for example, shows 18 unique but similar business names, anonymized by OIG for demonstrative purposes by replacing the common word in each with the word “Sycamore.” Considered separately, each debtor name has outstanding debt balances ranging from \$2,920 to \$54,950.<sup>28</sup> If the various names actually represent a single business, however, its outstanding debt balance would be the sum of all individual debts.

Figure 7: Data Quality Issues Impede DOF from Consolidating Its Debt Data by Debtor

Name (anonymized by OIG for demonstrative purposes)	Amount Owed
SYCAMORE RECYCLING	45,993.29
SYCAMORE RECYCLING 8 WA	3,986.43
SYCAMORE RECYCLING AND	5,257.10
SYCAMORE RECYCLING AND SE	3,779.86
SYCAMORE RECYCLING AND WA	54,950.47
SYCAMORE RECYCLING AND WAST	26,879.62
SYCAMORE RECYCLING AND WASTE	15,575.12
SYCAMORE RECYCLING AND WASTE SERV INC	15,091.36
SYCAMORE RECYCLING AND WASTE SERVICE	14,965.49
SYCAMORE RECYCLING AND WASTE SERVICE INC	3,973.90
SYCAMORE RECYCLING AND WASTE SERVICES INC	7,923.13
SYCAMORE RECYCLING INC	15,991.69
SYCAMORE RECYCLING SERVIC	2,920.12
SYCAMORE RECYCLING WAST	3,359.89
SYCAMORE RECYCLING WASTE	3,989.09
SYCAMORE RECYCLING WASTE INC	3,989.85
SYCAMORE RECYCLING WASTE SERVICES INC	3,410.39
SYCAMORE REYCLING AND WASTE INC	4,178.05

Source: ARMS data. OIG has replaced the same first word of each company name in this extract of actual ARMS data to de-identify particular debtors.

<sup>28</sup> The ARMS AHMS database contains administrative hearings dockets. OIG aggregated these entries by debtor name. There is no account number.

Inconsistent data entry, which may originate with other departments that issue citations, results in data quality issues that impede DOF from linking debt records by name within and across databases. DOF told OIG that data issues in its own systems arise from inconsistencies in imported data maintained by other City departments (such as the Department of Administrative Hearings) and by external agencies (such as the Illinois Secretary of State).

To provide a sense of the number of unique debtors in each system, OIG summarized available data within the databases managed by DOF that include customer fields, as shown in Figure 8. However, this data may be subject to the same reliability issues as debtor names (i.e., one debtor could have multiple payer IDs).

**Figure 8: Unique Debtors in DOF’s Systems, July-September 2025**

Type of Debt	Data Field	Unique Entries
ARMS Building Inspection Fees	Payer ID	41,161
ARMS Traffic Control	Business Name	42
Banner	Customer Name	185,100
IRIS	Account Number	16,964

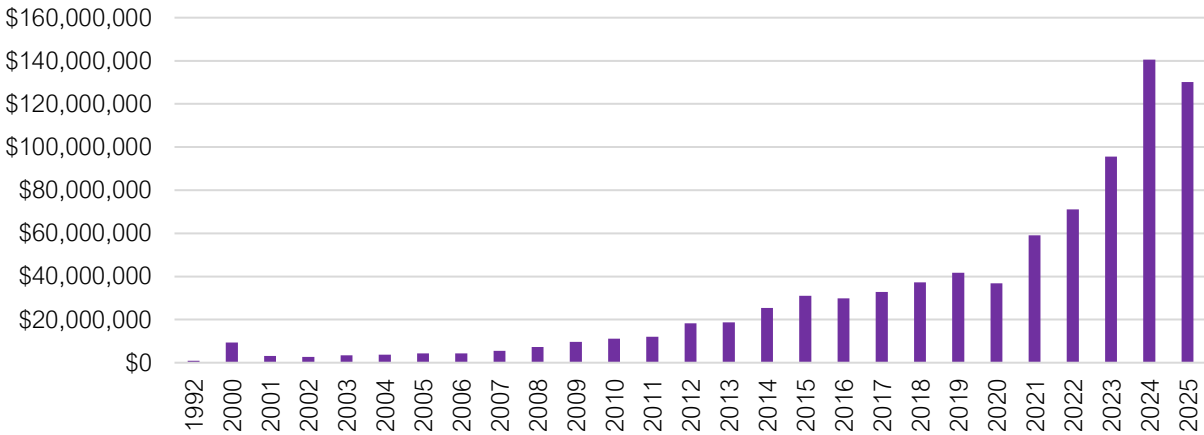
Source: ARMS, Banner, and IRIS data. Debt data related to administrative hearings, EMS, and parking/vehicle fines are not included in this figure. (ARMS administrative hearings debt data lacks a unique identifier to distinguish individual debtors, and due to data quality issues, OIG did not aggregate records by name. Because ARMS EMS data contains protected health information, OIG elected not to request debtor names. CANVAS debt data lacks a unique identifier to distinguish individual debtors, and due to data quality issues, OIG did not aggregate records by name.)

### Most Outstanding Debt was Incurred in Recent Years, but Some Originated in the 1990s

The oldest outstanding debts in DOF’s systems at the time of OIG’s analysis dated to the 1990s. However, debts have continued to accrue since that time. The figures below depict, at the time of OIG’s analysis, outstanding debt records by the year in which they originated.

Figure 9 shows the sum of outstanding utility debt in the Banner database sorted by the year of the original charge. The median year of origin for Banner debts was 2019. DOF management stated that Banner debt has increased since the City stopped using water shut-offs as a debt-collection tool. For its part, the database vendor for the Banner system also noted a rise in debt due to rate increases and the addition of refuse charges to the system (in addition to water and sewer charges).

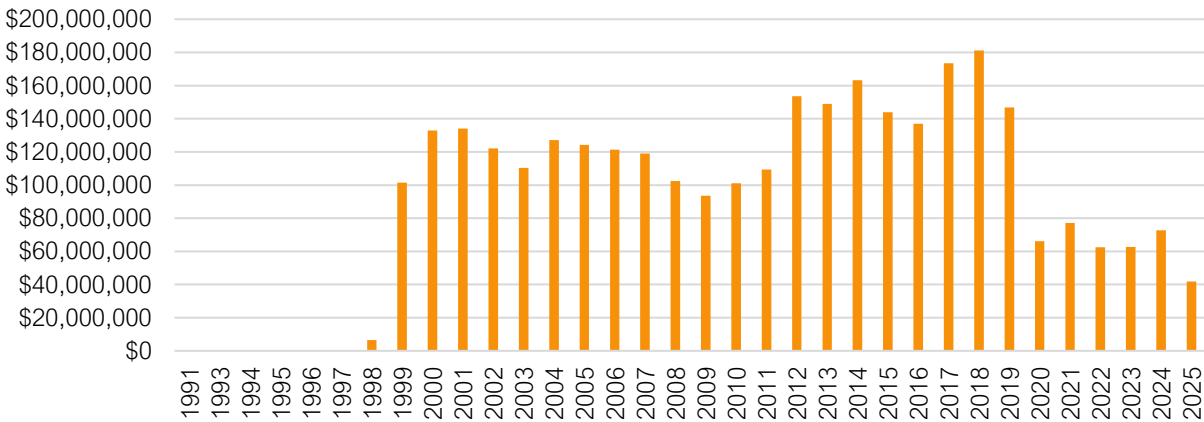
**Figure 9: Sum of Outstanding Banner Debts by Year of Original Charge**



Source: Banner data as of July 2025.

Figure 10 shows the sum of administrative hearings debts sorted by the year of the original hearing. Debts originating in 2016 or later accounted for 32.6% of the uncollected funds in this category.

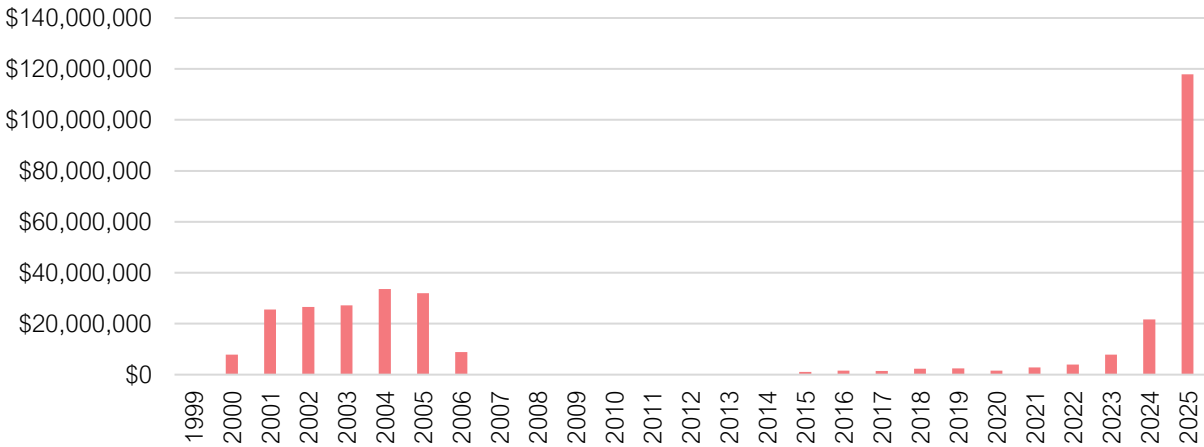
**Figure 10: Sum of Outstanding ARMS Administrative Hearings Debts by Year of Original Hearing**



Source: ARMS data as of July 2025.

Figure 11 shows the sum of outstanding ambulance bills sorted by the year of dispatch. (Note that this figure reflects only the amounts actively assigned to DOF’s billing vendor at the time of OIG’s data export.)

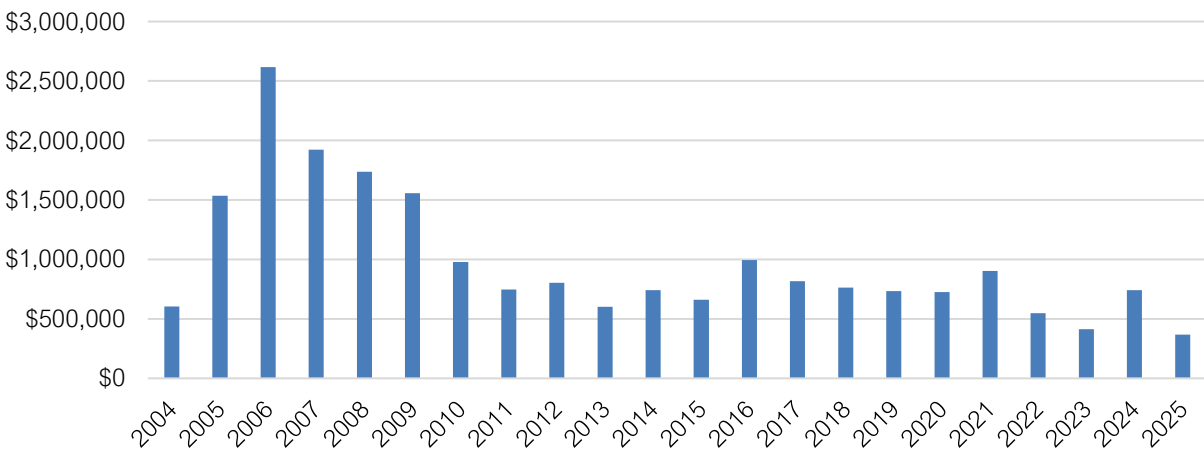
**Figure 11: Sum of Outstanding ARMS EMS Debt Managed by DOF’s Billing Vendor by Year of Dispatch**



Source: ARMS data as of July 2025.

Figure 12 shows the sum of building inspection debts in the ARMS database sorted by the year of original invoice.

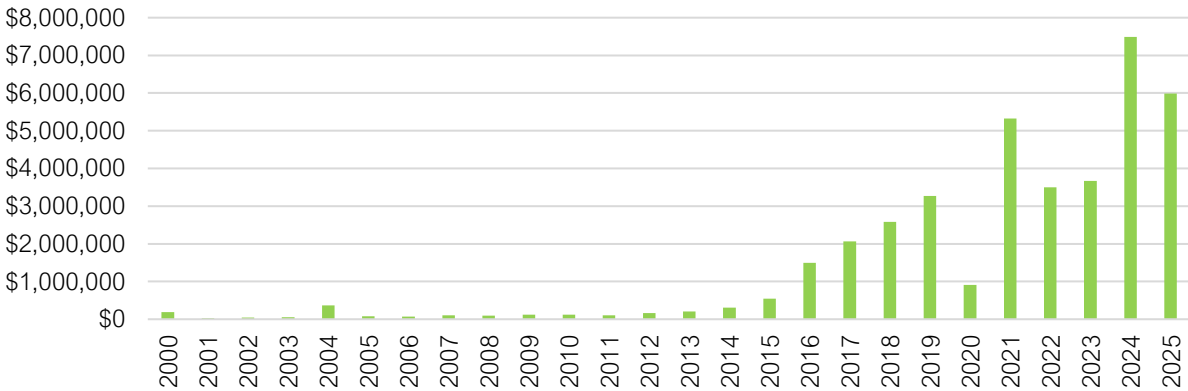
**Figure 12: Sum of Outstanding ARMS Building Inspection Fee Debts by Year of Invoice**



Source: ARMS data as of September 2025.

Figure 13 shows the sum of IRIS business and tax debts sorted by the year of original charge.

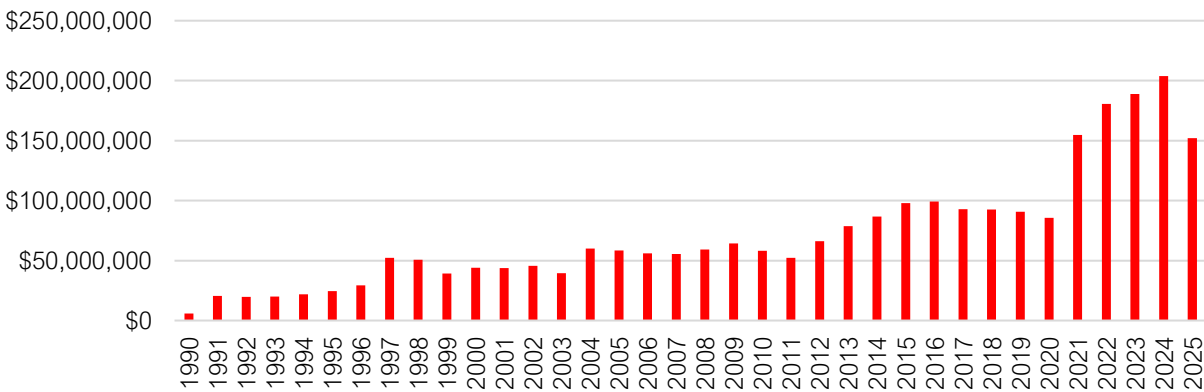
**Figure 13: Sum of Outstanding IRIS Debts by Year of Charge**



Source: IRIS data as of September 2025.

Figure 14 shows the sum of outstanding parking and vehicle violation debts in CANVAS sorted by the year the original citation was issued. 51.7% of the debt in this category dated from 2016 or later. DOF management noted that a state-level reform in 2020 ended the City’s prior enforcement mechanism of requesting that the Secretary of State suspend driver’s licenses for accumulated parking and vehicle debt.

**Figure 14: Sum of Outstanding CANVAS Debts by Ticket Issue Year**



Source: CANVAS data as of September 2025.

### Types of Debt Vary Across Databases

Figures 15 through 18 provide the available data on debts by type within DOF’s databases. Figure 15 shows the top five City departments that issued the violations that triggered outstanding administrative hearings debt in the ARMS database.

**Figure 15: Top Five Originating Departments for Outstanding ARMS Administrative Hearings Debt**

Department Issuing Violation	Outstanding Debt
Chicago Police Department <sup>29</sup>	\$1,228,383,012
Department of Streets and Sanitation	1,137,829,478
Department of Buildings	293,905,119
Business Affairs and Consumer Protection	230,939,580
Chicago Animal Care and Control	23,179,753

Source: ARMS data.

**Figure 16: Top Five Banner Debts by Rate Type**

Type of Charge	Outstanding Debt
Non-Metered Residential Sewer	\$88,466,057
Penalty on Non-Metered Water Charges	81,283,509
Metered Residential Water	77,772,785
Metered Residential Sewer	73,349,067
Penalty on Non-Metered Sewer Charges	71,770,132

Source: Banner data.

**Figure 17: Top Five CANVAS Debts by Violation Description**

Violation Code per CANVAS	Outstanding Debt
Red Light Violation	\$489,256,276
No City Sticker Vehicle Under/Equal to 16,000 lbs.	293,452,957
No City Sticker or Improper Display	218,603,855
Speed Violation 11+	192,809,923
Speed Violation 6-10	126,645,717

Source: CANVAS data.

**Figure 18: Top Five IRIS Debts by Charge Type**

Type of Debt	Outstanding Debt
Tax Payment	\$20,108,460
License Fee	7,963,148
WAV Fund Fee	5,747,652
License Fine	1,632,908
Taxicab Late Renewal Fee	1,458,775

Source: IRIS data.

The IRIS data exemplifies how indebtedness can impact the levels of revenue dedicated to specific purposes. Approximately \$5.7 million in IRIS debt is associated with the WAV Fund Fee, which is earmarked for improving the accessibility of taxis for people with disabilities.<sup>30</sup>

<sup>29</sup> Administrative hearings citations may be issued by the Police Department for MCC violations such as public intoxication or smoking on public transportation.

<sup>30</sup> MCC §§ 9-12-110 & 9-12-150.

According to DOF, the department faces challenges in identifying debtors among businesses that hold licenses as valet parking operators, some of which have repeatedly dissolved and reincorporated under new names, thereby avoiding the business license restrictions on debtors. Moreover, an OIG keyword search of business names in IRIS debt data revealed that at least 42.9% of the debt (\$16,673,503) was owed by companies that appear to operate in the taxicab industry.<sup>31</sup> Similar to the situation with the ARMS debt data discussed above, the debts of some taxi business operators may be reflected in IRIS under multiple company names, thereby making it difficult to determine how much a particular operator actually owes. Figure 19 illustrates an example of similar taxi business names from IRIS debt data; the actual business names have been anonymized by OIG for demonstrative purposes by replacing the common word in each name with the word “Magnolia.”

**Figure 19: Indebted Companies Appear in IRIS Under Similar Names**

Name (anonymized by OIG for demonstrative purposes)	Count of Debts	Amount Owed
MAGNOLIA CAB CORP.	52	22,206.73
MAGNOLIA FIVE CAB CORP.	43	4,402.80
MAGNOLIA FOUR CAB CORP.	71	7,716.67
MAGNOLIA SIX CAB CORP.	47	17,958.13
MAGNOLIA TAXI CO INC	1	50.00
MAGNOLIA TAXI CO.	109	16,735.89
MAGNOLIA THREE CAB CORP.	80	19,119.55
MAGNOLIA TWO CAB CORP.	48	16,029.05

Source: IRIS data. OIG has replaced the same first word of each company name in this extract of actual IRIS data to de-identify any particular debtor.

## Fines, Fees, and Penalties Account for Large Portions of Outstanding Debt

OIG found that penalties, fees and collection costs accounted for a substantial percentage of the overall total of outstanding debt. These costs can accrue as a consequence of long collection timelines.

- Of \$846 million in outstanding Banner utility debt, penalties accounted for 33.5% of the debt by dollar amount and 76.0% of unique debts by count.
- Collection costs, interest, and fees constituted \$1,912,965,768 (60.5%) of the overall amount owed on outstanding ARMS administrative hearings debt.
- Notably, the interest alone was \$1,424,286,471, which exceeded the total amount of original fines (\$1,247,124,878).

<sup>31</sup> OIG filtered IRIS debt records for business names containing the keywords “TAXI,” “CAB,” “LIMO,” “MEDALLION,” “LIVERY,” “VALET,” or “HACK” (an historical term for a hackney cab). These keywords were selected based on a review of business names on the City’s dashboard of public passenger vehicle licenses. City of Chicago Open Data Portal, “Public Passenger Vehicle Licenses,” updated March 10, 2026, accessed March 10, 2026, [https://data.cityofchicago.org/Community-Economic-Development/Public-Passenger-Vehicle-Licenses/fm3-3j95/about\\_data](https://data.cityofchicago.org/Community-Economic-Development/Public-Passenger-Vehicle-Licenses/fm3-3j95/about_data).

## B | DOF Cannot Calculate the Overall Amount of Outstanding Debt Because Its Debt Systems Are Not Integrated with One Another or with Systems from Other Departments

Despite the MCC's mandate that DOF supervise the collection of all City revenues, technological and management limitations prevent DOF from reliably assessing the total amount of debt housed in its own systems and in payment systems citywide.

For its part, DOF uses four databases to manage City debt: ARMS, Banner, CANVAS, and IRIS. DOF acknowledged that these systems are not fully integrated with one another. Management reported to OIG that for several decades, data quality issues and technological limitations have dissuaded the City from pursuing system integration. Vendors who manage DOF's databases described their content and programming as dating back to the late 1990s, and sometimes lacking complete documentation. Moreover, disparities in how each type of debt is managed—for example, different criteria for assessing interest—also pose obstacles to programming a unified system. As a result, none of the systems DOF uses can serve as a “clearinghouse” for all outstanding debt.

In addition, the City uses various other payment systems that house service fees and invoices that may be overdue, but are not managed by DOF. Examples include the Infor Public Sector 11 system used by CDOT, the Hansen 7 system used by the Department of Buildings, and the Financial Management System used by the Chicago Department of Aviation. None of these systems is fully linked to DOF's debt databases. Documentation shows that partial integration—for example, linking building inspection fees into an ARMS module—has occurred sporadically over the years, but comprehensive integration has not taken place.

In an attempt to calculate outstanding debt across all City systems, OIG asked whether DOF uses overarching information from the Financial Management and Purchasing Systems (FMPS), the database that serves as the City's accounting “books.” DOF management acknowledged that overdue invoices in FMPS should be considered debt, but stated that due to data quality issues, DOF had not been able to identify which unpaid amounts in FMPS are valid and collectible. Within the past year, DOF has worked with DOL to request that every City department determine which open items in FMPS constitute valid and collectible debt. In some instances, DOF has found erroneous or incomplete invoices.

Several members of DOF leadership expressed the mistaken belief that FMPS was the authoritative source for identifying all the City's outstanding receivables. But because FMPS is not connected to systems in other City departments that issue their own invoices, it contains no record of those unpaid amounts until payment is made and DOF enters the payment into the City's general ledger. DOF told OIG that it does not have visibility into outstanding debt in systems that are not integrated with its own. Other members of DOF's leadership team agreed that the department can only calculate the debt in the systems it manages. Also, as discussed in Finding 2, DOF has not exercised its authority to set policies or expectations for other City departments that might alert DOF of overdue bills, thus limiting its awareness of outstanding debt. These shortcomings are at odds with DOF's duty to exercise supervision over “all officers of the City charged in any manner with the receipt, collection or disbursement of the City revenues.”<sup>32</sup>

---

<sup>32</sup> MCC § 2-32-030.

In summary, data quality issues and the fragmentation of the City's payment systems mean that DOF's management of City debt is based on incomplete information.

## | Recommendations

1. In keeping with the authority provided by the MCC, DOF should exercise supervision over the collection of all City revenues by implementing a reliable system of reporting that yields the total amount of past-due receivables across all payment systems.

## | Management Response<sup>33</sup>

1. *"While DOF believes that it captures the vast majority of all outstanding City debt in its reporting, the Comptroller will issue a memo to all Department heads requesting a detailed description and accounting of any revenues collected by each Department, as well as any source systems to which those revenues and receivables are posted. DOF will work with all relevant Departments and their vendors, if necessary, to ensure that all valid, outstanding debt balances are included in its future reporting of outstanding debt. (Also see page 2 of DOF's response memo.)"*

---

<sup>33</sup> See Appendix A for DOF's complete management response form.

## Finding 2: DOF lacks overarching policies, strategies, and goals for addressing the overall amount of outstanding debt owed to the City. DOF's debt checks are based on incomplete data and rely on manual processes, impairing its ability to recover debt and prevent debtors from obtaining business or employment with the City.

DOF relies on unwritten practices, many decades old, to guide its central role in collecting City debt. The department does not have a unified plan, policies, or measurable goals to address the overall sum of outstanding receivables; rather, DOF's debt-collection activities are fragmented across several databases, processes, and vendors. In the closing conference for the audit, DOF management stated that while the department does not have a written plan or specific collection goals, DOF's automated database settings, debt-check procedures, and relief programs express a strategy for collecting debt. However, without a unified plan, DOF can neither effectively manage the full amount of outstanding debt nor measure the impacts of City collection activities, including those raising concerns related to equity and fairness.

Technological barriers and external data-quality issues hinder DOF's efforts to conduct comprehensive debt checks. However, DOF has not exercised its authority to impose standards on other departments' debt-collection practices, to seek cooperation and information from Sister Agencies through intergovernmental agreements, or to provide notices of indebtedness to elected officials as outlined in state law.<sup>34</sup> This increases the risk of debtors obtaining City business or employment in violation of the MCC.

### A | DOF's Lack of a Unified Strategy for Managing Outstanding Debt Impairs the Effectiveness of Collections

Although the MCC charges DOF with supervising City revenues, including debt, DOF leadership told OIG that they had no unified plan to comprehensively address the total amount of outstanding debt owed to the City. This reflects management's acknowledgment that DOF has not historically considered 'debt owed to the City' as a cohesive whole. Rather, it views outstanding debt as falling into separate organizational categories associated with DOF's various data systems. These debt

---

<sup>34</sup> As defined in MCC § 1-23-010, "'Sister agency' means the Chicago Public Schools, Chicago Park District, Chicago Transit Authority, City Colleges of Chicago, Chicago Housing Authority or Public Building Commission."

categories are managed by different vendors, subject to different database settings, and addressed by separate debt-relief programs.<sup>35</sup>

DOF also had no measurable goals related to its debt-relief programs. DOF management stated that DOF aims to both collect revenue and give debtors a path to compliance, but that the programs were shaped over the years by the shifting priorities of a series of mayoral administrations.<sup>36</sup>

## B | DOF Lacks Policies to Clarify Key Terms and Accounting Procedures

MCC § 2-32-110 charges the Comptroller with setting a citywide standard for the system of accounting:

The books of account and all other public records and documents of the city relating to the finances shall conform to the classification of standard accounts established by the comptroller in an official manual of accounting which shall be published and kept always on file in the office of the comptroller. Appropriations made under any of the general classifications set forth in said official manual of accounting shall be deemed to be for the items in detail as set forth in said manual. The comptroller shall have power to establish subsidiary and supporting groups of standard accounts as he may deem expedient.

All departments, bureaus, boards, officers and persons connected with the city government shall adopt and put into effect the system of accounting and auditing provided for, and are hereby required to make their reports and accounts conform to the classification herein provided for or as the same may hereafter be changed by the comptroller in conformity with the power conferred on him, and are also required to use the books and forms prescribed by the comptroller.

OIG found that DOF lacks written policy related to its own management of outstanding debt and the management of debt by other departments. DOF also does not maintain a “manual of accounting” as required by the MCC. A lack of standard definitions and procedures impedes the department from communicating and prioritizing management decisions concerning debt collection. For example, DOF management, City database vendors, and staff in other City departments conveyed inconsistent perspectives on the meaning of the term ‘debt,’ as well as which debt should be considered collectible, and whether it is legal for the City to write off uncollectible debt.

<sup>35</sup> The City’s debt relief programs, which are described on the resources page at the beginning of this report, provide opportunities for partial forgiveness of City debt when participants comply with program guidelines.

<sup>36</sup> This reflects the kind of consideration formalized in writing by other government entities. For example, the United States Treasury manual *Managing Federal Receivables* recommends that federal agencies consider how to resolve debts in a manner that best serves government interests. Hypothetical approaches include reducing monthly payments to allow debtors to remain in their homes, reducing penalties in exchange for correcting health and safety violations, or forgiving debts in exchange for service agreements that benefit underserved communities. United States Treasury Bureau of the Fiscal Service, “Managing Federal Receivables,” 6-7.

## DOF Uses Differing Definitions of Debt and Amounts Considered Uncollectible

As discussed in Finding 1, due to technological challenges and decentralized management, DOF omitted some types of debt from its calculated totals. Moreover, DOF has used varying, unwritten criteria when communicating about the overall amount of debt due to the City. In particular, vendors retained to maintain DOF's databases told OIG that DOF has not provided a concrete definition of 'outstanding debt,' that the elements to be included in debt totals seemed to change depending on whom in the City they spoke to, and that the City "pivots often on what they determine to be 'outstanding' depending on what population they are trying to define." As a result, the vendors recounted omitting some debt from summary reports for various reasons, such as debtors' participation in payment plans or debts not yet having been referred to collection agencies. DOF management did not know how the vendors created the reports, and the vendors did not know how DOF would use the data.

DOF stated that the differing definitions of debt may have stemmed from the partition of the City's former Department of Revenue, which resulted in the creation of the current DOF and Department of Business Affairs and Consumer Protection.

### *Doubtful Accounts and Uncollectible Debt*

DOF staff also presented OIG with differing perspectives on which debts are designated 'uncollectible' for operational and reporting purposes.

When an entity is expecting payment for services already rendered, Generally Accepted Accounting Practices require that it allow for a percentage of 'doubtful accounts' (also known as 'bad debts') that will likely not be collected.

DOF reports allowances for doubtful accounts as part of the City's Annual Comprehensive Financial Report. DOF's Enterprise Accounting team, which calculates these amounts for the City's Water Fund, Sewer Fund, O'Hare Airport Fund, and Midway Airport Fund, provided documentation showing time-based criteria for estimating uncollectible debt.

**Doubtful accounts**, or 'bad debts,' are receivables that an entity determines cannot be collected for reasons such as their age or the debtor's inability to pay. To make sure financial statements reflect accurate balances, allowances for doubtful accounts should be 'reserved,' or offset against reported assets. These bad debts can later be written off as expenses.

For example, as shown in Figure 20, one DOF document states that 100% of utility debts in the Banner database should be considered uncollectible after 365 days. Operationally, however, 365 days is the threshold for referring debt associated with active Banner accounts to outside collection firms, a step at odds with the notion of those debts being uncollectible.


Figure 20: Accounting Memos Document Procedures for Estimating Uncollectible Amounts and Writing Them Off

**Write-Down Procedures:**

Historically, City ordinance does not allow the Department to write-off a customer account except in specific circumstances. The City of Chicago will not decide to write-off an account, which is potentially uncollectible, unless an order has been given from the legal department releasing the liable party from the obligation, or unless the property has been demolished. Accordingly, the DOF records a gross receivable figure which is comprised of both current and completely uncollectible balances, which have not yet been given council approval for write-off.

When reviewing the Banner system, all "inactive" accounts, for which balances are outstanding (365 days and plus old accounts), penalties, and for which no service currently exists, are fully reserved for by the client. Balances from 91-365 days are reserved at 50% (for metered customers) and balances from 181-365 days are reserved at 50% (for non-metered customers).

Water and Sewer Funds




**Allowance for Doubtful Accounts:**

The Allowance for Doubtful Accounts and Write Off calculations are performed on an annual basis in conjunction with the 12/31 Aged Accounts Receivable Report. The formula for calculating the allowance and write off candidates is as follows:

For amounts:	
91 - 364 days outstanding	50%
> 365 days outstanding	100%
> 2 yrs. outstanding	write-off provided it has been 100% allowed for

Specific identification is used to determine which accounts receivable balances should be for allowed for or written-off.

Airport Funds



Source: DOF Enterprise Accounting division memos (OIG highlights).

DOF management stated that, in practice, the City generally anticipates that it will collect all debt; none is considered uncollectible. In most cases, overdue receivables remain indefinitely assigned to outside collection agencies, thereby accruing interest and penalties that could be collected in the event a debtor eventually seeks City business or employment. Leadership of COAL similarly did not consider any debt uncollectible because it remains “on the books” as a legal judgment in favor of the City.

Yet, as shown in Figure 21, a report of outstanding debts provided by DOF management included adjustments for amounts deemed uncollectible by the City’s collection agencies. For example, the report appears to designate all EMS debt originating prior to 2021 as uncollectible. DOF told OIG that these uncollectible amounts reflected status codes entered by outside firms with debt-collection responsibilities. For example, status codes reflecting insolvency or bankruptcy could designate a debt as uncollectible. DOF stated, however, that there is no correlation between the amounts that collection agencies deem uncollectible, the amounts assigned to collection agencies within its databases, and the amounts reported as uncollectible in the City’s public financial statements.

Figure 21: DOF’s Summary Report on Outstanding Debt Adjusts for Amounts Considered Uncollectible

Chicago Department of Finance Summary of Outstanding Debt by Debt Type and Year As of June 30, 2023								
<b>VEHICLE VIOLATIONS</b>								
	2017 and prior	2018	2019	2020	2021	2022	2023	Grand Total
Total \$ Outstanding	\$ 1,454,937,754	\$ 97,892,049	\$ 97,892,646	\$ 93,717,233	\$ 174,318,876	\$ 208,241,160	\$ 91,340,257	\$ 2,218,339,975
\$ Uncollectible*	\$ 7,292,543	\$ -	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ 7,292,743
Adjusted Outstanding	\$ 1,447,645,211	\$ 97,892,049	\$ 97,892,446	\$ 93,717,233	\$ 174,318,876	\$ 208,241,160	\$ 91,340,257	\$ 2,211,047,232
<i>*As deemed uncollectible by outside law firms</i>								
Amount Referred	\$ 1,137,318,700	\$ 96,488,335	\$ 96,859,129	\$ 93,331,060	\$ 172,713,757	\$ 182,450,175	\$ 9,454,575	\$ 1,788,615,730
<b>UTILITY</b>								
	2017 and prior	2018	2019	2020	2021	2022	2023	Grand Total
Total \$ Outstanding	\$ 232,966,518	\$ 39,547,302	\$ 46,125,087	\$ 44,925,047	\$ 78,491,316	\$ 121,857,956	\$ 101,858,075	\$ 665,771,301
\$ Uncollectible*	\$ 179,099,781	\$ 20,117,919	\$ 19,039,280	\$ 12,929,422	\$ 18,546,896	\$ 15,912,271	\$ 5,673,818	\$ 271,319,388
Adjusted Outstanding	\$ 53,866,737	\$ 19,429,383	\$ 27,085,807	\$ 31,995,625	\$ 59,944,420	\$ 105,945,684	\$ 96,184,257	\$ 394,451,913
<i>*Debt that is related to inactive accounts on the Water Customer Information System (Banner). Inactive accounts are accounts in which the property is no longer owned by the account holder.</i>								
Amount Referred	\$ 215,545,021	\$ 36,350,921	\$ 43,237,187	\$ 42,335,970	\$ 70,876,413	\$ 33,979,644	\$ 2,225,910	\$ 444,551,065
<b>ADMINISTRATIVE HEARINGS</b>								
	2017 and prior							Total
Total \$ Outstanding	\$ 2,189,271,645							\$ 2,189,271,645
\$ Uncollectible*	\$ 168,064,644							\$ 168,064,644
Adjusted Outstanding	\$ 2,021,207,001							\$ 2,021,207,001
<i>*As deemed uncollectible by outside law firms</i>								
Amount Referred	2,134,898,187							\$ 2,134,898,187
<b>TAX</b>								
	2017 and prior							Total
Total \$ Outstanding	\$ 72,382,279							\$ 72,382,279
\$ Uncollectible*	\$ 17,617,741							\$ 17,617,741
Adjusted Outstanding	\$ 54,764,538							\$ 54,764,538
<i>* Bankruptcy Audits</i>								
**Amount Referred	\$ 1,809,313							\$ 1,809,313
<i>**Deficiencies Only</i>								
<b>EMS</b>								
	2017 and prior	2018	2019	2020	2021	2022	2023	Grand Total
Total \$ Outstanding	\$ 688,557,089	\$ 49,448,141	\$ 53,567,434	\$ 105,094,057	\$ 100,418,139	\$ 137,635,329	\$ 114,384,410	\$ 1,249,104,599
\$ Uncollectible*	\$ 688,557,089	\$ 49,448,141	\$ 53,567,434	\$ 105,094,057	\$ 17,037	\$ 8,050	\$ -	\$ 896,691,808
Adjusted Outstanding	\$ -	\$ -	\$ -	\$ -	\$ 100,401,102	\$ 137,627,279	\$ 114,384,410	\$ 352,412,791
<i>*Self-pay debt deemed uncollectible as collection efforts have been exhausted. Further, there is a timely filing limit for insurance, medicare &amp; medicaid.</i>								
Amount Referred	\$ 678,374,826	\$ 46,926,579	\$ 50,947,954	\$ 103,827,942	\$ 98,175,236	\$ 47,711,176	\$ -	\$ 1,025,963,713

Source: DOF (OIG highlights and detail).

The multiple possible meanings of ‘uncollectible debt’ are not clarified in a written DOF policy, complicating DOF’s ability to evaluate and communicate the percentage of debt it believes is truly recoverable or may be written off.

In fact, DOF management stated that the department does not have a policy for writing off debt and does not do so. Management conveyed a longstanding belief that DOF could not write off debt unless authorized by a City ordinance or as part of a legal settlement. As shown in Figure 20, documents provided by DOF Enterprise Accounting do not consistently support this belief; they contemplate write-off procedures for debt related to the Airport Funds, but not the Water and Sewer Funds.

OIG’s analysis of relevant local and state law did not identify any impediment to DOF’s ability to write off debt. DOF later acknowledged it could not identify a legal basis for its long-held position. If DOF were truly unable to write off debt, this would stand in contrast to not only its own internal documentation, but also the approaches of state, federal, and other local government agencies, as well as GFOA’s recommended practices. DOF has neither developed a policy nor sought any

legislative changes it believes necessary to formalize debt write-offs as a financial management tool.<sup>37</sup>

## C | DOF Neither Evaluates nor Monitors Collection Performance

DOF has not aligned its practices with GFOA recommendations in that it has not analyzed its outstanding debt data to help prioritize collections or maximize revenue. DOF leadership told OIG that while DOF would like to analyze and monitor collection performance trends, it lacked the time to do so.

DOF stated that it does not use regular reports on aging receivables, though it may request ad hoc reports from its database vendors to respond to public records requests or inquiries during budget hearings. As discussed in Section B, DOF has expressed conflicting perspectives regarding which outstanding debts are likely to be collected. As a result, DOF is not well positioned to target collection efforts based on prior trends and expected outcomes. DOF also had no goals for collecting specific amounts or types of outstanding debt. On the contrary, DOF management stated broadly, “Success for us is debt collection.”

### DOF Does Not Hold Collection Agencies Accountable for Performance Provisions in Their Contracts

DOF’s contracts with two non-law-firm collection agencies, Mintex and Advanced Data Processing, Inc., include specific performance agreements, such as reporting on collection percentages and collection activities. However, DOF leadership told OIG that, within memory, the department had not held these agencies accountable for satisfying these provisions.

DOF’s contract with Mintex specifically provides the City with the discretion to recall uncollected accounts, including for referral to another collection agency. However, DOF stated that once debt is sent to outside agencies, it is not usually recalled even if the agency does not collect within a certain timeframe. By contrast, peer cities such as New York and Los Angeles use finite, rotating collection windows with ‘tiered’ primary and secondary (and sometimes tertiary) collection agencies to incentivize timeliness. DOF management told OIG that they would soon pilot the use of tiered referrals.

The management structure of the City’s debt-collection efforts also presents challenges to performance measurement. The majority of debt referred for external collection is handled by outside law firms retained by DOL. DOL told OIG that these outside counsel manage their own caseloads, and that it would be difficult to measure their success in collecting City debt. Further, DOL told OIG it would be very burdensome to provide information about the number and dollar value of debt-collection cases being handled by outside counsel. These challenges place the performance of DOL’s outside collection firms beyond DOF’s direct supervision.

The use of outside law firms may also affect the amounts of the contingency fees collected (and therefore not recovered by the City), as well as the collection costs owed by debtors. In New York City, non-law-firm collection agencies compete for contracts via a sealed bidding process and are

<sup>37</sup> In one example of such legislation, MCC § 2-44-140 empowers the Commissioner of the Department of Planning and Development to waive debts for residential or mixed-use buildings that are part of Department of Housing initiatives to support affordable development.

paid commissions ranging from approximately 5 to 9%. In Chicago, law firms retained by DOL typically receive 25% of amounts collected, Mintex receives 18%, and Advanced Data Processing, Inc. (which collects EMS debt) receives approximately 3%. DOF stated that it intends to experiment with assigning debt to collection agencies with lower contingency fees. Its goal is both to save debtors money (thus encouraging payment) and to focus on referring only larger, more contentious collection cases to law firms.

Although DOF has begun to consider how it could improve the City's debt-collection process by exercising more direct management over collection agencies, its current approach does not align with GFOA recommendations to evaluate such agencies' overall timeliness and cost-effectiveness.

### At the Time of OIG's Analysis, Aged Outstanding Debt that DOF Referred to Collection Agencies and Law Firms Remained Difficult to Collect

Within DOF's records of outstanding debts referred to collection agencies at the time of OIG's analysis, progress towards resolving the sums owed ranged from about 1 to 14%, as illustrated in Figure 22. To clarify, the figures depict DOF's open debt records by the year the debts were originally incurred, including only amounts still outstanding that were greater than zero. That is, they depict snapshots of debt that were unpaid at the time of OIG's analysis, and do not include debts that were resolved and no longer had amounts due. Therefore, the percentages below should not be interpreted as measures of overall collection performance.

**Figure 22: Outside Agencies Have Recovered a Small Percentage of the Outstanding Debt Actively Referred to Collection**

DOF Data Source	Amounts Referred	Percentage Collected
ARMS - Administrative Hearings Module	\$2,996,151,110	1.5%
CANVAS Parking/Vehicle Violation Debts	2,126,428,375	0.7%
Banner Utility Debts	576,050,209	1.4%
ARMS - Building Inspection Module	19,623,524	3.3%
IRIS Business/Tax Debts	7,443,802	0.1%
ARMS - Traffic Control Module <sup>38</sup>	274,564	13.4%
ARMS - Emergency Medical Services Module	Referral data not present	Referral data not present

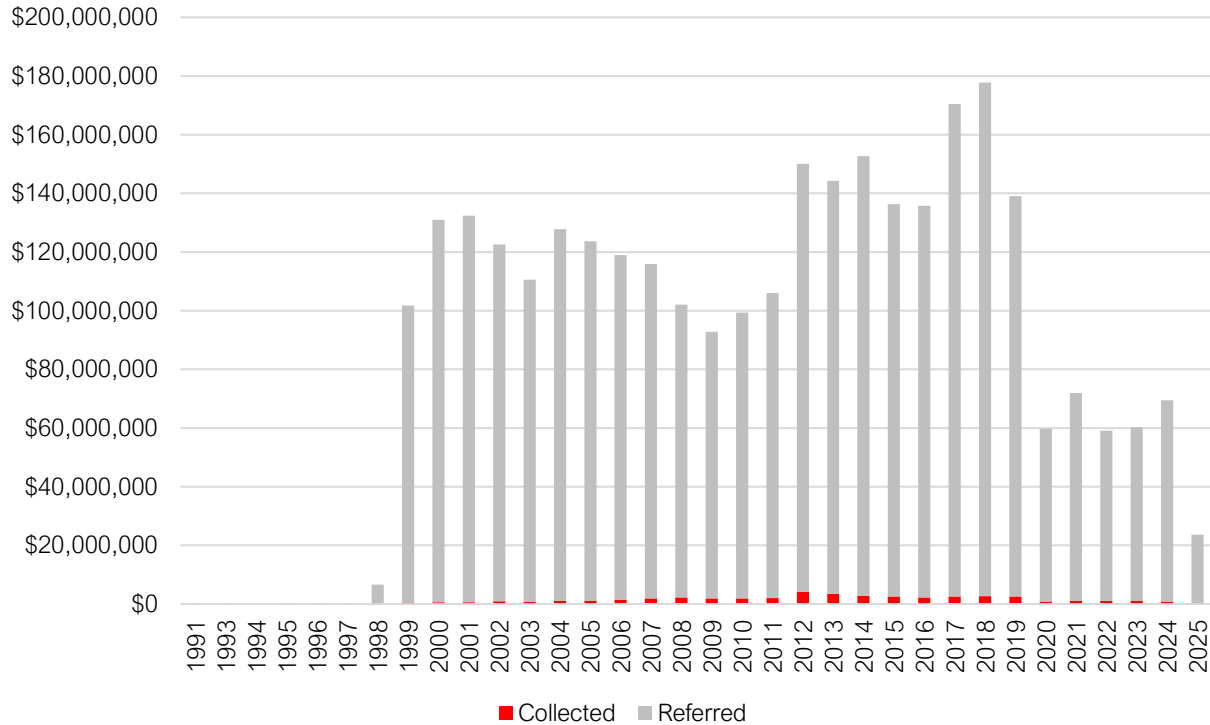
Source: DOF ARMS, Banner, CANVAS, and IRIS databases.

Many of these remaining debts are decades old. Banner utility debt data illustrates the broad range of collection timelines across the various types of debt currently referred to collection agencies. On average, outstanding Banner debts had been with their most recently assigned collection agency for 6.6 years after referral. The median assignment time was 4.2 years, the minimum was 10 days, and the maximum was 27.1 years.

<sup>38</sup> The ARMS Traffic Control module did not contain information on assignment to collection agencies. Therefore, this row shows the overall amount of outstanding debt in this category, along with the percentage paid towards the total amount.

The charts below provide further detail regarding the statuses of the three largest sources of outstanding City debt, within the data originally received by OIG (not including the amended sum of EMS debt provided in February 2026). Figure 23 shows the progress towards collection completion for referred ARMS administrative hearings debt at the time of OIG’s analysis.

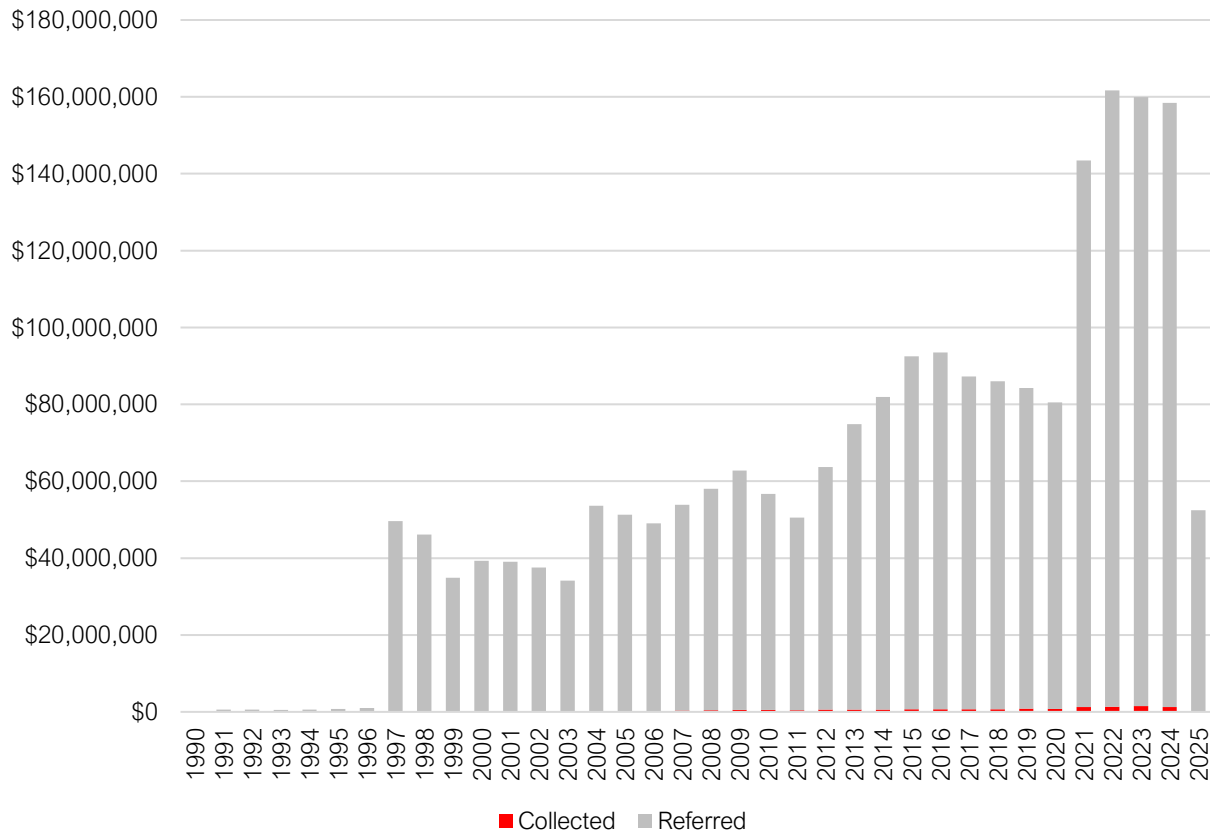
**Figure 23: Only 1.5% of Outstanding ARMS Administrative Hearings Debt Referred for Collection Had Been Recovered at the Time of OIG’s Analysis**



Source: DOF ARMS AHMS data.

Figure 24 shows the collection percentages for referred CANVAS vehicle and parking violation debt at the time of OIG’s analysis.

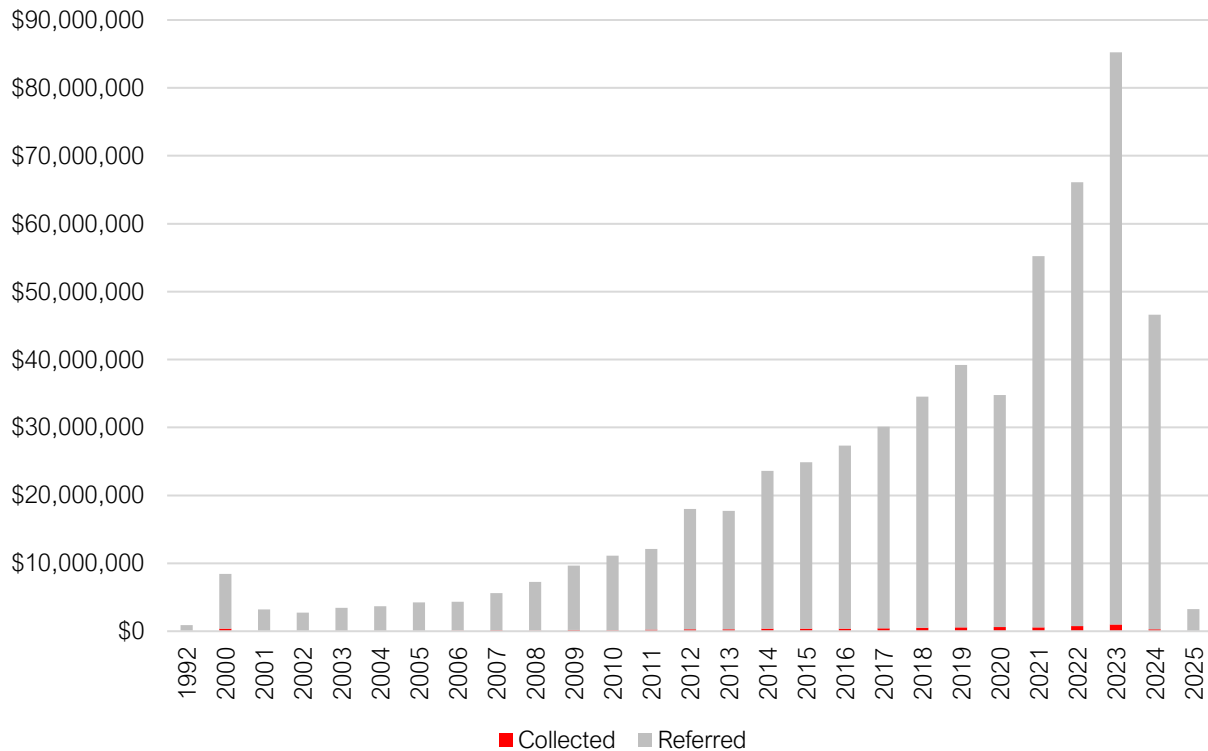
**Figure 24: Only 0.7% of Outstanding CANVAS Debt Referred for Collection Had Been Recovered at the Time of OIG’s Analysis**



Source: DOF CANVAS data.

Figure 25 shows the collection percentages for referred Banner debt at the time of OIG’s analysis.

**Figure 25: Only 1.4% of Outstanding Banner Debts Referred for Collection Had Been Recovered at the Time of OIG’s Analysis**



Source: DOF Banner data.

### DOF Does Not Coordinate Other City Departments’ Collection Efforts

MCC § 2-32-080(E) empowers the Comptroller “to request prosecutions by the corporation counsel’s office, for the purpose of enforcing ordinances relating to revenue, tax, license and permit fees receivable by the City of Chicago.” As discussed in the Background, there is no policy establishing a “bright-line” rule defining when DOL attorneys will assume any particular matter, though DOL and DOF management agreed that COAL handles particularly egregious and high-value cases. In general, DOF operates without policies defining its relationship to COAL and providing structure for their shared efforts to collect debt.

DOF told OIG that, in the past, DOL held quarterly meetings with its outside counsel to discuss matters related to debt collection. DOF management had not regularly attended these meetings due to time constraints and were unaware whether any goals for collection were discussed. The meetings resumed in 2025—during the course of this audit—and DOF reported that management attended the meetings.

Additionally, other City departments perform their own revenue-management and debt-collection procedures outside of DOF’s supervision. Although MCC § 2-32-110 requires all City departments to “adopt and put into effect the system of accounting and auditing” produced by the Comptroller, DOF stated that each department has its own rules concerning communication with debtors and the referral of aged receivables to DOF for outside collection. DOF has not taken steps to coordinate or standardize debt collection citywide.

This decentralized management can lead to extended collection timelines based on the various departments' disparate practices. For example, DOF stated that departments such as the Department of Housing (DOH) and the Chicago Department of Public Health would rather handle collections themselves to manage relationships with their clients; when they refer debt to DOF's ARMS system, it can jeopardize these relationships by triggering time limits for the debt to be sent to outside collection agencies and firms. On the other hand, even in situations where departments have sought more involvement from DOF, it has not provided guidance. For example, CDOT staff told OIG that they spend a considerable amount of time attempting to collect overdue permit fees, but have not received a clear response from DOF or COAL to inquiries about the point at which these bills should be considered debt and referred for outside collection.

## **D | Due to Technological Barriers, Reliance on Longstanding Practices, and Lack of Standardization, DOF Does Not Conduct All Debt Checks Required by the MCC**

One of DOF's key functions related to debt management is conducting debt checks on individuals and entities seeking City business. OIG found that technological constraints and data-quality issues significantly limited DOF staff's ability to conduct such checks. However, DOF also has tools and authorities at its disposal that it could use to coordinate other City departments' participation in debt checks.

### **DOF Does Not Conduct All Business Debt Checks**

As discussed in the Background, the MCC imposes restrictions on business privileges—such as licensing, permitting, and contracting—for entities that owe money to the City. The Code also requires debt checks and offsets prior to issuing City payments.

DOF does not fulfill the MCC requirements of performing debt checks on all entities seeking licenses, permits, and certain other City actions and payments. DOF did not have list of situations that trigger required debt checks and did not know the origins of the set of debt checks it currently performs. As an example of one unchecked permit type, OIG's 2019 Commercial Driveway Billing Audit found that DOF did not include driveway permits in its standardized debt-collection processes because CDOT property ownership data was unreliable.<sup>39</sup> This extended to driveway permit debt checks—DOF stated that it planned to begin performing such checks, but had not yet done so while CDOT attempted to improve its data quality.

To initiate debt checks, DOF AR relies on City departments to submit requests via a combination of ad hoc emails and automated notifications, as shown in Figure 26.

---

<sup>39</sup> City of Chicago Office of Inspector General, "Chicago Department of Transportation Commercial Driveway Billing Audit," 4, July 1, 2019, accessed January 27, 2026, <https://igchicago.org/wp-content/uploads/2023/08/CDOT-Driveway-Billing-Audit.pdf>. OIG published three follow-ups to this audit on April 21, 2020, August 5, 2021, and August 18, 2023. At the time of the third follow-up, CDOT had not incorporated driveway billing debt into the City's overall collection process.

**Figure 26: DOF AR Receives Ad Hoc and Automated Requests for Debt Checks in Various Formats**

Automated Requests	Requestor
Auto-generated email containing spreadsheet of new business licenses from IRIS <sup>40</sup>	Business Affairs and Consumer Protection
Auto-generated email containing spreadsheet of new building permits <sup>41</sup>	Department of Buildings
Automatic notifications generated during the onboarding of new hires	Department of Human Resources
Monthly report listing debts owed by nine major banks	Self-initiated by DOF
Weekly email containing the names of individuals who may receive small claims payments from the City	City Council Committee on Finance
Manual and Ad Hoc Requests	Requestor
Ad hoc emails requesting debt checks for recipients of City grants	Chicago Department of Public Health, Department of Cultural Affairs and Special Events
Ad hoc emails requesting debt checks for employees returning from a leave of absence or leaving City employment	Department of Human Resources
Submissions to a web portal for new or modified City contracts	Department of Procurement Services

Source: DOF.

DOF AR's debt checks have the following limitations:

- **Each debt check requires an individualized human review that can vary based on experience.** During debt checks, DOF AR clerks conduct wildcard searches of several debt databases to identify possible matches to applicants' names, addresses, and other information. Although DOF AR has created training materials in an attempt to standardize debt checks, OIG observed that these manual processes are subject to accidental omissions. This increases the risk that not all relevant debt will be identified. DOF AR management expressed the challenges of re-training new clerks in a position that experiences high turnover.
- **DOF receives debt-check requests in various formats.** As detailed in Figure 26, departments requesting debt checks submit information by email, in spreadsheet format, and via an online web portal. DOF AR management enters email and spreadsheet requests—but not web portal requests—into a separate system used to assign tasks to DOF AR clerks. Because information received from various sources is maintained inconsistently, DOF AR must use manual processes to reconcile spellings and connect information across sources. Management told OIG that DOF has initiated the procurement process to obtain a new, combined debt check portal.
- **DOF has not established guidelines or expectations for departments requesting debt checks.** For example, the Department of Housing (DOH) explained that while it requests DOF debt checks for some programs, it has chosen not to do so where such checks could

<sup>40</sup> Examples of business-related licenses include those required for food establishments, laundry services, and tattoo parlors.

<sup>41</sup> Examples of building permits include those required for demolition work and new construction.

adversely impact vulnerable groups, such as seniors seeking assistance with home repairs. Allowing individual departments to make this sort of choice leverages their subject-matter expertise, but it may lead to inconsistency in equity or fairness considerations across City government. Additionally, the various departments' processes for debt checks may have inconsistencies. For example, the Department of Procurement Services (DPS) was unaware of the contracting-related debt-check processes used by the Chicago Department of Public Health and the Department of Family and Support Services, whose commissioners have the power to execute contracts independently of the Chief Procurement Officer. DOF told OIG that it had not provided guidance to departments about when and how to conduct debt checks.

- **DOF does not fulfill the MCC requirement of conducting comprehensive debt checks before remitting payments on City contracts.** DOF stated that while it conducts debt checks for new or modified contracts upon request by DPS, it does not regularly debt check active contractors. Notably, in December 2024, the City enacted an ordinance requiring DOF to debt-check active contractors before paying them.<sup>42</sup> As of January 2026, however, DOF had not come into compliance with the new law. By way of explanation, DOF cited difficulty in allocating its limited resources between meeting this requirement and promoting its efforts to issue payments promptly. DOF management acknowledged it would be possible to use FMPS to place holds on outgoing payments to indebted vendors, but that this would probably require updated technology to effectively search and match vendor information.
- **The City does not perform debt checks on all entities receiving payments from or working on behalf of the City.** For example, DPS stated that vendors receiving direct voucher payments—who are not required to complete Economic Disclosure Statements (EDS)—are not checked for City debt. Additionally, sub-contractors on City contracts, who are not directly paid by the City but conduct City work, are not debt-checked.
- **Once it has discovered debt, DOF does not know whether or how departments use this information.** Lack of centralized management reduces departments' accountability for enacting debt holds. For example, OIG discovered that the top debtors in IRIS included the parent companies of businesses that hold licenses to operate the City's shared scooters program. These two companies owed the City more than \$2.5 million at the time of OIG's data export.

## DOF Faces Longstanding Challenges to Recovering Debt from Local Government Employees and City Elected Officials

State and local regulations establish accountability measures to prevent public officials from owing City debt. Specifically, Illinois law provides that “an elective office in a municipality of 500,000 or more shall become vacant” if a person holding such office fails to either pay or successfully contest a debt to their municipality.<sup>43</sup> The MCC requires new City employees to resolve City debt before being hired, and the City's personnel rules require current employees to resolve City debt or face discipline up to and including discharge.<sup>44</sup> State law also empowers the City and other entities

<sup>42</sup> In December 2024, City Council passed Substitute Ordinance 2024-0013138, which created MCC § 1-19-040.

<sup>43</sup> 65 ILCS 5/3.1-10-51.

<sup>44</sup> MCC § 2-152-150(c); City of Chicago Personnel Rule XVIII §1.52 establishes failure to pay City debt within 30 days as a cause for disciplinary action, including discharge, unless the employee has 1) entered into a payment agreement, 2) is contesting the debt, or 3) has filed for bankruptcy.

(such as Cook County and Sister Agencies) to garnish their employees' wages to recover City debt.<sup>45</sup>

DOF management stated that employees of the City and its Sister Agencies, as well as elected officials, should be held to a high standard when it comes to owing debt to the City. However, DOF has long faced challenges with intergovernmental coordination and collecting debt from such individuals through wage garnishment.

#### *Debts Owed by City and Sister Agency Employees*

DOF AR conducts triannual debt checks of City employees and the employees of five Sister Agencies (CPS, the Chicago Park District, CHA, CCC, and CTA), which can lead to wage garnishment or discipline by the respective employees' agencies. However, as noted in the Background, Illinois law has also allowed Cook County, the Cook County Forest Preserve, and the Metropolitan Water Reclamation District to garnish their employees' wages for City debt since 2001.<sup>46</sup> DOF management stated that DOF does not debt-check employees of the latter three entities because MCC § 2-32-392, which was last amended in 1998, only specifically mentions employees of CPS, CCC, CTA, and the Chicago Park District. Nevertheless, DOF does debt-check employees of CHA, which is mentioned in state law but not MCC § 2-32-392.

In 2011, the City began publishing a dataset on its Open Data Portal with weekly reports of City and Sister Agency employees who owe money to the City. The dataset summary states that the report provides the "total number of individuals employed by the department or agency, number of individuals that owe funds to the City in the department[,] and the total amount of debt owed by those employees."<sup>47</sup> However, DOF clarified that the dataset does not include any debts that are part of a payment plan, subject to a wage garnishment proceeding, or associated with a voluntary deduction, each of which DOF considers in compliance with personnel rules regarding employee indebtedness. As a result, the debt totals made available to the public are lower than the totals the City has provided in response to requests from the media.<sup>48</sup>

As illustrated in Figure 27, in February 2026, according to the public dashboard, 10,174 local government employees collectively owed \$8,962,376 in City debt.

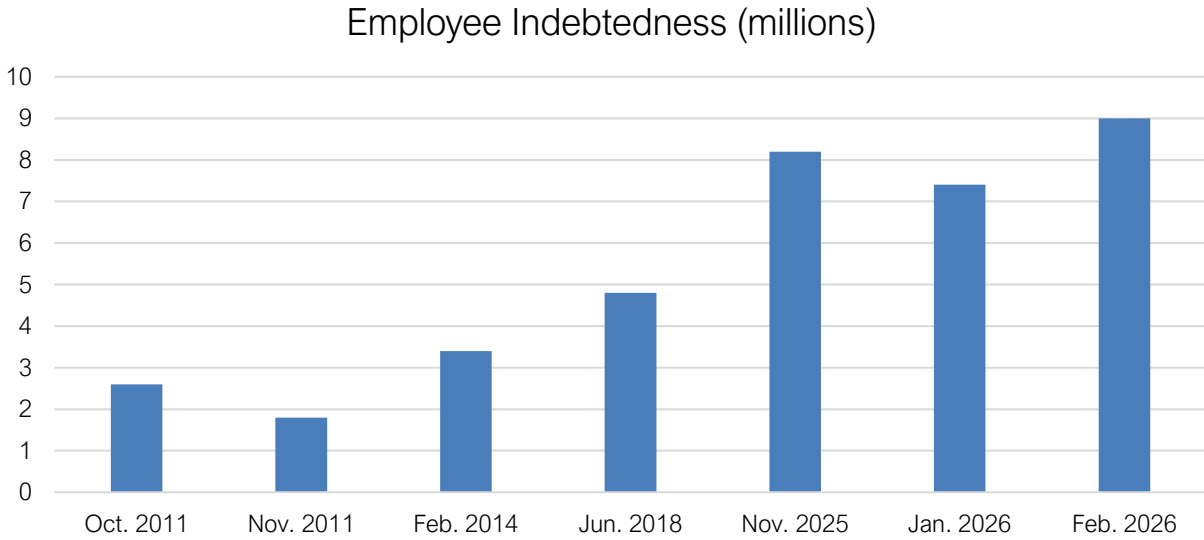
<sup>45</sup> 20 ILCS 115.

<sup>46</sup> In 1997, Public Act 90-0022 amended the Illinois Compiled Statutes (ILCS) to authorize CPS, CHA, CCC, CTA, and the Chicago Park District to garnish wages for City debts. In 2001, Public Act 92-0109 amended the ILCS to add Cook County, the Cook County Forest Preserve, the Metropolitan Water Reclamation District, and the Chicago Housing Authority to this list.

<sup>47</sup> City of Chicago Open Data Portal, "Employee Indebtedness to the City of Chicago," accessed January 9, 2026, [https://data.cityofchicago.org/Administration-Finance/Employee-Indebtedness-to-the-City-of-Chicago/pasx-mnuv/about\\_data](https://data.cityofchicago.org/Administration-Finance/Employee-Indebtedness-to-the-City-of-Chicago/pasx-mnuv/about_data).

<sup>48</sup> For example, in January 2026, CBS News Chicago reported that employee indebtedness to the City totaled at least \$23.5 million. Megan De Mar, "Public employees owe Chicago \$23.5 million in debt for parking tickets, water bills, other fees," *CBS News Chicago*, January 16, 2026, accessed January 27, 2026, <https://www.cbsnews.com/chicago/news/chicago-city-employees-debt-unpaid-fines-fees-tickets/>.

**Figure 27: Reported Levels of Employee Indebtedness Have Increased Over Time**



Source: City of Chicago Open Data Portal Employee Indebtedness Dashboard.<sup>49</sup> Dollar figures have not been adjusted for inflation.

Figure 28 shows the five local government employers with the highest dollar value of debt owed to the City, according to DOF’s dataset. These comprise four Sister Agencies and the Chicago Police Department.

**Figure 28: Top Five Local Government Employers by Employee Debt, Excluding Bankruptcy and Payment Plans, as of February 28, 2026**

Department or Agency Name	Total Amount Due	# of Employees with Debt
Chicago Public Schools	\$4,096,839	5,413
Chicago Transit Authority	3,190,388	2,678
Chicago Police Department	387,851	535
Chicago Park District	259,120	269
City Colleges of Chicago	207,317	274

Source: Source: City of Chicago Open Data Portal, “Employee Indebtedness to the City of Chicago.”

Figure 29 lists the number of debts and amounts owed by the top ten individual employees owing debt to the City as of July 2025, all of whom were employed by Sister Agencies.

<sup>49</sup> City of Chicago Open Data Portal, “Employee Indebtedness to the City of Chicago.”

Figure 29: The Top 10 Indebted Employees as of July 2025 Worked for Sister Agencies

Employee Agency	Count of Employee's Debts	Sum of Employee's Debts
Chicago Public Schools	129	\$168,496
Chicago Transit Authority	38	66,046
Chicago Transit Authority	371	52,977
Chicago Transit Authority	20	48,515
Chicago Transit Authority	22	45,320
Chicago Transit Authority	13	45,001
Chicago Transit Authority	78	44,374
Chicago Public Schools	23	43,937
Chicago Transit Authority	223	38,098
Chicago Transit Authority	126	34,375

Source: ARMS Employee Debt data as of July 2025.

DOF management stated that employee indebtedness persists, in part, because of the logistical challenges of garnishing wages. In 2025, DOF and DOL worked to increase the number of wage garnishment hearings held each month and saw a corresponding increase in amounts recovered. Still, DOF described to OIG the difficulty of garnishing City employees' wages, especially for those who have superseding obligations such as child support. That is, some City employees may owe debt, but if 25% of their wages have already been garnished for other purposes, state and local law prohibit the City from making additional deductions.<sup>50</sup> Figure 27 shows that as of early 2026, employee debt has increased following a reduction in late 2025.

Additionally, technological limitations prevent DOF from considering all available City data related to employee debt when performing its debt checks. DOF stated that its debt check process covers unpaid utility bills, administrative hearings fines and fees, and parking or vehicle fines, but does not include a search for business debt associated with the employee or debts associated with properties other than the employee's primary residence.

DOF management told OIG that once DOF notifies other departments' human resources liaisons of their employees' debt, those departments are responsible for determining the appropriate next steps. DOF management does not believe that DOF is authorized to play a role in enforcing the City's employee indebtedness requirements. As a result, the consequences for employee indebtedness can vary from department to department. DOF's processes regarding discipline for City employee debtors remain largely the same as in 2013, when OIG issued an advisory finding divergent disciplinary practices among City departments and Sister Agencies.<sup>51</sup>

DOF also described continuing challenges in recovering debt from Sister Agency employees. Although the MCC empowers the Comptroller to enter into intergovernmental agreements to support the collection of revenues, DOF leadership was not aware of the department ever having sought any such agreements with Sister Agencies. OIG's advisory also noted the need to account for terms negotiated in employees' collective bargaining agreements.<sup>52</sup>

<sup>50</sup> 20 ILCS 115/9; MCC § 2-32-392.

<sup>51</sup> City of Chicago Office of Inspector General, "Advisory Concerning the Employee Indebtedness Program: Executive Letter," 2, January 17, 2013, accessed January 16, 2026, <https://igchicago.org/wp-content/uploads/2023/08/IGO-Advisory-Employee-Indebtedness.pdf>.

<sup>52</sup> Chicago Office of Inspector General, "Advisory Concerning the Employee Indebtedness Program," 17.

### *Debts Owed by Elected Officials*

Illinois law provides that “an elective office in a municipality of 500,000 or more shall become vacant” if an official fails to pay a debt to the municipality in which they were appointed or elected.<sup>53</sup> Before a vacancy occurs, the law provides that “the municipal clerk shall deliver, by personal service, a written notice to the municipal official” that they owe debt and have 30 days either to pay or to exercise their right to contest the debt in a hearing. If an official intends to contest a debt, they must provide written notice to the municipal clerk.

OIG requested copies of any communication between the Office of the City Clerk and City elected officials related to this formal process. While the Clerk’s Office provided evidence of debt checks conducted during elected officials’ initial onboarding, it had no records of ever having delivered the written notice of indebtedness for sitting elected officials as described in state law. Even so, OIG’s analysis of DOF debt data showed that several elected officials did owe City debt during the time period of this audit.

DOF told OIG that it provides notices of elected official indebtedness (including debt owed by members of City Council) to administrative staff in the Office of the Mayor and to the City Council Sergeant-at-Arms. Because DOF has not provided this information to the City Clerk, its process does not ensure that elected officials are notified of their debts in the manner described by Illinois law. As a result, the law’s accountability measures have gone unenforced.

## | Recommendations

2. DOF should implement a formal plan for managing and ultimately reducing the overall amount of debt owed to the City. Such a plan should include performance indicators, timelines, and measurable goals for collecting outstanding debts in accordance with applicable laws. The plan should also include working with DOL to develop and implement performance measures for outside counsel retained to collect debt under DOL’s management.
3. DOF should adopt policies to ensure compliance with relevant local, state, and federal laws related to collection actions. These policies should address whether and when the department has the authority to write off debt it deems uncollectible.
4. To standardize definitions related to debt and bring consistency to the reporting of outstanding receivables, DOF should create and disseminate to other City departments the manual of accounting required by MCC § 2-32-110.
5. DOF should adopt a written definition of debt that complies with the MCC and establishes a standard process for City departments to refer outstanding receivables for collection.
6. DOF should implement a unified procedure for debt-check referrals from other departments to ensure consistent enforcement of debt-related restrictions across the City’s permitting, licensing, contracting, and employment functions.
7. DOF should enforce existing terms in contracts with collection agencies retained by the City, such as reporting on outstanding balances, timelines, and outcomes. To promote timely collection, DOF could exercise its option to transfer collections work to other agencies after an established time period.

<sup>53</sup> 65 ILCS 5/3.1-10-51.

8. DOF should work with DOL to negotiate intergovernmental agreements to improve the collection of outstanding debts from Sister Agency employees.
9. DOF should pursue solutions, including technical improvements, that will enable it to fulfill its duty under MCC § 1-19-040 to debt-check City contractors and to set off any debt against payments made to those contractors.
10. DOF should develop a procedure to refer indebtedness of elected officials to the City Clerk in accordance with state law (65 ILCS 5/3.1-10-51).

## Management Response

2. *“While we value OIG’s assessment, we disagree with the recommendations in that a clear plan for debt management, collection, and decreasing the City’s overall debt load has already been established and is being implemented.*

*“DOF adheres to an overall plan on debt collection. It is both deliberate and intentional with the goal of debt collections. The starting point is the annual budget process where projections are made using historical data coupled with investments in personnel, technology, and the enactment of new policies. Once approved, implementation and success are facilitated by a revenue monitoring committee that meets monthly. The committee is co-chaired by the City Comptroller and the Deputy Corporation Counsel over the Collections, Ownership, and Administrative Litigation Division. Existing performance measures, as well as new metrics, are used in each meeting to monitor progress.*

*“For example, the 2026 budget included payment plan reforms to break the cycle of some motorists enrolling in payment plans to release or avoid vehicle immobilization only to subsequently default on those plans. Now, the required down payment increases each time a motorist defaults and after 3 defaults, the motorist is no longer allowed to enter a payment plan with the City. Instead, they are referred to a collection agency where additional collection costs will be assessed. In addition, to help residents avoid unintentional default from missing a payment, motorists can now store a payment method and enroll in autopay.*

*“Another DOF initiative included in the 2026 budget was the launch of DOF’s Debt Check Portal. The Debt Check Portal will be used to search for outstanding debt, generate a consolidated bill/report of debt check results, and allow debtors to pay multiple debt types on a single platform after creating a City Wallet account. Utilizing advanced technology to complete debt checks will create efficiencies and allow the City to expand the debt check requirement to other areas (e.g. trade licensees, general contractors), resulting in increased revenue collections.*

*“Also factored into the 2026 budget is the regrade of tax auditors to facilitate the retention and hiring of these critical positions. A fully staffed tax division results in increased enforcement collections as well as a higher rate of overall taxpayer compliance. DOF believes that the specific revenue projections associated with each of these initiatives constitute a plan for reducing the amount of debt owed to the City.*

*“In addition to monthly meetings with the revenue monitoring committee, DOF closely tracks the collection of all revenues, including past due debt, throughout the year and compares it*

to current projections as well as past performance. Although the City no longer suspends drivers' licenses for unpaid vehicle violations or performs water shut-offs for non-payment due to detrimental impacts on low-income residents, DOF collections have continued to rise since 2020. In 2025, DOF collected almost \$4.5B, a 10% increase over 2024.

*"In addition, DOF collaborates with DOL regularly on debt collection performance and strategy, including participation in quarterly meetings with the outside collection firms retained by DOL. DOL also shares with DOF the performance measures already in place for these firms including the amounts referred, collected, and outstanding, the collection rate, and the average number of days to collect. (Also see pages 3-5 of DOF's response memo.)"*

3. *"DOF believes that it is in compliance with local, state, and federal laws related to collection actions, including proper noticing for each debt type, enforcement action (placement of license and permit holds, booting, etc.), and referral of debt to external agencies. DOF acknowledges that it does not currently write off debt for which there is no statute of limitations, in large part due to the fact that DOF still collects on debt dating back to the 1990s and early 2000s. For example, in 2025 DOF collected more than \$2.1M on vehicle violations issued prior to 2010 as a result of enforcement action, data matching, and debt checks. That said, DOF recognizes the value in OIG's recommendation and will explore the legality, feasibility, and revenue implications of writing off and eliminating from its source systems debt that is deemed uncollectible. (Also see pages 8-9 of DOF's response memo.)"*
4. *"DOF's Accounting and Financial Reporting bureau makes available to all departments online user manuals for the City's Financial Management and Purchasing System (FMPS). The Financial module covers the General Ledger, Payables, and Receivables. DOF acknowledges that these manuals do not reference MCC 1-19-010, which defines what constitutes a debt due and owing, and will work to incorporate this into its manuals and future training for other departments.*

*"In addition, accounting guidance related to receivables—including recognition, measurement, and collectability—is reflected in the City's audited financial statements (ACFR) and supporting process documentation maintained across operational areas.*

*"Should DOF identify any additional source systems in conjunction with actions taken for OIG Recommendation 1 above, DOF will work to ensure that relevant departments adhere to the definition of a debt due and owing as defined in the MCC. (Also see page 8 of DOF's response memo.)"*

5. *"DOF adheres to the MCC definition of a debt due and owing for all receivables currently under its control. Further, there are established, documented business rules within each debt source system that align with the MCC and govern the noticing and collection referral process for those debts. As indicated in DOF's response to OIG Recommendation 4, should DOF identify any additional source systems in conjunction with actions taken for OIG Recommendation 1, DOF will work to ensure that relevant departments adhere to the definition of a debt due and owing as defined in the MCC.*

*“It should be noted that any integration between additional source systems and DOF’s Automated Referral Management System (ARMS) would require additional funding not contemplated in the City’s 2026 budget, as well as a commitment of resources from the relevant departments to implement such integration. (Also see pages 11-13 of DOF’s response memo.)”*

6. *“Each City department that processes the applicable application (e.g. license, permit, employment) is responsible for submitting debt check requests to DOF in accordance with the MCC. DOF currently processes all debt checks that are requested, regardless of the method of submission. In 2023, prior to notification of this audit, DOF began work on the Debt Check Portal which creates a single point of entry for all debt check applicants, including referrals from other departments.*

*“It is noted that in the course of this audit OIG found that some departments may be unaware of the debt check requirements in the MCC or are electing to bypass this requirement for certain programs. In addition to issuing a memo to all department heads reminding them of the need to comply with the MCC, DOF will work with DOL to determine whether a debt check is required for all examples given in the OIG report.*

*“Any department, or any applicable programs, not currently in compliance will be onboarded as resources permit. While the Debt Check Portal will make debt checks more efficient, there are still a limited number of budgeted positions that perform debt checks in the 2026 budget. (Also see pages 12-13 of DOF’s response memo.)”*

7. *“As indicated in DOF’s response to OIG Recommendation 2, while DOL manages most external collection firms, DOL shares with DOF the performance measures in place for these firms including the amounts referred, collected, and outstanding, the collection rate, and the average number of days to collect. DOF also participates in DOL’s quarterly meetings with the firms. DOF directly contracts with one collection agency and holds quarterly performance meetings to review collection statistics and strategies.*

*“Historically, DOF has reassigned debt and will transfer debt to higher performing firms. Over the past four years, DOF has reassigned debt amongst the firms five times. Doing so requires an extensive amount of programming and development work, which is why it is not performed more frequently.*

*“DOF has recently explored the potential for tiered placement of water debt, however the technology required to implement it was cost prohibitive. (Also see pages 9-11 of DOF’s response memo.)”*

8. *“Three times per year, DOF requests from Sister Agencies a list of current employees, conducts debt checks on each employee, and provides agency liaisons with debt results. Sister Agency employees who do not come into compliance by paying in full or entering a payment plan may be subject to wage garnishment. DOF agrees that it would be beneficial to enter into IGAs with these Sister Agencies to require debt check compliance during the onboarding process. (Also see pages 5-6, 12 of DOF’s response memo.)”*

9. *“DOF currently conducts debt checks prior to contract execution and when a contract is amended, but acknowledges that it does not do so each time a contractor is paid. At any given time, there are more than 1,000 active contracts Citywide, not including non-DPS contracts. DPS payment terms generally state 30 days from approved invoice date so this would potentially add 1,000 more debt checks per month, in addition to the downstream work of actually offsetting the debt against the payment. DOF will explore technical improvements that include process automation, but notes that such solutions would require costly integration across multiple systems.*

*“That is not to say that DOF will not commit to finding ways to increase the frequency of debt checking contractors beyond the current practice. As noted in DOF’s response to OIG Recommendation 6, the launch of the Debt Check Portal will bring efficiencies and the ability to expand the process beyond the current scope, which could include more frequent debt checks of City contractors. One such option could be to incorporate debt cycles, similar to employee indebtedness, whereby checks could be staggered throughout the year. (Also see pages 12-14 of DOF’s response memo.)”*

10. *“While the authority under this law rests with the City Clerk and not DOF, we would be happy to assist the OCC in implementing this process. DOF does conduct debt checks on elected officials in accordance with the law, providing results to the City Council Sergeant at Arms. DOF will contact OCC to offer assistance. (Also see page 6 of DOF’s response memo.)”*

## Finding 3: Owing City debt can have a greater impact on economically vulnerable individuals.

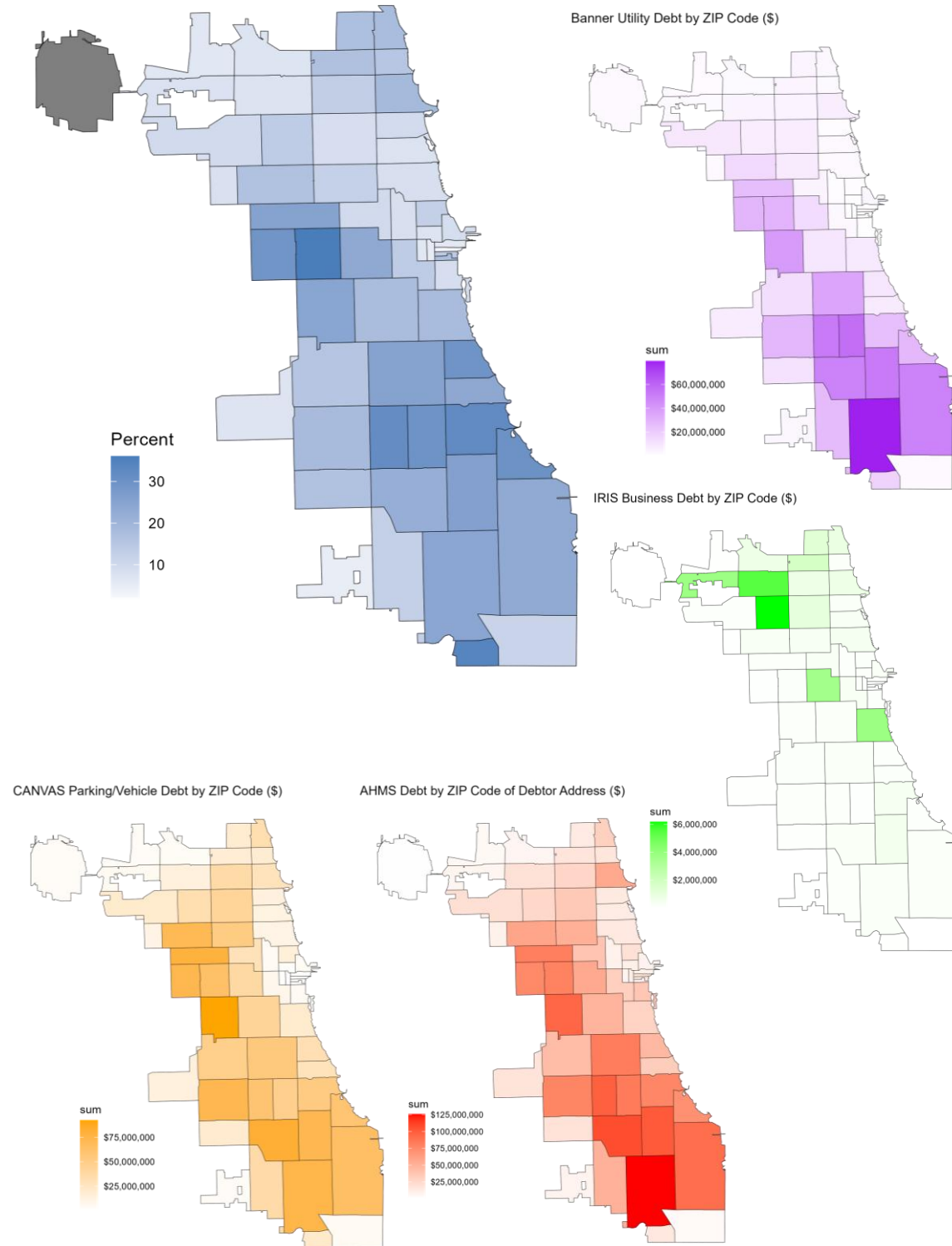
Debt to the City can be incurred in a wide variety of ways. Likewise, such debt can have varying levels of impact on different members of the public. For some, owing debt to the City may be a temporary and manageable situation. For those who are more economically vulnerable, however, the situation may last for a long period of time and lead to other financial hardships. While this audit focused on the City's awareness of the money it is owed and management of the efforts to collect it, OIG recognizes the wide range of impact that owing City debt may have on members of the public, and especially economically vulnerable ones. Crucially, if the City is not able to comprehensively identify or consistently manage debt as discussed in Findings 1 and 2, it may be unable to tailor collection efforts to address equity concerns.

### A | City Debt is Concentrated in Economically Vulnerable Areas

As illustrated by the maps in Figure 30, geographic areas with greater economic vulnerability tend to carry a higher share of outstanding balances of some types of debt owed to the City. The maps show that ZIP codes with higher percentages of people living in poverty, mainly on Chicago's South and West Sides, also tend to carry higher total dollar amounts of utility, administrative hearings, and parking/vehicle debt to the City. The exception is IRIS business debt, which is concentrated on the City's Northwest Side. This uneven distribution suggests that City debt may place a greater financial burden on communities already struggling to meet basic needs.

Figure 30: ZIP Codes with Higher Total Amounts of City Debt Tend to Also Have Higher Rates of Poverty

Percent of Population Living at or Below Poverty Level by ZIP Code



Source: DOF ARMS AHMS, Banner, CANVAS, and IRIS (debt by ZIP Code); Chicago Health Atlas (poverty levels by ZIP Code, 2019-2023).

## B | The City Offers Various Programs for Debt Relief or Amnesty

The City offers debt relief and amnesty through its New Start Chicago programs, which aim to reduce the financial impacts of fines and fees. Each program has distinct rules and eligibility requirements, as illustrated in Figure 31.

**Figure 31: DOF’s Debt-Relief Programs Are Subject to Various Rules and Eligibility Restrictions**

Program	Eligibility Criteria and Rules
<b>Administrative Debt Relief (ADR)</b>	<ul style="list-style-type: none"> <li>• Open to households with incomes less than or equal to 300% of Federal Poverty Guidelines, or which are enrolled in CPR or UBR.</li> <li>• Applicable to administrative hearings debt, but not parking, red light, or speed violations, nor restitution. Entry of a final order at the Department of Administrative Hearings is a prerequisite for applying.</li> <li>• Waives interest and fees related to program-eligible debt if the participant pays 50% of the fine amount or completes a payment plan.</li> </ul>
<b>Clear Path Relief (CPR)</b>	<ul style="list-style-type: none"> <li>• Open to households with incomes less than or equal to 300% of Federal Poverty Guidelines, or which are enrolled in UBR or ADR.</li> <li>• Applicable to some vehicle debts like parking, red light, and speeding citations, but not citations for expired meters.</li> <li>• Waives all program-eligible debt that is older than three years if the participant pays all such debt issued in the prior three years.</li> </ul>
<b>Fresh Start Debt Relief</b>	<ul style="list-style-type: none"> <li>• Open to people whose debts are discharged via Chapter 7 bankruptcy proceedings.</li> <li>• Waives penalties on parking, standing, vehicle compliance, and camera citations if the participant completes a payment plan covering the base fine amounts for violations falling in these categories incurred over the prior three years.</li> </ul>
<b>Leak Relief Pilot (LRP)</b>	<ul style="list-style-type: none"> <li>• Open to owners of single-family, two-unit, and three-unit homes, or commercial properties with a 1-inch or smaller water service line.</li> <li>• Applicable to water bill debt stemming from confirmed water leaks.</li> <li>• Temporary pilot running from January 2025 through December 2026.</li> </ul>
<b>Utility Billing Relief (UBR)</b>	<ul style="list-style-type: none"> <li>• Open to people who own and reside in single-family, two-unit, or three-unit homes and meet income qualifications for Cook County’s Low-Income Heating and Energy Assistance Program.</li> <li>• Applicable to debt from water and sewer bills.</li> <li>• Waives previous unpaid balance and penalties if the participant pays all program-eligible bills, at a 50% reduced rate, for one year.</li> </ul>

Source: City of Chicago Department of Finance, “New Start Chicago,” accessed January 29, 2026, <https://www.chicago.gov/city/en/depts/fin/new-start-chicago.html>.

The City’s ability to assist its debtors is not limited to the programs described; it has also changed some of its policies and practices in ways that could positively impact individuals with City debt. Specifically, according to DOF, the City does not,

- refer outstanding City debt for inclusion in credit reports;
- double the fee for overdue vehicle stickers;

- suspend driver's licenses for non-payment of vehicle parking or compliance tickets; or
- shut off water service for non-payment of water bills.

## C | Respondents to OIG's Survey Described Varying Impacts

To better understand how City debt affects the public, OIG conducted a survey via flyers and social media outreach. OIG received 56 responses to the survey.<sup>54</sup> Respondents described the varying degrees of impact they felt from City debt, ranging from stress and anxiety, to frustration when attempting to engage with the City about the debt, to limitations on their ability to secure employment or complete property transactions such as buying or selling a home.

Survey respondents provided the following feedback regarding City debt:

**Owing and attempting to repay debt to the City was a source of stress and anxiety.** Survey respondents described struggling to understand repayment requirements, as well as concern about penalties and enforcement actions, due to unclear communication and difficulty accessing assistance. They also expressed frustration that DOF does not allow City debtors to pay multiple citations at one time using the same personal checking account. DOF management stated that this practice was intended to reduce fraud in the form of individuals using other people's cards to pay

"They make it very difficult to complete various payments on time. For example, if you pay with a personal checking account, you cannot use the same account to pay another debt. One needs to wait 2-3 days to do so. That is ridiculous. . . It is such a frustrating process. I can see why people do not participate."

"Don't charge fees to accept credit cards. We clearly struggle financially and you should make it as easy as possible for us to pay and don't punish us for using a regular form of payment that almost every business accepts today."

"It's already bad enough [that] I'm in debt, I don't understand why I am charged a fee for paying online."

- OIG survey respondents

their debts. However, it may also compound the hardship of debtors with limited access to credit.

"I have been scared to open [City correspondence] out of anxiety due to my financial struggles. It's overwhelming. I want to start making payments but I can afford only about \$25/month."

"I have tried 3 [times] to get [in] the utility relief program. You can't reach a person to discuss it and ask questions. I've been denied for wrong reasons."

- OIG survey respondents

**Navigating the debt payment process and debt-relief programs can be confusing and frustrating.** Some respondents expressed confusion about how City debt-relief programs work, including eligibility requirements and how to maintain compliance once enrolled. Other respondents to OIG's survey described unclear instructions, inconsistent information, and limited assistance from DOF when trying to enroll in or complete these programs. Some respondents encountered long telephone wait times on calls to DOF payment processing representatives. One respondent reported that even after submitting the required documentation, they were removed from a program due to intake or processing issues and were unable to re-enroll. On the other hand, some reported that, once

<sup>54</sup> OIG does not assert that the 56 responses to its survey are representative of all debtors' experiences of the City's debt policies and practices, including its debt-relief programs. Rather, OIG offers these survey results to inform DOF's future efforts to improve its debt-collection policies and practices.

they were connected and enrolled, the programs did help them address their outstanding debts.

For some City debtors, resolving their debt is not a single task, but a series of disconnected steps spread across multiple complicated and sometimes confusing manual processes. As described in detail in Findings 1 and 2, DOF does not have a unified intake, communication, and repayment system for City debt. In the time it takes a debtor to navigate the payment process, their outstanding balances may continue to grow.

“Place [all fines and fees] in one account where you can pay them all together. They can be identified by department or fee.”

- OIG survey respondent

To respond to concerns about navigating the City’s payment options, DOF stated that it is creating a web application that will allow debtors to link debt from multiple sources into a single account profile. DOF stated that it expected to launch the platform in the second quarter of 2026.

**Fees and interest increase the difficulty of resolving debt.** As noted in Finding 1, collection costs, interest, and fees account for approximately 60.5% of outstanding administrative hearings debt, and utility debt often includes penalties. Such additional charges can make it more difficult for financially challenged debtors to resolve their debts.

## V | Conclusion

DOF's management of outstanding debt relies on decades-old practices and fragmented information systems that the department has not centrally managed through policies, procedures, or overall goals. The City has approximately \$8.1 billion in outstanding receivables; however, this is likely a floor for the true amount, in light of the various City payment systems that are not under DOF's management.

The City's decentralized approach to debt management impairs its ability to maximize revenue collection or to tailor its collection efforts to reflect equity concerns.

Owing debt to the City disproportionately impacts economically vulnerable residents, who may live in communities where fines and fees are highly concentrated and correlate with higher levels of poverty. Some survey respondents found it confusing to navigate the City's various repayment programs, with unclear instructions and limited assistance from DOF.

# Appendix A | Complete DOF Management Response

Management Response Form				
Project Title: <u>Audit of DOF's Management of Outstanding Debt</u>		Project Number: <u>C2024-000000130</u>		
Department Name: <u>Department of Finance (DOF)</u>		Date: <u>March 16, 2026</u>		
Department Head: <u>Michael Belsky, Comptroller</u>				
OIG Recommendation	Agree/ Disagree	Department's Proposed Action	Implementation Target Date	Party Responsible
1. In keeping with the authority provided by the MCC, DOF should exercise supervision over the collection of all City revenues by implementing a reliable system of reporting that yields the total amount of past-due receivables across all payment systems.	Agree	While DOF believes that it captures the vast majority of all outstanding City debt in its reporting, the Comptroller will issue a memo to all Department heads requesting a detailed description and accounting of any revenues collected by each Department, as well as any source systems to which those revenues and receivables are posted. DOF will work with all relevant Departments and their vendors, if necessary, to ensure that all valid, outstanding debt balances are included in its future reporting of outstanding debt. (Also see page 2 of DOF's response memo.)	Q3 2026	DOF Leadership
2. DOF should implement a formal plan for managing and ultimately reducing the overall amount of debt owed to the City. Such a plan should include performance indicators, timelines, and measurable goals for collecting outstanding debts in accordance with applicable laws. The plan should also include working with	Disagree	While we value OIG's assessment, we disagree with the recommendations in that a clear plan for debt management, collection, and decreasing the City's overall debt load has already been established and is being implemented.  DOF adheres to an overall plan on debt collection. It is both deliberate and intentional with the goal of debt collections. The starting point is the annual budget process where projections are made using		

OIG Recommendation	Agree/ Disagree	Department's Proposed Action	Implementation Target Date	Party Responsible
<p>DOL to develop and implement performance measures for outside counsel retained to collect debt under DOL's management.</p>		<p>historical data coupled with investments in personnel, technology, and the enactment of new policies. Once approved, implementation and success are facilitated by a revenue monitoring committee that meets monthly. The committee is co-chaired by the City Comptroller and the Deputy Corporation Counsel over the Collections, Ownership, and Administrative Litigation Division. Existing performance measures, as well as new metrics, are used in each meeting to monitor progress.</p> <p>For example, the 2026 budget included payment plan reforms to break the cycle of some motorists enrolling in payment plans to release or avoid vehicle immobilization only to subsequently default on those plans. Now, the required down payment increases each time a motorist defaults and after 3 defaults, the motorist is no longer allowed to enter a payment plan with the City. Instead, they are referred to a collection agency where additional collection costs will be assessed. In addition, to help residents avoid unintentional default from missing a payment, motorists can now store a payment method and enroll in autopay.</p> <p>Another DOF initiative included in the 2026 budget was the launch of DOF's Debt Check Portal. The Debt Check Portal will be used to search for outstanding debt, generate a consolidated bill/report of debt check results, and allow debtors to pay multiple debt</p>		

OIG Recommendation	Agree/ Disagree	Department's Proposed Action	Implementation Target Date	Party Responsible
		<p>types on a single platform after creating a City Wallet account. Utilizing advanced technology to complete debt checks will create efficiencies and allow the City to expand the debt check requirement to other areas (e.g. trade licensees, general contractors), resulting in increased revenue collections.</p> <p>Also factored into the 2026 budget is the regrade of tax auditors to facilitate the retention and hiring of these critical positions. A fully staffed tax division results in increased enforcement collections as well as a higher rate of overall taxpayer compliance. DOF believes that the specific revenue projections associated with each of these initiatives constitute a plan for reducing the amount of debt owed to the City.</p> <p>In addition to monthly meetings with the revenue monitoring committee, DOF closely tracks the collection of all revenues, including past due debt, throughout the year and compares it to current projections as well as past performance. Although the City no longer suspends drivers' licenses for unpaid vehicle violations or performs water shut-offs for non-payment due to detrimental impacts on low-income residents, DOF collections have continued to rise since 2020. In 2025, DOF collected almost \$4.5B, a 10% increase over 2024.</p>		

OIG Recommendation	Agree/ Disagree	Department's Proposed Action	Implementation Target Date	Party Responsible
		In addition, DOF collaborates with DOL regularly on debt collection performance and strategy, including participation in quarterly meetings with the outside collection firms retained by DOL. DOL also shares with DOF the performance measures already in place for these firms including the amounts referred, collected, and outstanding, the collection rate, and the average number of days to collect. (Also see pages 3-5 of DOF's response memo.)		
3. DOF should adopt policies to ensure compliance with relevant local, state, and federal laws related to collection actions. These policies should address whether and when the department has the authority to write off debt it deems uncollectible.	Disagree/ Agree	DOF believes that it is in compliance with local, state, and federal laws related to collection actions, including proper noticing for each debt type, enforcement action (placement of license and permit holds, booting, etc.), and referral of debt to external agencies. DOF acknowledges that it does not currently write off debt for which there is no statute of limitations, in large part due to the fact that DOF still collects on debt dating back to the 1990s and early 2000s. For example, in 2025 DOF collected more than \$2.1M on vehicle violations issued prior to 2010 as a result of enforcement action, data matching, and debt checks. That said, DOF recognizes the value in OIG's recommendation and will explore the legality, feasibility, and revenue implications of writing off and eliminating from its source systems debt that is deemed uncollectible. (Also see pages 8-9 of DOF's response memo.)	Q4 2026	DOF Leadership

OIG Recommendation	Agree/ Disagree	Department's Proposed Action	Implementation Target Date	Party Responsible
4. To standardize definitions related to debt and bring consistency to the reporting of outstanding receivables, DOF should create and disseminate to other City departments the manual of accounting required by MCC § 2-32-110.	Agree	<p>DOF's Accounting and Financial Reporting bureau makes available to all departments online user manuals for the City's Financial Management and Purchasing System (FMPS). The Financial module covers the General Ledger, Payables, and Receivables. DOF acknowledges that these manuals do not reference MCC 1-19-010, which defines what constitutes a debt due and owing, and will work to incorporate this into its manuals and future training for other departments.</p> <p>In addition, accounting guidance related to receivables—including recognition, measurement, and collectability—is reflected in the City's audited financial statements (ACFR) and supporting process documentation maintained across operational areas.</p> <p>Should DOF identify any additional source systems in conjunction with actions taken for OIG Recommendation 1 above, DOF will work to ensure that relevant departments adhere to the definition of a debt due and owing as defined in the MCC. (Also see page 8 of DOF's response memo.)</p>	Q4 2026	Bureau of Accounting and Financial Reporting
5. DOF should adopt a written definition of debt that complies with the MCC and establishes a standard process for City departments to refer outstanding receivables for collection.	Disagree/ Agree	DOF adheres to the MCC definition of a debt due and owing for all receivables currently under its control. Further, there are established, documented business rules within each debt source system that align with the MCC and govern the noticing and collection referral process for those debts. As indicated in DOF's response to OIG Recommendation 4, should DOF identify any additional source systems in	Q3 2026	DOF Leadership

OIG Recommendation	Agree/ Disagree	Department's Proposed Action	Implementation Target Date	Party Responsible
		<p>conjunction with actions taken for OIG Recommendation 1, DOF will work to ensure that relevant departments adhere to the definition of a debt due and owing as defined in the MCC.</p> <p>It should be noted that any integration between additional source systems and DOF's Automated Referral Management System (ARMS) would require additional funding not contemplated in the City's 2026 budget, as well as a commitment of resources from the relevant departments to implement such integration. (Also see pages 11-13 of DOF's response memo.)</p>		
6. DOF should implement a unified procedure for debt-check referrals from other departments to ensure consistent enforcement of debt-related restrictions across the City's permitting, licensing, contracting, and employment functions.	Agree	<p>Each City department that processes the applicable application (e.g. license, permit, employment) is responsible for submitting debt check requests to DOF in accordance with the MCC. DOF currently processes all debt checks that are requested, regardless of the method of submission.</p> <p>In 2023, prior to notification of this audit, DOF began work on the Debt Check Portal which creates a single point of entry for all debt check applicants, including referrals from other departments.</p> <p>It is noted that in the course of this audit OIG found that some departments may be unaware of the debt check requirements in the MCC or are electing to bypass this requirement for certain programs. In addition to issuing a memo to all department heads reminding them of the need to comply with the MCC, DOF will work with DOL to determine whether</p>	Q4 2026	DOF Leadership

OIG Recommendation	Agree/ Disagree	Department's Proposed Action	Implementation Target Date	Party Responsible
		<p>a debt check is required for all examples given in the OIG report.</p> <p>Any department, or any applicable programs, not currently in compliance will be onboarded as resources permit. While the Debt Check Portal will make debt checks more efficient, there are still a limited number of budgeted positions that perform debt checks in the 2026 budget. (Also see pages 12-13 of DOF's response memo.)</p>		
<p>7. DOF should enforce existing terms in contracts with collection agencies retained by the City, such as reporting on outstanding balances, timelines, and outcomes. To promote timely collection, DOF could exercise its option to transfer collections work to other agencies after an established time period.</p>	Disagree	<p>As indicated in DOF's response to OIG Recommendation 2, while DOL manages most external collection firms, DOL shares with DOF the performance measures in place for these firms including the amounts referred, collected, and outstanding, the collection rate, and the average number of days to collect. DOF also participates in DOL's quarterly meetings with the firms. DOF directly contracts with one collection agency and holds quarterly performance meetings to review collection statistics and strategies.</p> <p>Historically, DOF has reassigned debt and will transfer debt to higher performing firms. Over the past four years, DOF has reassigned debt amongst the firms five times. Doing so requires an extensive amount of programming and development work, which is why it is not performed more frequently.</p> <p>DOF has recently explored the potential for tiered placement of water debt, however the technology</p>		

OIG Recommendation	Agree/ Disagree	Department's Proposed Action	Implementation Target Date	Party Responsible
		required to implement it was cost prohibitive. (Also see pages 9-11 of DOF's response memo.)		
8. DOF should work with DOL to negotiate intergovernmental agreements to improve the collection of outstanding debts from Sister Agency employees.	Agree	Three times per year, DOF requests from Sister Agencies a list of current employees, conducts debt checks on each employee, and provides agency liaisons with debt results. Sister Agency employees who do not come into compliance by paying in full or entering a payment plan may be subject to wage garnishment. DOF agrees that it would be beneficial to enter into IGAs with these Sister Agencies to require debt check compliance during the onboarding process. (Also see pages 5-6, 12 of DOF's response memo.)	Q4 2026	DOF Leadership
9. DOF should pursue solutions, including technical improvements, that will enable it to fulfill its duty under MCC § 1-19-040 to debt-check City contractors and to set off any debt against payments made to those contractors.	Agree/ Disagree	DOF currently conducts debt checks prior to contract execution and when a contract is amended, but acknowledges that it does not do so each time a contractor is paid. At any given time, there are more than 1,000 active contracts Citywide, not including non-DPS contracts. DPS payment terms generally state 30 days from approved invoice date so this would potentially add 1,000 more debt checks per month, in addition to the downstream work of actually offsetting the debt against the payment. DOF will explore technical improvements that include process automation, but notes that such solutions would require costly integration across multiple systems.	Q1 2027	Accounts Receivable

OIG Recommendation	Agree/ Disagree	Department's Proposed Action	Implementation Target Date	Party Responsible
		That is not to say that DOF will not commit to finding ways to increase the frequency of debt checking contractors beyond the current practice. As noted in DOF's response to OIG Recommendation 6, the launch of the Debt Check Portal will bring efficiencies and the ability to expand the process beyond the current scope, which could include more frequent debt checks of City contractors. One such option could be to incorporate debt cycles, similar to employee indebtedness, whereby checks could be staggered throughout the year. (Also see pages 12-14 of DOF's response memo.)		
10. DOF should develop a procedure to refer indebtedness of elected officials to the City Clerk in accordance with state law (65 ILCS 5/3.1-10-51).	Agree	While the authority under this law rests with the City Clerk and not DOF, we would be happy to assist the OCC in implementing this process. DOF does conduct debt checks on elected officials in accordance with the law, providing results to the City Council Sergeant at Arms. DOF will contact OCC to offer assistance. (Also see page 6 of DOF's response memo.)	Q3 2026	DOF Leadership

# Appendix B | Supplemental DOF Management Response

In addition to the management response form, DOF appended the following supplemental response. As described in the Methodology, OIG’s conclusions are based on DOF’s own data and documents, and on information provided by DOF staff in interviews with OIG.



**Finding 1: No City department has knowledge or management oversight of all debt owed to the City. The outstanding debt DOF manages exceeds 8.1B.**

OIG provided that because the systems vary in the completeness and formatting of information relating to debtors' names and addresses, it is impossible to determine the number of unique debtors to the City (pg.18).

- These variances do not prevent DOF from identifying the entity that owes the debt as we use various tools to match debt to the responsible party. They also do not prevent DOF from consolidating debt across various source systems. These variances are caused by the way the issuing City Department cites a party, which often involves legal notification requirements. For example, parking violations must be sent to the address the motorist used when registering a vehicle with the Secretary of State. Often businesses must be cited using their registration information on file with the Secretary of State.

OIG provided that DOF cannot calculate the overall amount of outstanding debt because its debt systems are not integrated with one another or with systems from other departments (pg.25).

- This statement is misleading. DOF acknowledges that having to manually consolidate debt totals from various source systems is not ideal, however we are able to calculate the overall amount of outstanding debt.
- Full system integration is not feasible given the vastly different regulations and rules that apply to various debt types, including noticing requirements, interest, and penalty calculations.
- While DOF believes that it captures the vast majority of all outstanding City debt in its reporting, DOF will work with all relevant Departments and their vendors, if necessary, to ensure that all valid, outstanding debt balances are included in its future reporting of outstanding debt.

OIG provided that technological and management limitations prevent DOF from reliably assessing the total amount of debt housed in its own systems and in payment systems citywide. The OIG provides examples of systems that house service fees and invoices that include FMPS, IPS 11, Hansen 7, and CDA's Financial Management System (pg.25).

- DOF does assess the total amount of debt housed in its own systems and has the ability to do so for systems managed by other City Departments.
  - Debt in FMPS is not typically included in reported totals because it is also utilized for purposes other than debt collection (e.g., intergovernmental payments, reimbursements, and sponsorships). However, DOF does have the ability to not only identify outstanding debt, but also sends notices and places license and permit holds in order to collect this debt.
  - As part of its debt check process, DOF searches IPS11 and places license and permit holds for this debt.
  - DOF does report debt housed in Hansen 7 as this system is fully integrated with ARMS.

- o DOF participates in bi-weekly meetings that include CDA's legal and finance teams to identify past due balances and determine the best course of action to collect the debt in CDA's Financial Management System.

OIG provided that vendors who manage DOF's databases described their content and programming as dating back to the late 1990s and sometimes lacking complete documentation (pg.25).

- This statement from the OIG does not portray a complete picture of system enhancements that have been made consistently throughout the years to meet operational needs. For example, Banner was moved to a new platform in 2019, CANVAS was transitioned to the cloud in 2025, and various components of ARMS and IRIS are now available in Apex.
- While DOF admits that technological issues are a challenge, in 2023 prior to the OIG beginning this audit, DOF began working on creating a Debt Check Portal that will be integrated with all current City source systems to produce efficiencies and enhance the user experience. The Debt Check Portal will be used to search for outstanding debt, generate a consolidated bill/report of debt check results, and allow the debtor to pay multiple debt types on a single platform after creating a City Wallet account. DOF plans to implement the Debt Check Portal in Q3 of 2026.

**Finding 2: DOF lacks overarching policies, strategies, and goals related to the collection of outstanding debt. DOF's debt checks are based on incomplete data and rely on manual processes, impairing its ability to recover debt and prevent debtors from obtaining business or employment with the City (pg. 27).**

OIG provided that DOF relies on informal practices, many decades old, to play its central role in collecting City debt and that the department does not have a unified plan, policies, or measurable goals to guide its debt-collection activities (pg.27).

- These statements are inaccurate. DOF adheres to a deliberate and intentional debt collection plan. The starting point is the annual budget process where projections are made using historical data coupled with investments in personnel, technology, and the enactment of new policies. Once approved, implementation and success are facilitated by a Revenue Monitoring Committee that meets monthly to monitor progress. DOF believes that the specific revenue projections associated with each of these initiatives constitute a plan for reducing the amount of debt owed to the City. A few examples of these measurable goals to increase revenue include:
  - o Payment plan reforms to break the cycle of some motorists enrolling in payment plans to release or avoid vehicle immobilization only to subsequently default on those plans;
  - o The ability for motorists to store a payment method and enroll in autopay to avoid unintentional default from missing a payment;
  - o The launch of the Debt Check Portal which will utilize advanced technology to create efficiencies allowing the City to expand debt checks to other areas; and

- The regrade of tax auditors to facilitate the retention and hiring of these critical positions which will result in increased collections and a higher rate of overall compliance.
- In addition to monthly meetings with the Revenue Monitoring Committee, DOF closely tracks the collection of all revenues, including past due debt, throughout the year and compares it to current projections as well as past performance. Although the City no longer suspends drivers' licenses for unpaid vehicle violations or performs water shut-offs for non-payment due to detrimental impacts on low-income residents, DOF collections have continued to rise since 2020. In 2025, DOF collected almost **\$4.5 billion**, a 10% increase over 2024. Figure 1 below shows DOF revenue collections from 2003 – 2025 for vehicle violations, AH fines, water & sewer charges, EMS fees, and tax. Revenue collections include past due debt as well as timely payments for receivables. An example of collections for past due debt is illustrated in figure 2 below.

Figure 1

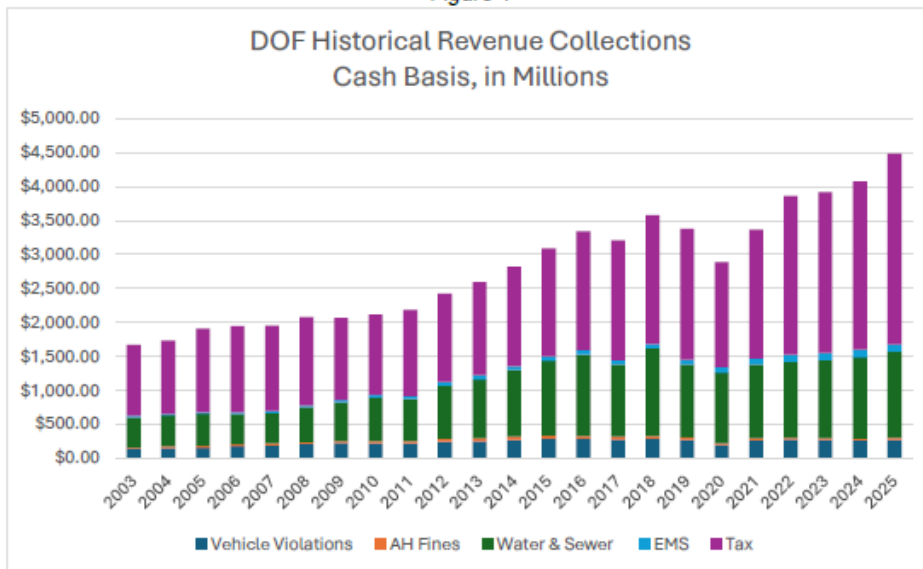
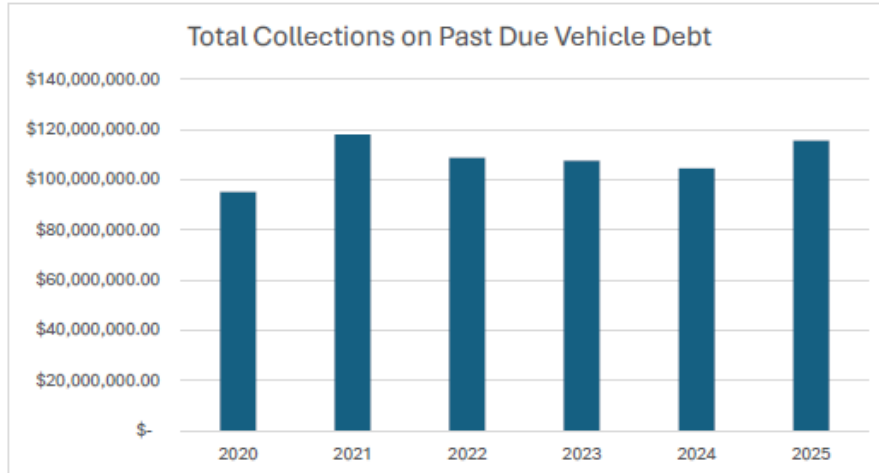


Figure 2



- DOF has a unified plan for debt collection, which is aligned with the authority it has under the law, and includes written practices that are updated as operational needs evolve. These practices include, but are not limited to:
  - Automated noticing and placement of license and permit holds;
  - Performing debt checks as permitted by the MCC;
  - Immobilizing eligible vehicles;
  - Conducting the Transportation Network Provider (TNP) debt cycle;
  - Managing the State Tax Offset Program (STOP);
  - Conducting the employee and Sister Agency debt cycle three times a year;
  - Filing wage garnishment actions against City and Sister Agency employees;
  - Auditing businesses to ensure compliance with the municipal tax code;
  - Referring debt to collection firms and agencies; and
  - Monitoring the performance of those firms and agencies, which use tools such as skip tracing, citations to discover assets, and wage garnishments, etc.

OIG provided that in the closing conference for the audit, DOF management stated that the Department does not have a written plan or specific collection goals. DOF's automated database settings, debt-check procedures, and relief programs express a strategy for collection debt. However, without a unified plan, DOF can neither effectively manage the full amount of outstanding debt nor measure the impacts of city collection activities, including those raising concerns relating to equity and fairness (pg.27).

- These statements do not accurately reflect what DOF communicated at the closing conference. DOF informed OIG that we have written policy and procedure documents regarding all of our collection initiatives. OIG responded that they were looking for one cohesive document that contained all of these protocols. In addition, the Comptroller clearly stated that DOF does have a written plan and specific collection goals, which are created during the annual budget process.

OIG provided that technological barriers and external data quality issues hinder DOF's efforts to conduct comprehensive debt checks (pg. 27).

- As previously stated above (pg. 2), technological barriers and inconsistencies in how issuing City Departments cite parties do not hinder DOF's ability to conduct a comprehensive debt check. DOF has policies and procedures in place that involve consolidating the debt check results from the various source systems and using other tools to ensure we have correctly identified the outstanding debt and accurately tied it to the responsible party.

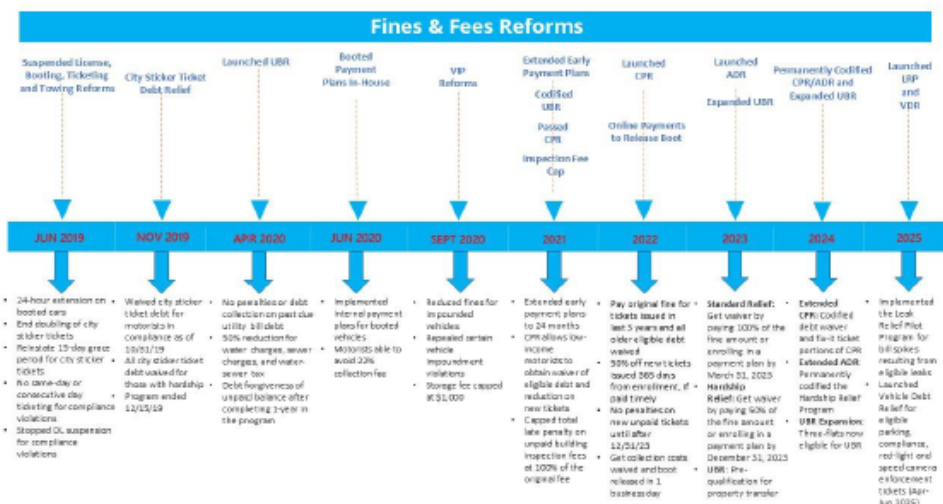
OIG provided that DOF has not exercised its authority to impose standards on other departments' debt-collection practices, to seek cooperation and information from Sister Agencies through intergovernmental agreements, or to provide notices of indebtedness to elected officials as outlined in state law (pg.27).

- This statement fails to give a comprehensive understanding of DOF's collection efforts in these areas.
  - DOF collaborates with other City Departments including DOL, CFD, DOB, BACP, CDA, CDOT, DSS, OEMC, ACC, CDPH, DOE, CPD, and DWM to collect debt and discuss ways to enhance collection efforts.
  - Three times a year, DOF sends Sister Agencies information regarding the debt of their employees along with payment options. While the Municipal Code neither requires Sister Agencies to discipline their employees as a result of City debt, nor prevents them from hiring individuals who have City debt, it does allow the City to garnish the wages of these employees. In 2025, DOL and DOF added 4-5 additional wage garnishment court calls a month where approximately 60 cases per call are heard. In 2025, 3,360 wage garnishment cases were filed and \$1.9M was collected, which reflects an increase of \$1.5M over the prior year. DOF will follow the OIG's recommendation regarding IGAs with Sister Agencies and reach out to them to discuss this possibility.
  - The authority in 65 ILCS 5/3.1-10-51 is given to the City Clerk, not DOF. DOF does conduct debt checks on elected officials in accordance with the law, providing results to the City Council Sergeant at Arms. In following OIG's recommendation, DOF will reach out to the City Clerk to offer assistance with their debt notification process.

OIG provided that DOF had no measurable goals related to its debt-relief programs and that DOF management stated that DOF aims to both collect revenue and give debtors a path to compliance, but that the programs were shaped over the years by the shifting priorities of a series of mayoral administrations (pg.28).

- These statements are inaccurate. DOF's goal is to provide debt relief to individuals and businesses that are eligible for its programs. The success of these programs is measured by the number of participants and the amount of debt waived. DOF has played a significant role in shaping these programs, including but not limited to:
  - Partnering with various cohorts and public interest organizations to analyze data and structure program terms;
  - Collaborating with DOL to draft the MCC language and rules;
  - Working with vendors on programming and development;
  - Creating the microsites and applications;
  - Coordinating the advertising including radio, digital billboards, palm cards, and email communications;
  - Tracking and reporting key data points; and
  - Analyzing data to determine opportunities for program expansion.
- Equity and fairness are top priorities of DOF, and we have spent an extensive amount of time and resources to implement many programs and initiatives to address these concerns. Please see Figure 3 below.

Figure 3



OIG provided that DOF does not maintain a "manual of accounting" as required by the MCC and a lack of standard definitions and procedures impedes the department from communicating and prioritizing management decisions concerning debt collection. The OIG also provided that City database vendors, and staff in other City departments conveyed inconsistent perspectives on the meaning of the term 'debt,' as well as which debt should be considered collectible, and whether it is legal for the City to write off uncollectible debt (pg. 28).

- DOF will create a manual for purposes of assuring an organization wide understanding of terminology and accounting practices and procedures. This initiative will be undertaken in 4<sup>th</sup> quarter of 2026, subsequent to publishing the 2025 ACFRs. The target date for completion is 3<sup>rd</sup> quarter 2027.
- As it relates to the collection of debt, the meaning of debt utilized by the City is defined in MCC Section 1-19-010. In addition, there is a clear distinction between debt owed to the City and debt related to long-term liabilities of the City such as: outstanding bonds and pension liabilities.
- There is no statute of limitations on certain types of debt, and the City collects a substantial amount of aged debt, therefore DOF does not have a formal policy of writing off uncollected debt from individuals and business entities with vehicle violations, administrative hearing debt, and water and sewer bills. In 2025, DOF collected \$5.6M of vehicle debt, \$2.2M of administrative hearing debt, and \$1M of water and sewer debt for periods 2015 and prior.
- DOF will discuss the possibility of writing off debt with the internal finance teams and DOL to determine feasibility and whether this would be in the best interest of the City.
- There's a difference between write-off for accounting purposes and actual extinguishment of debt, such as fines and fees. DOF does have aging and write-off policies for enterprise debt, including airports and water and sewer utilities. These aging and write-off procedures are limited to financial reporting purposes. For example, airport customer debts are managed on a per account basis due to the finite population of accounts, while utility debt is managed on an aggregate basis due to a larger account base.
- Past financial audits have not indicated any issue or finding related to material misstatement, completeness, accuracy, existence, validity, and valuation of City's receivables. This includes governmental and enterprise funds.

OIG provided that one DOF document states that 100% of utility debts in the Banner database should be considered uncollectible after 365 days. OIG also stated that 365 days is the threshold for referring debt associated with active Banner accounts to outside collection firms, a step at odds with the notion of those debts being uncollectible (pg. 29).

- DOF finds OIG's position above to be contradictory with what OIG stated on page 9: "As defined by the United States Treasury, a write-off is an accounting procedure to remove a debt as an asset on financial statements because it no longer has any value. A write-off is distinct from the decision to end active or passive collection efforts." DOF practice is aligned with the US Treasury guidelines as we write off water debt after 365 days as an accounting procedure, which is distinct from our collection referral process.

OIG provided that doubtful accounts, or 'bad debts,' are receivables that an entity determines cannot be collected for reasons such as their age or the debtor's inability to pay. To make sure financial statements reflect accurate balances, allowances for doubtful accounts should be 'reserved,' or offset against reported assets. These bad debts can later be written off as expenses (pg. 29).

- The last sentence does not accurately reflect accounting practices. In either the allowance or direct write-off method of recognizing bad debt, the expense is recognized immediately while the report says the expense could be recognized later.

OIG provided that DOF has not aligned its practices with GFOA recommendations in that it has not analyzed its outstanding debt data to help prioritize collections or maximize revenue. In addition, OIG provides in its report that DOF leadership told OIG that while DOF would like to analyze and monitor collection performance trends, it lacked the time to do so. OIG also provided that DOF stated that it does not use regular reports on aging receivables, though it may request ad hoc reports from its database vendors to respond to public records requests or inquiries during budget hearings. OIG also stated that DOF is not well positioned to target collection efforts based on prior trends and expected outcomes (pg. 32).

- DOF spends a significant amount of time analyzing data to prioritize debt collection and maximize revenue, including but not limited to:
  - Reviewing monthly reports on aging receivables.
  - Meeting quarterly with DOL and the collection law firms, quarterly with its collection agency, and weekly with ADPI to discuss collection trends, analyze historical data to determine what may be driving changes, and form new strategies to enhance revenue. Enforcement initiatives that are creating a positive trend in collections are shared with all the firms/agency to implement across the board.
  - Reviewing with DOL the notifications being sent by the law firms and collection agency to debtors to ensure they communicate clearly and comply with the law.
  - Analyzing law firm performance measures shared by DOL, which include the amounts referred, collected, and outstanding, the collection rate, and the average number of days to collect.
  - Monitoring weekly collection status update from the law firms and collection agency for all debt housed in ARMS.

OIG provided that DOF does not hold collection agencies accountable for performance provisions in their contracts and that DOF contracts with two non-law-firm collection agencies, Mintex and Advanced Data Processing, Inc. OIG stated that DOF leadership told OIG that, within memory, the department had not held these agencies accountable for satisfying provisions within the contract including specific performance agreements, such as reporting on collection percentages and collection activities (pg.32).

- Please note that ADPI is not a collection agency, it is a billing vendor. However, DOF does perform a monthly audit to ensure ADPI is meeting its service level agreements. In

addition, DOF does hold Mintex accountable for performance provisions in its contract, and Mintex sends DOF weekly automated file updates regarding amounts collected and its most recent collection activity.

OIG provided that DOF's contract with Mintex specifically provides the City with the discretion to recall uncollected accounts, including for referral to another collection agency. However, DOF stated that once debt is sent to outside agencies, it is not usually recalled even if the agency does not collect within a certain timeframe (pg.32).

- Historically, DOF has reassigned debt and will transfer debt to higher performing firms. Over the past four years, DOF has reassigned debt amongst the firms and agency five times. Doing so requires an extensive amount of programming and development work, which is why it is not performed more frequently. DOF has recently explored the potential for tiered placement of water debt, however the technology required to implement it was cost prohibitive.

OIG provided that the management structure of the City's debt-collection efforts also presents challenges to performance measurement and the majority of debt referred for external collection is handled by outside law firms retained by DOL. OIG has provided that DOL told them that these outside counsel manage their own caseloads, that it would be difficult to measure their success in collecting City debt, and that it would be very burdensome to provide information about the number and dollar value of debt-collection cases being handled by outside counsel. OIG also provided that these challenges place the performance of DOL's outside collection firms beyond DOF's direct supervision (pg. 32).

- As provided by OIG, DOF manages one collection agency and DOL manages seven collection law firms. Management is structured this way because the collection law firms are comprised of attorneys who are taking legal action to collect City debt and this type of enforcement is best supervised by the collection attorneys in DOL. However, as previously provided above (pg. 9), DOL and DOF collaborate on debt collection goals and meet quarterly with the firms to discuss their performance as well as evaluate collection strategies. While DOF cannot speak to the statements the OIG has provided were made by DOL, we do have knowledge that DOL does measure the firms' success in collecting debt and they utilize information regarding the dollar amount of debt referred to each agency as part of this analysis.

OIG provided that within DOF's records of outstanding debts referred to collection agencies at the time of OIG's analysis, progress towards resolving the sums owed ranged from about 1 to 14%, as illustrated in Figure 22. In addition, OIG provided that the figures depict DOF's open debt records by the year the debts were originally incurred, including only amounts still outstanding that were greater than zero. That is, they depict snapshots of debt that were unpaid at the time of OIG's analysis, and do not include debts that were resolved and no longer had amounts due. Therefore, the percentages below should not be interpreted as measures of overall collection performance (pg. 33).

- While OIG labeled Figure 22 as "Outside Agencies Have Recovered a Small Percentage of the Outstanding Debt Actively Referred to Collection," DOF believes this data is

related to the 7 collection firms managed by DOL and the 1 collection agency managed by DOF. DOF agrees with OIG that the percentages provided should not be interpreted as measures of overall collection performance. It is unclear to DOF what time periods were used to formulate these calculations and while the debt in some of our systems dates back to the 1990s, the City did not start referring debt out for collection until the early 2000s. In order to provide percentages that could be used as measures of overall collection performance as set forth in Figures 22 - 25, DOF would need to consult with DOL. Please note that during DOF's closing meeting with OIG, DOF asked whether OIG had shared this report with DOL so they could respond to the sections in which they are mentioned and OIG responded that it had not since DOL was not the auditee.

OIG provided that DOF does not coordinate other City Departments' collection efforts. MCC § 2-32-080(E) empowers the Comptroller "to request prosecutions by the corporation counsel's office, for the purpose of enforcing ordinances relating to revenue, tax, license and permit fees receivable by the City of Chicago." As discussed in the Background, there is no policy establishing a "bright-line" rule defining when DOL attorneys will assume any particular matter, though DOL and DOF management agreed that COAL handles particularly egregious and high-value cases. In general, DOF operates without policies defining its relationship to COAL and providing structure for their shared efforts to collect debt (pg.36).

- As DOF provided above (pg. 6), DOF does coordinate with many City Departments to collect debt. There is structure and a clear designation of responsibilities between DOF and DOL regarding which team is performing what function to collect the debt. DOF utilizes the mechanisms outlined above (pg. 5) to collect debt and DOL, being the City's attorneys, utilizes the courts and other legal mechanisms by which to collect debt. For example, DOL's COAL Division in coordination with DOF, prosecutes debt due and owing cases related to revenue and taxes and DOL's BLE Division in coordination with BACP, prosecutes license issues.

OIG provided that DOF told OIG that, in the past, DOL held quarterly meetings with its outside counsel to discuss matters related to debt collection. However, DOF management had not regularly attended these meetings due to time constraints and were unaware whether any goals for collection were discussed (pg. 36).

- As provided above (pg. 9), DOF regularly meets with DOL and the law firms as well as Mintex. During these meetings we discuss collection trends, analyze historical data to determine what may be driving changes, and assess new strategies which may enhance revenue.

OIG provided that other City departments perform their own revenue-management and debt-collection procedures outside of DOF's supervision. Although MCC § 2-32-110 requires all City departments to "adopt and put into effect the system of accounting and auditing" produced by the Comptroller, DOF stated that each department has its own rules concerning communication with debtors and the referral of aged receivables to DOF for outside collection. DOF has not taken steps to coordinate or standardize debt collection citywide (pg. 36).

- MCC 2-32-110 applies to the Annual Comprehensive Financial Report (ACFR) and is related to revenue reporting and expenses. It does not regulate alignment of City Departments communication with debtors. In addition, City Departments follow a standardized protocol if they want to refer aged debt out for collection, which starts by submitting the request to the Department of Law as it relates to the law firms and DOF as it relates to the collection agency.

OIG provided that this decentralized management can lead to extended collection timelines based on the various departments' disparate practices. OIG also provided that even in situations where departments have sought more involvement from DOF, it has not provided guidance. For example, CDOT staff told OIG that they spend a considerable amount of time attempting to collect overdue permit fees, but have not received a clear response from DOF or COAL to inquiries about the point at which these bills should be considered debt and referred for outside collection (pg. 37).

- DOF is responsive when Departments seek guidance regarding debt collection protocols. In regard to this specific example, DOF has worked with CDOT on the collection of permit fees and searches for this debt in IPS11 as part of the debt check process, in addition to placing license and permit holds for this debt.

OIG provided that due to technological barriers, reliance on longstanding practices, and lack of standardization, DOF does not conduct all debt checks required by the MCC. One of DOF's key functions related to debt management is conducting debt checks on individuals and entities seeking City business. OIG found that technological constraints and data-quality issues significantly limited DOF staff's ability to conduct such checks. However, DOF also has tools and authorities at its disposal that it could use to coordinate other City departments' participation in debt checks (pg. 37).

- As previously provided above (pgs. 2-3), technological issues and data inconsistencies do not limit DOF's ability to accurately conduct a debt check.
- Last year, DOF conducted 17,594 debt checks from which we collected \$11.76M in revenue. These debt checks include but are not limited to the following:
  - Business licenses that require inspection by other City departments;
  - Building permits;
  - Grant applicants;
  - New hires;
  - Chauffeurs;
  - Fleet accounts;
  - Businesses seeking to enter into a contract with the City or amend an existing contract;
  - TNPs (automated debt check process);
  - STOP (automated debt check process);
  - Current City and Sister Agency employees; and
  - Settlement and judgment offsets.
- While DOF currently has 11 collection service representatives who conduct debt checks, in the past the number has averaged around 8 to 9. The reason DOF is not able to

conduct every debt check authorized under the MCC is due to a lack of human resources. However, DOF's capacity to handle more debt checks will increase with the implementation of the Debt Check Portal, which will allow the City to expand the debt check requirement to other areas (e.g. trade licensees, general contractors, etc.) resulting in increased revenue collections.

OIG provided that DOF does not conduct all business debt checks and stated that DOF does not fulfill the MCC requirements of performing debt checks on all entities seeking licenses, permits, and certain other City actions and payments. OIG stated that DOF did not have list of situations that trigger required debt checks and did not know the origins of the set of debt checks it currently performs (pg. 37).

- The MCC does not require debt checks for all permit and license applicants. For example, there are exceptions that include permits issued for emergency repairs or through the Express Permit Program. DOF will work with DOB & DBACP to ensure they are submitting all debt check requests to DOF as required by the MCC.

OIG provided that DOF AR's debt checks have the following limitations:

- Each debt check requires an individualized human review that can vary based on experience
  - DOF receives debt check requests in various formats
  - DOF has not established guidelines or expectations for departments requesting debt checks
  - DOF does not fulfill the MCC requirement of conducting comprehensive debt checks before remitting payments on City contracts
  - The City does not perform debt checks on all entities receiving payments from or working on behalf of the City
  - Once it has discovered debt, DOF does not know whether or how departments use this information (pgs. 38-39).
- While DOF acknowledges that there are limitations to the number of debt checks that can be performed due to the number of staff, DOF notes the following:
    - DOF has a very detailed, 230 page step-by-step Debt Check Training Manual. Collections service representatives are trained to conduct debt checks in a thorough, consistent manner as outlined in the illustrated training manual.
    - Each City department that processes the applicable application (e.g. license, permit, employment) is responsible for submitting debt check requests to DOF in accordance with the MCC, as well as taking the appropriate action based on the results.
    - DOF currently processes all debt checks that are requested, regardless of the method of submission. However, in 2023, prior to notification of this audit DOF began work on the Debt Check Portal which creates a single point of entry for all debt check applicants, including referrals from other departments.
    - DOF currently conducts debt checks prior to contract execution and when a contract is amended.

- DOF acknowledges that we do not conduct debt checks each time a contractor is paid. At any given time, there are more than 1,000 active contracts Citywide, not including non-DPS contracts. DPS payment terms generally state 30 days from approved invoice date so this would potentially add 1,000 more debt checks per month, in addition to the downstream work of actually offsetting the debt against the payment. DOF will explore technical improvements that include process automation, but notes that such solutions would require costly integration across multiple systems.

**Finding 3: Owing City debt can have a greater impact on economically vulnerable individuals.**

OIG provided that if the City is not able to comprehensively identify or consistently manage debt as discussed in Findings 1 and 2, it may be unable to tailor efforts to address equity concerns (pg. 45).

- As the Fines and Fees Timeline (Figure 3) demonstrates, DOF’s prioritization of equity and fairness has been ongoing and continues to evolve based on residents’ needs. In 2023 when the City issued its first ever Equity Report to accompany the 2024 budget, DOF was one of only two city departments whose work was rated transformational by the Office of Equity and Racial Justice (OERJ) and the Equity Advisory Council. In 2025, DOF was again recognized by OERJ for our equity-based work on relief programs.
- While footnote 53 of the report states “OIG does not assert that the 56 responses to its survey are representative of all debtors’ experiences of the City’s debt policies and practices, including its debt-relief programs...”, the only direct quotes OIG included came from seemingly dissatisfied respondents. Just one sentence was added to the report summarizing the positive feedback received: “...some reported that, once they were connected and enrolled, the programs did help them address their outstanding debts.” DOF believes the figures 4 through 9 below should be considered when fairly evaluating the equity impact of DOF’s debt collection practices and relief programs.

Figure 4

Program	Number of Participants	Amount Saved (in millions)	Program Launch Date
UBR	34,058	\$90.2	April 2020
CPR	95,533	\$46.8	April 2022
FIX-IT	83,199	\$10.8	April 2022
ADR	40,640	\$7.6	January 2023

### Utility Billing Relief

Figure 5 (Debt Waived by Zip Code 2023-2026)

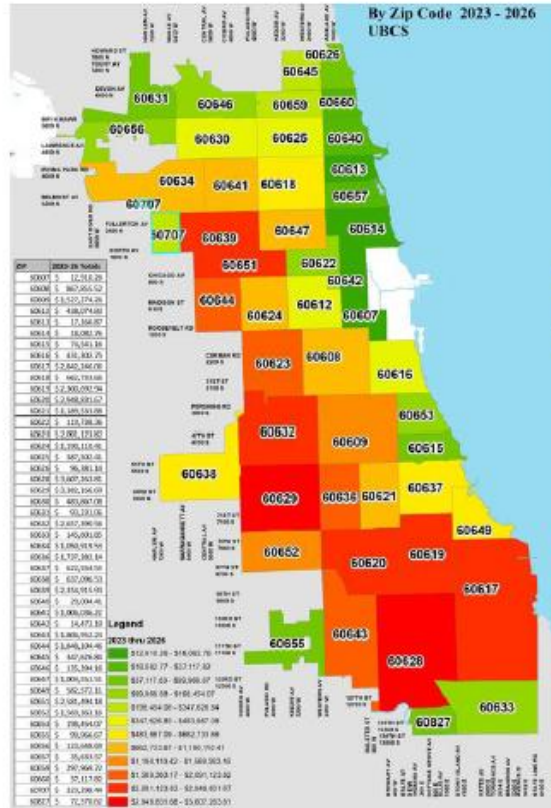
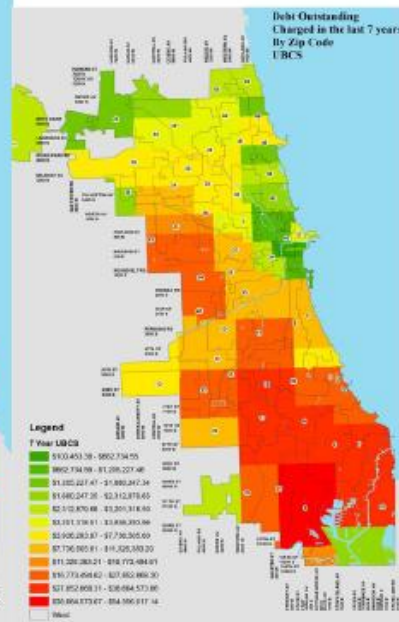


Figure 6 (Outstanding Utility Debt Last 7 Years)



### Clear Path Relief Program

Figure 7 (Debt Waived by Zip Code 2023-2026)

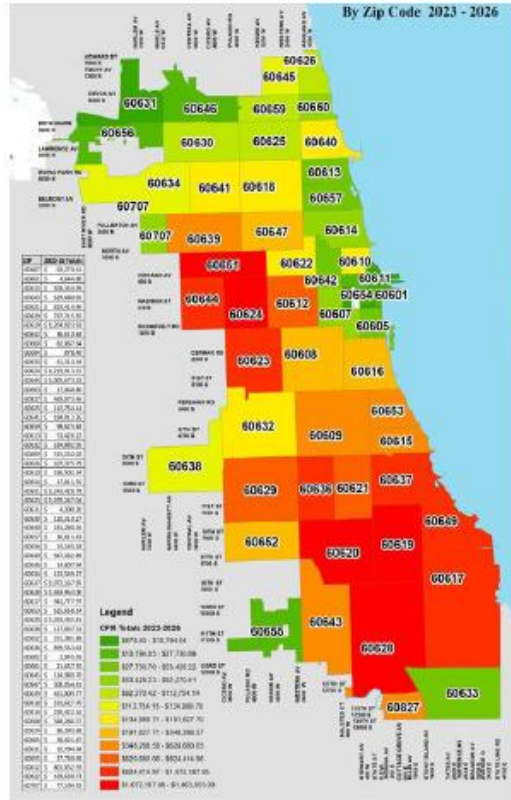
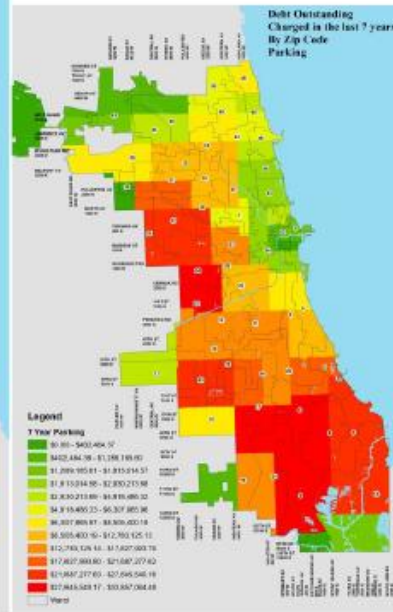


Figure 8 (Outstanding Vehicle Debt Last 7 Years)



### Administrative Debt Relief Program

Figure 8 (Debt Waived by Zip Code 2023-2026)

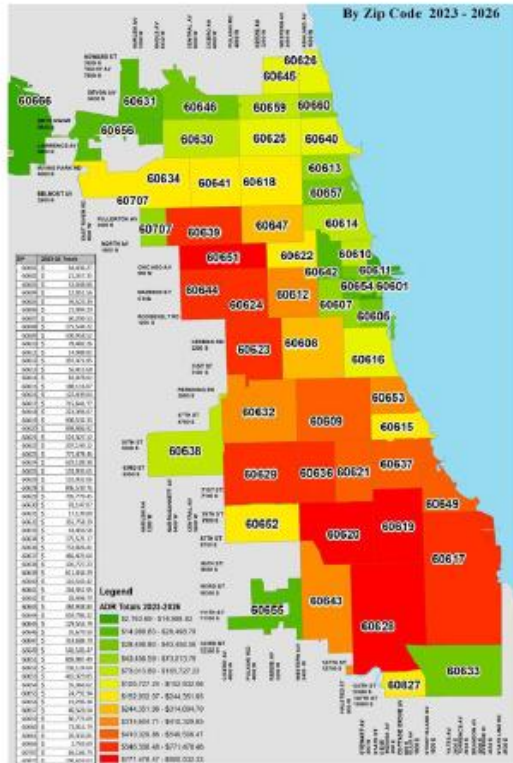
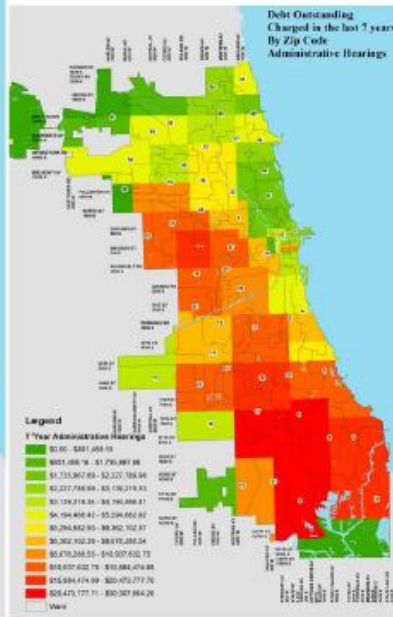


Figure 9 (Outstanding AH Debt Last 7 Years)



OIG provided that fees and interest increase the difficulty of resolving debt and that such additional charges can make it more difficult for financially challenged debtors to resolve their debts. (pg. 49)

- DOF assesses fees and interest in accordance with the MCC. However, DOF has considered the financial impact such fees can have on low-income residents and has structured its debt relief programs accordingly to waive such fees and interest (as shown in OIG Figure 31). In addition, DOF has worked extensively to ensure that outstanding debt is not an insurmountable barrier to business or employment by offering payment plans with lower down payments and longer terms for those experiencing financial hardship.



**Anne O'Brien**  
Senior Performance Analyst

**Shardae Whitaker**  
Performance Analyst

**Kevin Smith**  
Chief Performance Analyst

**Jessica Roberts**  
Assistant Inspector General

**Darwyn Jones**  
Deputy Inspector General, Audit and Program Review

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

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

For further information about this report, please contact the City of Chicago Office of Inspector General, 231 S. LaSalle Street, 12th Floor, Chicago, IL 60604, or visit our website at [igchicago.org](https://igchicago.org).

#### **Talk to Us**

(833) TALK-2-IG/(833) 825-5244  
[talk2ig@igchicago.org](mailto:talk2ig@igchicago.org)  
[igchicago.org/talk2ig](https://igchicago.org/talk2ig)

**OIG Business Office**  
(773) 478-7799

Cover photo courtesy of Canva Pro.  
Alternate formats available upon request.

