



# City of Chicago



F2018-37

Office of the City Clerk

## Document Tracking Sheet

<b>Meeting Date:</b>	7/25/2018
<b>Sponsor(s):</b>	Dept./Agency
<b>Type:</b>	Report
<b>Title:</b>	Inspector General Quarterly Report (2018 Q2)
<b>Committee(s) Assignment:</b>	

JULY 2018

---

# CITY OF CHICAGO OFFICE OF INSPECTOR GENERAL

## SECOND QUARTER REPORT 2018





JOSEPH M. FERGUSON  
INSPECTOR GENERAL

CITY OF CHICAGO  
OFFICE OF INSPECTOR GENERAL  
740 NORTH SEDGWICK STREET, SUITE 200  
CHICAGO, ILLINOIS 60654  
TELEPHONE (773) 478-7799  
FAX (773) 478-3949

---

## **TO THE MAYOR, MEMBERS OF THE CITY COUNCIL, THE CITY CLERK, THE CITY TREASURER, AND THE RESIDENTS OF THE CITY OF CHICAGO:**

Enclosed for your review is the public report on the operations of the City of Chicago Office of Inspector General (OIG) during the second quarter of 2018, filed with the City Council pursuant to Section 2-56-120 of the Municipal Code of Chicago.

The recently concluded quarter involved reports and dispositions of an array of administrative, criminal, and program inquiries that included hostile work environments involving sexual harassment and assault, misuse of public resources for personal benefit, and identification of standards and controls whose substance or implementation can be improved to protect taxpayer dollars. All of these demonstrate the continuing value of oversight in a dynamic and evolving City during a period of great cultural and structural change. This quarter's audit of the City's process for evaluating and setting user fees, a significant source of City revenue, found that the City does not regularly review all fees to determine whether they are set at levels designed to recover the cost of providing the services related to the fees, or to achieve other policy goals. In a similar fashion, OIG's follow-up inquiry into the Chicago Lives Healthy (CLH) employee wellness program, which originally found that the City spent nearly \$10.5 million in taxpayer resources from 2012 through 2014, and, as of June 26, 2018, has paid the vendor \$22.8 million since program inception, still hasn't established a performance measurement framework to vet the program's success in improving employee health and reducing healthcare costs overall. The City is moving forward with no "plan to set specific health status or healthcare saving targets for the current CLH program," nor intention to, "report publicly on CLH outcomes." Furthermore, the Public Safety section released its first evaluation, regarding the Chicago Police Department's (CPD) non-compliance with the clear and present danger reporting requirements for law enforcement agencies under Illinois' Firearm Owners Identification (FOID) Card Act.

As the economy moves through what is widely regarded as the latter phases of an extended growth cycle, continued progress on fiscal and operational fronts counsels reducing reliance on the revenue side and doubling down on efforts to improve and innovate how we maximize the return of value to the public from existing fiscal resources. Recent reports of a sharp drop in police overtime yielding savings of over \$13 million in the first quarter of 2018 alone is an excellent example of how oversight – here in the form of OIG's October 2017 audit report on shortfalls in CPD overtime

---

controls – can quickly yield efficiencies that can fund the costs of needs elsewhere in City operations, of which police reform – both internally and externally driven – is near the top of any list. To that end, OIG moves into the third quarter of 2018 with a dozen Public Safety section evaluations and reviews of CPD operations and programs in progress. Additionally, OIG's Center for Information Technology and Analytics (CITA) will continue to work in collaboration with major city agencies, with CPD at the forefront, to provide City stakeholders, both in City government and the community it serves, a significant data-based enhancement to public transparency and operational accountability. Such progress is seldom linear and at times slowed or obstructed by those resistant to embracing the duty to cooperate, even where required by law. Where that happens, OIG will stay on task in attempting to bring all government actors into harbor as is needed for this great city to meet the enormous challenges of these times.

Respectfully,

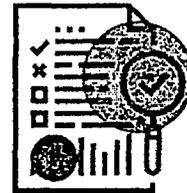


Joseph M. Ferguson  
Inspector General  
City of Chicago

## TABLE OF CONTENTS

I. MISSION OF THE OFFICE OF INSPECTOR GENERAL.....	3
II. INVESTIGATIONS .....	4
A. COMPLAINTS RECEIVED THIS QUARTER .....	4
B. PRIOR QUARTER MATTERS.....	5
C. NEWLY OPENED MATTERS.....	5
D. CASES CONCLUDED IN QUARTER.....	6
E. PENDING MATTERS .....	7
F. INVESTIGATIONS NOT CONCLUDED IN TWELVE MONTHS.....	7
G. ETHICS ORDINANCE COMPLAINTS.....	7
H. PUBLIC BUILDING COMMISSION COMPLAINTS AND INVESTIGATIONS.....	7
III. ADMINISTRATIVE CASES .....	8
A. CAMPAIGN FINANCE INVESTIGATIONS.....	8
B. SUSTAINED ADMINISTRATIVE INVESTIGATIONS.....	8
IV. CRIMINAL CASES, ADMINISTRATIVE APPEALS, GRIEVANCES, AND RECOVERIES .....	17
A. SYNOPSES OF CRIMINAL CASES.....	17
B. DEVELOPMENTS IN PRIOR CHARGED CRIMINAL CASES.....	18
C. SYNOPSES AND RESULTS OF ADMINISTRATIVE APPEALS, GRIEVANCES, OR OTHER ACTIONS .....	18
D. RECOVERIES.....	20
V. AUDITS AND REVIEWS .....	21
VI. ADVISORIES AND DEPARTMENT NOTIFICATION LETTERS.....	26
VII. OTHER REPORTS AND ACTIVITIES.....	31
VIII. HIRING OVERSIGHT .....	33
A. HIRING PROCESS REVIEWS.....	33
B. HIRING PROCESS AUDITS.....	36
C. REPORTING OF OTHER OIG HIRING OVERSIGHT ACTIVITY.....	41

# SECOND QUARTER 2018 HIGHLIGHTS



**596**

COMPLAINTS RECEIVED



The City has paid a vendor over \$22.8 million for the Chicago Lives Healthy employee wellness program since its inception, yet makes no attempt to measure its effectiveness or report publicly on whether the program has improved employee health or reduced healthcare costs

**229**

MATTERS CONCLUDED

Department of Public Health employee created an uncomfortable and hostile work environment

**\$60,114**

FINANCIAL RECOVERIES



Department of Finance employee sexually harassed an employee of a City subcontractor

Department of Aviation employee sexually harassed non-City employees

**28**

AUDITED HIRING SEQUENCES



The City does not regularly review all user fees to determine if they recover the cost of service or achieve other policy goals, nor can the City state exactly how many fees exist because there is no comprehensive list

**1**

CPD MEMBER HOTLINE COMPLAINT RECEIVED



The Chicago Police Department did not comply with the clear and present danger reporting requirements for law enforcement agencies under Illinois' Firearm Owners Identification (FOID) Card Act, having only submitted two forms over more than three years

This quarterly report provides an overview of the operations of the Office of Inspector General (OIG) during the period from April 1, 2018, through June 30, 2018. The report includes statistics and narrative descriptions of OIG's activity as required by the Municipal Code of Chicago (MCC).

## I. MISSION OF THE OFFICE OF INSPECTOR GENERAL

The mission of OIG is to promote economy, effectiveness, efficiency, and integrity in the administration of programs and operation of City government.<sup>1</sup> OIG accomplishes its mission through investigations, audits, and other reviews. OIG issues summary reports of investigations to the appropriate authority or the Mayor and appropriate management officials, with investigative findings and recommendations for corrective action and discipline. Summaries of sustained investigations and the resulting department or agency actions are released in quarterly reports. OIG's audit reports and advisories are directed to the appropriate agency authority or management officials for comment and then are released to the public through publication on the [OIG website](#). OIG's department notifications are sent to the appropriate agency authority or management officials for attention and comment and are summarized, along with any management response, in the ensuing quarterly report. Finally, OIG issues reports as required by the Hiring Plan and as otherwise necessary to carry out its hiring oversight functions.

---

<sup>1</sup> "City government" includes the City of Chicago and any sister agency which enters into an Intergovernmental Agreement (IGA) with the City for the provision of oversight services by OIG.

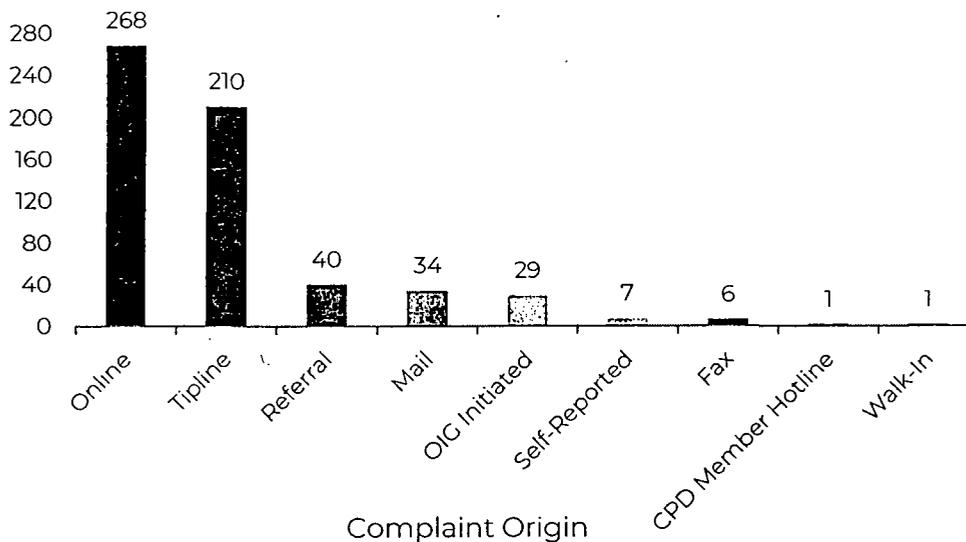
## II. INVESTIGATIONS

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

### A. COMPLAINTS RECEIVED THIS QUARTER

OIG received 596 complaints during the second quarter. The chart below breaks down the complaints OIG received during the past quarter by the method in which the complaint was reported.<sup>2</sup>

CHART #1 – COMPLAINTS BY REPORTING METHOD



<sup>2</sup> In response to recommendations of the Mayor's Police Accountability Task Force and the U.S. Department of Justice, OIG created, at the request of the Chicago Police Department (CPD), a web-based Member Hotline permitting CPD personnel to file anonymous complaints and suggestions. The recommendation was based on findings that some CPD members, who have an affirmative duty to report misconduct, as mandated both by municipal ordinance and CPD General Orders, were reluctant to comply because of fear of reprisal for doing so and concern that their complaints and information would be disclosed. The Member Hotline addresses this concern through a double-blind registration process that assigns each registering member a unique, untraceable login number. The CPD Member Hotline was activated during the fourth quarter of 2017. Since that time, only 21 of 14,011 CPD employees have registered and a total of 12 complaints or suggestions have been received. To date, CPD has declined OIG suggestions to mandate registration for all members or, alternatively, to require such registration as a condition of graduation from the Police Academy.

Among other factors, OIG evaluates complaints to gauge the investigative viability and potential magnitude or significance of the allegations—both individually and programmatically.<sup>3</sup> The following table outlines the actions OIG has taken in response to these complaints.

TABLE #1 – COMPLAINT ACTIONS

Status	Number of Complaints
Opened Investigation	35
Pending	85
Referred	180
Declined	296
Total	596

## B. PRIOR PENDING COMPLAINTS

OIG also took action on complaints that were pending at the end of the prior quarter by declining 29 complaints, opening 8 administrative or criminal investigations, and referring 10 complaints to departments or sister agencies. Additionally, 1 complaint was referred to the Hiring Oversight section and 1 complaint was referred to the Audit and Program Review section. 8 complaints remain pending. The following table provides the status of all complaints that were pending at the end of the previous quarter.

TABLE #2 – PRIOR PENDING COMPLAINTS

Status	Number of Complaints
Opened Investigation	8
Pending	8
Referred to Audit and Program Review	1
Referred to Hiring Oversight	1
Referred to Department/Sister Agency	10
Declined	29
Total	57

## C. NEWLY OPENED MATTERS

During the second quarter, OIG opened 234 matters. Of the newly opened matters, 191 were referred to other departments or investigative agencies. A total of 43 cases

<sup>3</sup> OIG's complaint intake process allows it to assess the substance of a complaint prior to processing and, after thorough review, to filter out complaints that lack sufficient information or clarity on which to base additional research or action, or are incoherent, incomprehensible, or factually impossible

proceeded to an OIG investigation. Of those cases, 42 remained open at the end of the quarter and 1 was closed not sustained.

The following table categorizes the matters opened by OIG this quarter based on the subject of the matter.

TABLE #3 – SUBJECT OF INVESTIGATIONS AND REFERRALS

Subject of Investigations and Referrals	Number of Investigations and Referrals
Appointed Officials	1
Employees	196
Contractors, Subcontractors, and Persons Seeking Contracts	16
Elected Officials	3
Licensees	6
Other	12
Total	234

#### D. CASES CONCLUDED IN QUARTER

During the second quarter, OIG concluded 229 opened matters, 191 of which were referred to the following: 167 to a City department and 24 to a sister agency or other external agency. Of the remaining concluded matters, 20 were closed as "sustained." A case is sustained when the evidence sufficiently establishes that either an administrative or criminal violation has occurred or the case identifies a particular problem or risk that warrants a public report or notification to a department. A total of 13 matters were closed as "not sustained." A case is not sustained when OIG concludes that the available evidence is insufficient to prove a violation under applicable burdens of proof. A total of 5 matters were closed "administratively." A case is closed administratively when, in OIG's assessment, it has been or is being appropriately treated by another agency or department, the matter was consolidated with another investigation or, in rare circumstances, OIG determined that further action was unwarranted.

TABLE #4 – CASES CONCLUDED IN QUARTER

Status	Number of Cases
Referred to a City department	167
Referred to a sister/external agency	24
Sustained	20
Not sustained	13
Closed administratively	5
Total	229

**E. PENDING MATTERS**

At the close of the second quarter, OIG had a total of 153 pending matters, including investigations opened during the quarter.

**F. INVESTIGATIONS NOT CONCLUDED IN TWELVE MONTHS**

Under MCC § 2-56-080, OIG must provide quarterly statistical data on pending investigations open for more than 12 months. Of the 153 pending matters, 59 investigations have been open for at least 12 months.<sup>4</sup> The following table shows the general reasons that these investigations remain active.

TABLE #5 – REASONS INVESTIGATIONS WERE NOT CONCLUDED IN TWELVE MONTHS

Reason	Number of Investigations
Complex or resource-intensive investigation, which may involve difficult issues or multiple subjects	47
Extended due to higher-risk, time-sensitive investigations	7
Additional complaints added during the course of the investigation	2
On hold, so as not to interfere with another ongoing investigation	3
<b>Total</b>	<b>59</b>

**G. ETHICS ORDINANCE COMPLAINTS**

During the second quarter, OIG received 12 ethics ordinance complaints. OIG declined 7 ethics ordinance complaints because they lacked foundation, 3 ethics ordinance complaints were opened for investigation, 1 ethics ordinance complaint was referred to the appropriate City department, and 1 ethics ordinance complaint is pending.

**H. PUBLIC BUILDING COMMISSION COMPLAINTS AND INVESTIGATIONS**

OIG received no complaints related to the Public Building Commission (PBC).

<sup>4</sup> Of the 59 cases opened longer than 12 months, 16 are criminal matters being conducted under the direction of county, state, or federal prosecutorial bodies

### **III. ADMINISTRATIVE CASES**

OIG investigations may result in administrative sanctions, criminal charges, or both. Investigations leading to administrative sanctions involve violations of City rules, policies or procedures, and/or waste or inefficiency. For “sustained” administrative cases, OIG produces summary reports of investigation<sup>5</sup>—a summary and analysis of the evidence and recommendations for disciplinary or other corrective action. OIG sends these reports to the appropriate authority or the Office of the Mayor, the Corporation Counsel, and the City departments affected by or involved in the investigation. When officials are found to be in violation of campaign finance regulations, the law affords them the opportunity to cure the violation by returning excess funds.

#### **A. CAMPAIGN FINANCE INVESTIGATIONS**

The MCC bans City vendors, lobbyists, and those seeking to do business with the City from contributing over \$1,500 annually to any City official or candidate’s political campaigns. Potential violations of the cap are identified through complaints and OIG analysis. Other rules and regulations such as Executive Order 2011-4 place further restrictions on donations. Once a potential violation is identified, OIG notifies the donor and the donation recipient of the violation and, in accordance with the MCC, provides the individual or entities 10 days to challenge the determination or cure the violation by returning the excess donation. If the excess donation is returned in a timely manner, or it is determined that a violation did not occur, OIG closes the matter administratively. In the event the matter is not cured or rightfully challenged, OIG will sustain an investigation and deliver the case to the Board of Ethics for adjudication. This quarter there were no sustained campaign finance violations.

#### **B. SUSTAINED ADMINISTRATIVE INVESTIGATIONS**

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

In addition to OIG’s findings, each synopsis includes the action taken by the department in response to OIG’s recommendations. City departments have 30 days

---

<sup>5</sup> Per MCC § 2-56-060, “Upon conclusion of an investigation the inspector general shall issue a summary report thereon. The report shall be filed with the mayor, and may be filed with the head of each department or other agency affected by or involved in the investigation.”

to respond to OIG recommendations.<sup>6</sup> This response informs OIG of what action the department intends to take. Departments must follow strict protocols, set forth in the City's Personnel Rules, Procurement Rules, and/or applicable collective bargaining agreements, prior to imposing disciplinary or corrective action.

In deference to the deliberative processes of City departments and the contractual rights of employees relating to discipline, OIG does not report on cases regarding current City employees until the subject's department has acted on and/or responded to OIG's report. For cases in which a department has failed to respond in full within 30 days (or 60 days if a full extension has been granted), the response will be listed as late. The following chart lists concluded matters for which OIG has received a department response this quarter.

TABLE #6 – OVERVIEW OF CASES COMPLETED AND REPORTED AS SUSTAINED MATTERS

Case Number	Department or Agency	OIG Recommendation	Department or Agency Action
18-0101	Department of Public Health	Discipline commensurate with gravity of violations	2-day suspension
17-0676	Department of Finance	Discipline commensurate with gravity of violations	1-day suspension
17-0595	Department of Aviation	Discharge	Discharge
17-0320	Department of Transportation	Designate as having resigned under inquiry	Designated as resigned under inquiry
17-0118	Department of Law	Designate as having resigned under inquiry	Designated as resigned under inquiry
16-0240	City Council	Find probable cause and impose sanctions	Preliminary finding of probable cause

<sup>6</sup> PBC has 60 days to respond to a summary report of investigation by stating a description of any disciplinary or administrative action taken by the Commission. If PBC chooses not to take action or takes an action different from that recommended by OIG, PBC must describe that action and explain the reasons for that action. If OIG issues a report to the Chairman of the City Council Committee on Committees, Rules and Ethics, the Chairman must forward the report to the appropriate City Council authority within 14 days. After receiving the report, that individual has 30 days to provide a written response to the Inspector General (or 60 days if a full extension has been granted or if action by the Chairman of the Committee on Committees, Rules and Ethics is required).

Case Number	Department or Agency	OIG Recommendation	Department or Agency Action
16-0060	Department of Streets and Sanitation	Discipline commensurate with gravity of violations	14-day suspension
15-0495	Department of Business Affairs and Consumer Protection	Designate as having retired under inquiry	Designated as retired under inquiry
15-0491	Department of Water Management	Discharge	No Discharge
15-0465	Chicago Fire Department	Discipline commensurate with gravity of violations	<u>Paramedic</u> 20-day suspension <u>Supervisor</u> 20-day suspension
15-0189	Department of Business Affairs and Consumer Protection	Discharge	Designated as resigned in lieu of discharge

1. Hostile Work Environment (OIG Case #18-0101)

An OIG investigation established that a Chicago Department of Public Health (CDPH) communicable disease control investigator engaged in conduct that interfered with a CDPH temporary worker's ability to perform assigned job responsibilities and created an uncomfortable and hostile work environment. Specifically, from approximately November 2017 through December 2017, the employee sent numerous text messages even after the colleague ceased responding for periods of time and after telling the employee the communications had crossed a line. In addition, the employee frequently visited the colleague's workspace, sometimes remaining there while the colleague tried to work; engaged the colleague in a manner that was overly familiar and laudatory; and professed to "like" the colleague.

OIG recommended that CDPH impose discipline against the employee, commensurate with the gravity of the employee's violations, past disciplinary record, and any other relevant considerations. OIG further recommended that the employee receive anti-harassment training to help ensure that the employee maintains appropriate relationships with work colleagues.

CDPH imposed a two-day suspension. CDPH stated it was working with the Department of Human Resources (DHR) to identify and arrange an anti-harassment training that the employee will be required to attend.

2. Sexual Harassment of Contract Employee (OIG Case #17-0676)

An OIG investigation established that in 2017, a Department of Finance (DOF) staff assistant sexually harassed an employee of a City subcontractor. On three separate occasions, the employee made sexual advances toward the contract employee and made the contract employee feel uncomfortable. On the first occasion, the employee rubbed the contract employee's arm and told the contract employee that the contract employee had a nice shirt. On the second occasion, the employee encountered the contract employee in a restroom and greeted the contract employee as "handsome." And on a third occasion, the employee took the contract employee's hand and blew a kiss toward the contract employee. The contract employee reported these incidents to the contract employee's direct manager.

OIG recommended that DOF impose discipline against the employee, commensurate with the gravity of the employee's violations, past disciplinary record, and any other relevant considerations. OIG further recommended the employee receive anti-harassment training to help ensure that the employee maintains appropriate relationships with his colleagues.

In response, DOF issued a one-day suspension. The employee is also scheduled to attend DHR's Diversity and Equal Employment Opportunity Training in July 2018.

3. Sexual Assault of Non-City Employee (OIG Case # 17-0595)

An OIG investigation established that a Chicago Department of Aviation (CDA) electrical mechanic sexually harassed at least two non-City employees, including an incident in which the employee reached inside the shirt of a non-City employee and touched her breasts. On another occasion, the employee walked up behind a different non-City employee and rubbed the side of that employee's waist. The employee also made comments about the second non-City employee's breasts and buttocks in that employee's presence. The employee also repeatedly used disrespectful, hateful, and unprofessional language regarding multiple City employees with whom the employee worked.

OIG recommended that CDA discharge the employee and refer the employee for placement on the ineligible for rehire list maintained by DHR.

In response, CDA discharged the employee and placed the employee on the ineligible for rehire list. The employee has appealed the discharge to the Human Resources Board.

#### 4. FMLA and Personal Disability Leave Fraud (OIG Case # 17-0320)

An OIG investigation established that a former Chicago Department of Transportation (CDOT) bridge and structural iron worker requested and accepted a leave of absence on fraudulent grounds, provided false information on two requests for leave, and failed to disclose secondary employment in violation of City Personnel Rules. The CDOT employee was hired to work at a private company that provides bridge and structural iron work while still employed with CDOT. Immediately after the employee's hire by the private company, the employee took 10 days of paid vacation before submitting a request for a leave of absence from CDOT due to "stress." The employee's request was approved for 12 unpaid weeks under the Family Medical Leave Act (FMLA). The employee submitted a second request for leave of absence for "medical" reasons, which was approved for an additional 13 unpaid weeks under Personal Disability Leave. During this time, OIG observed the employee at the private worksite in a construction lift, performing bridge work similar to the type the employee was responsible for as a CDOT bridge and structural iron worker. A review of the employee's files revealed no disclosure of, request, or approval for the employee's engagement in secondary employment. The employee resigned during the course of OIG's investigation.

OIG recommended that CDOT find that the evidence established the violations, designate the employee as having resigned under inquiry, and place the OIG report and the attached evidentiary file in the employee's personnel file for consideration in the event the employee applies for re-employment with the City.

In response, CDOT stated that it had designated the employee as having resigned under inquiry and placed OIG's report and evidentiary file in the employee's personnel file.

#### 5. Residency Violation (OIG Case # 17-0118)

An OIG investigation established that a Department of Law (DOL) employee lived in Bensenville, Illinois, in violation of the City's Municipal Code MCC § 2-152-050, requiring its employees to reside in the City. Business and government records indicated that the employee resided in Bensenville, including a lease the employee signed for an apartment in Bensenville (the "Bensenville Property") and the employee's driver's license, which also listed the Bensenville Property as the employee's address. In addition, nine surveillances of the Bensenville Property observed the employee

leaving from or arriving at the Bensenville Property at times associated with morning and evening work commutes.

The employee resigned from DOL shortly after OIG interviewed the employee. Thus, OIG recommended that DOL find that the evidence established a residency violation, designate the employee as having resigned under inquiry, and place OIG's report and the attached evidentiary file in the employee's personnel file for consideration in the event the employee applies for re-employment with the City.

In response, DOL accepted OIG's recommendations, designated the employee as having resigned under inquiry, and placed OIG's report and evidentiary file in the employee's personnel file.

6. *Improper Negotiation of Future Employment, Improper Lobbying by a Former Elected Official (OIG Case # 16-0240)*

An OIG investigation established that a former elected official for the City of Chicago improperly negotiated the possibility of future employment with a private company ("Company A") while Company A had a matter pending before the former elected official, and improperly lobbied City of Chicago employees and officials on behalf of Company A within a year of leaving elected office. Specifically, the former elected official personally lobbied City employees and officials and also used Company A's hired lobbyist as a direct conduit to lobby those same individuals. OIG concluded that the former elected official's conduct violated the City of Chicago Governmental Ethics Ordinance, MCC §§ 2-156-111(c) and 2-156-105(a)(1).

OIG recommended that the Board of Ethics (BOE) find probable cause that the former elected official violated the Ethics Ordinance and impose appropriate sanctions.

During BOE's May 2018 board meeting, it found probable cause that the former elected official had engaged in lobbying during the one-year prohibition imposed by the Ethics Ordinance. As to the former elected official's improper negotiation of future employment with Company A while Company A had a matter pending before the former elected official, BOE found no probable cause and dismissed OIG's finding. BOE notified OIG that it intended to schedule a meeting with the former elected official pursuant to BOE's adjudication process under MCC § 2-156-385.

7. *Personal Use of Take-Home City Vehicle (OIG Case # 16-0060)*

An OIG investigation established that a high-ranking employee in the Department of Streets and Sanitation (DSS) regularly used an assigned City vehicle for personal use, in violation of the City's take-home vehicle policy. The employee's personal use of the

vehicle included regularly transporting the employee's children to school and spouse to work on multiple occasions, while on duty for the City. During an OIG interview, the employee acknowledged being in violation of the City's take-home vehicle policy, but after the interview, continued to use the vehicle for personal use.

OIG recommended that DSS impose discipline against the employee, commensurate with the gravity of the employee's violations, the employee's position of authority, past disciplinary record, and specific consideration to the ongoing misconduct following notice and acknowledging prior violations during the OIG interview.

DSS agreed with OIG's recommendation and issued a 14-day suspension for the employee. DSS also suspended the employee's take-home vehicle privileges until further notice.

#### 8. Residency Violation (OIG Case # 15-0495)

An OIG investigation established that a Department of Business Affairs and Consumer Protection (BACP) revenue investigator lived in Addison, Illinois, in violation of the City's Municipal Code MCC § 2-152-050, requiring its employees to reside in the City. Business and government records indicated that the employee resided in Addison, including a 2014 mortgage showing the employee purchased a house in Addison, and multiple utility records for the house in the employee's name. In addition, during six surveillances of the Addison house, OIG observed the employee leaving to travel to the employee's City worksite to begin the workday, as reflected in City time records.

The employee retired from BACP shortly after OIG conducted a subject interview of the employee. Thus, OIG recommended that BACP find that the evidence established a residency violation, designate the employee as having retired under inquiry, and place OIG's report and the attached evidentiary file in the employee's personnel file for consideration in the event the employee applies for re-employment with the City.

In response, BACP accepted OIG's recommendations and designated the employee as having retired under inquiry.

#### 9. Residency Violation (OIG Case # 15-0491)

An OIG investigation established that a Department of Water Management (DWM) plumber has lived in Oak Park, Illinois, since 2013 and lied on residency affidavits filed in 2013 and 2015 by claiming residence within City limits, in violation of the City's Municipal Code MCC § 2-152-050, requiring its employees to reside in the City. Business and government records and eight surveillances indicated that the employee lived in Oak Park. Despite having signed three mortgages on the Oak Park

residence in 2014, 2015, and 2017, the employee denied living in Oak Park during an OIG interview. The employee claimed to regularly visit the Oak Park residence after work to take care of the employee's children while the employee's spouse was working. The employee also denied staying overnight in Oak Park, except on the occasions when the employee's spouse was either out of town for work or when the employee's child was sick, claims that were directly refuted by the employee leaving the Oak Park residence at times associated with a morning commute, and the fact that the employee was never observed at the purported City address.

OIG recommended that DWM discharge the employee and refer the employee for placement on the ineligible for rehire list maintained by DHR.

In response, DWM initially agreed with OIG's recommendation to discharge the employee; however, DWM later informed OIG that, after conferring with DOL, it would not seek to discharge the employee nor place the employee on the ineligible for rehire list

10. Time Falsification, Misuse of City Resources, Failure to Supervise (OIG Case #15-0465)

An OIG investigation established that a Chicago Fire Department (CFD) paramedic in charge routinely failed to clock out from work before attending classes and clinical hours during regular work hours in order to complete a master's degree. Because CFD failed to consistently follow timekeeping policies, OIG was only able to affirmatively establish the employee's early departure on 21 days, but records suggest the employee may have left early on as many as 95 days with no authorized leave time and was nevertheless automatically credited and paid for a full 8-hour day. The employee also violated both the City's Information Security and Technology Policy, which limits the personal use of City computers, and CFD General Order #13-004, which prohibits personal use of City email resources, by using a City computer and email account for schoolwork and personal Internet searches.

The investigation also established that the employee's supervisor failed to properly supervise the employee and gave the employee preferential treatment during the course of employment. The supervisor also disregarded CFD and Citywide policies that eliminated compensatory time.

OIG recommended that CFD impose discipline up to and including discharge against the employee and the supervisor commensurate with the gravity of the respective employees' violations, past disciplinary record, and any other relevant considerations.

OIG further noted that, based on the timekeeping records reviewed in this case, CFD did not appear to have any form of internal auditing or review of timekeeping records

to ensure it complied with City and departmental timekeeping policies. OIG therefore recommended that CFD review its timekeeping practices and consider implementing routine audits to ensure compliance with relevant policies.

In response, CFD stated that it agreed with OIG's findings. After considering the employees' respective work histories and gravity of the violations, CFD imposed a 20-day suspension against the employee and ended the employee's detail to a non-platoon duty assignment. CFD also imposed a 20-day suspension against the supervisor, moved the supervisor to a different division, and demoted the supervisor to a non-exempt rank with no timekeeping responsibilities. Additionally, CFD reported that the supervisor's replacement will be instructed to immediately create a process to audit timekeeping records in the relevant division.

#### 11. Receipt of Gifts for City Services (OIG Case # 15-0189)

An OIG investigation established that a BACP administrative assistant received and deposited 4 checks totaling \$290 from 2 livery licensees between 2014 and 2016 into a personal bank account. In three of the four occurrences, the employee had performed a license renewal for one of the licensees within days or weeks of receiving and depositing the check. The employee also processed a renewal for one of the licensees before the licensee paid the \$500 renewal fee, in violation of BACP policy. OIG additionally found that the employee renewed taxi cab licenses for licensees who owed debt to the City of Chicago in violation of BACP policy, even after receiving training and verbal counseling instructing the employee that such conduct was prohibited. The employee's misconduct constituted official misconduct, preferential treatment, and insubordination, among other violations.

OIG recommended that BACP discharge the employee and refer the employee for placement on the ineligible for rehire list maintained by DHR.

In response, BACP initiated discharge proceedings and the employee resigned in lieu of discharge. BACP referred the employee for placement on the ineligible for rehire list. In addition, BACP reported that it had taken steps to ensure that its employees, as well as the public, are aware of BACP and Citywide personnel rules, including posting updated Gift Policy signs at every BACP location accessed by the public. BACP also committed to reiterating BACP and Citywide personnel rules at an upcoming all-staff in-service day.

## IV. CRIMINAL CASES, ADMINISTRATIVE APPEALS, GRIEVANCES, AND RECOVERIES

Criminal investigations may uncover violations of local, state, or federal criminal laws, and may be prosecuted by the U.S. Attorney's Office, the Illinois Attorney General's Office, or the Cook County State's Attorney's Office, as appropriate. For the purposes of OIG quarterly summaries, criminal cases are considered concluded when the subject(s) of the case is publicly charged by complaint, information, or indictment.<sup>7</sup> In administrative cases, a City employee may be entitled to appeal or grieve a departmental disciplinary action, depending on the type of corrective action taken and the employee's classification under the City's Personnel Rules and/or applicable collective bargaining agreements. OIG monitors the results of administrative appeals before the Human Resources Board (HRB) and grievance arbitrations concerning OIG's disciplinary recommendations.

### A. SYNOPSES OF CRIMINAL CASES

1. *U.S. v. Tara D. Smith*, 18 CR 164 (N.D. Ill.)

On April 9, 2018, former Public Building Commission (PBC) Manager of Payroll and Benefits Tara Smith pleaded guilty to one count of filing a false tax return, in violation of Title 26, United States Code, Section 7206(1). In her plea agreement, Smith, who processed payroll for PBC's employees, admitted that in 2014 and 2015 she periodically submitted false information to ADP, PBC's payroll processor, which represented that Smith was entitled to additional payroll payments when Smith knew that, in fact, she was not. In total, Smith arranged to receive an additional \$51,018 in unauthorized payroll payments from PBC, which were then deposited into bank accounts she controlled.

Smith further admitted that she filed materially false and fraudulent U.S. Individual Income Tax Return Form 1040s in 2014, 2015 and 2016, in which she willfully failed to report all the income she received. In addition, in January 2015, Smith sought to conceal unauthorized payments by submitting to ADP via email an amended W-2 that did not reflect the unauthorized payments she received in 2014. Smith thereby committed wire fraud in violation of Title 18, United States Code, Section 1343, as the email Smith sent was routed through a computer server located in a state outside of Illinois.

---

<sup>7</sup> OIG may issue summary reports of investigation recommending administrative action based on criminal conduct prior to, during, or after criminal prosecution

Smith agreed to pay restitution in the amount of \$51,018 to PBC and in the amount of \$40,371 to the Internal Revenue Service. Smith is scheduled for sentencing before U.S. District Court Judge Sarah Ellis on July 20, 2018, at 10:00 AM.

## **B. DEVELOPMENTS IN PRIOR CHARGED CRIMINAL CASES**

During this quarter, there were developments in one previously reported criminal case.

1. *State of Illinois v. Christopher Williams*, 16-CR-6300 (Cir. Ct. of Cook County)

On April 30, 2018, Christopher Williams pleaded guilty to a Class 1 felony for theft of government property and was sentenced to 30 months of probation, 240 hours of community service, and \$9,096.85 in restitution to the City and individual victims. As part of Williams' agreement to plead guilty, other charges against him were dropped, including a Class 2 felony for theft of property and six counts of Class 3 felonies, including one count of theft by deception and four counts of wire fraud.

While employed by a City vendor as a security guard stationed at Department of Revenue payment centers, Williams received money from individuals under the pretense that he would settle and pay their fines and fees with the City. Williams then used a blank City of Chicago Department of Family and Social Services (DFSS) check to pay the fines and fees at a City payment kiosk, while keeping the money he had collected. Williams' alleged schemes drained the DFSS account of more than \$40,000 before DFSS employees noticed the fraudulent transactions and had the bank reverse those payments.

The investigation was conducted by OIG, working in conjunction with the Illinois Attorney General and the U.S. Department of Housing and Urban Development Office of Inspector General.

## **C. SYNOPSES AND RESULTS OF ADMINISTRATIVE APPEALS, GRIEVANCES, OR OTHER ACTIONS**

To date, OIG has been notified of two updates regarding appeals to HRB or an arbitrator or other actions in the second quarter regarding discipline imposed or other actions resulting from OIG investigations.

1. Failure to Cooperate with OIG Investigation (OIG #15-0183)

As reported in the first quarter of 2017, OIG investigated allegations that a subcontractor on a project for a CDOT contract had submitted false information to the City regarding the number of hours its employees had worked. OIG made

multiple attempts to interview the subcontractor, which were met with no response. The subcontractor's failure to cooperate was a violation of the MCC, which requires subcontractors to cooperate with OIG in any investigative inquiry. OIG recommended that the Department of Procurement Services (DPS) debar the subcontractor and its president. In response, DPS initiated debarment proceedings against both, sending a letter to the subcontractor's president with a copy of OIG's findings.

DPS granted numerous extensions of time to allow the subcontractor to respond, but received only a minimal response. After considering the subcontractor's response, DPS again sent notice of proposed debarment and received no answer. On April 2, 2018, DPS issued a notice of permanent debarment against the subcontractor and the subcontractor's president.

## 2. Time Falsification (OIG Case # 14-0526)

As reported in the fourth quarter of 2017, an OIG investigation established that two DSS motor truck pool drivers falsified attendance records, failed to return to work on time after breaks, and used City tow truck vehicles for unauthorized purposes. A thorough review of GPS records and daily activity sheets revealed that, from September 30, 2014, to September 29, 2015, the drivers spent a combined 66 hours and 29 minutes at home, at a relative's house, or running personal errands while on City time and without taking authorized breaks. Furthermore, one of the drivers, while on City time, frequently drove an assigned City tow truck to shop at an auto parts store for parts to use in the driver's unauthorized secondary employment: a home-based auto repair shop. On several occasions while the driver was conducting personal business on City time, the driver ignored and failed to complete dispatch assignments. OIG observed the other driver use an assigned City tow truck to help tow a vehicle to the same home repair garage for the other driver. Neither driver reported their activities on daily time sheets; rather, they falsified their time and location on at least 26 and up to 93 days between September 30, 2014, and September 29, 2015, in an attempt to conceal their activities and whereabouts. Overall, the drivers received a combined \$2,304.72 in compensation from the City for time spent on unauthorized breaks and running personal errands.

OIG recommended that DSS discharge one of the drivers and refer the driver to DHR for placement on the ineligible for rehire list. For the other driver, OIG recommended that DSS impose discipline commensurate with the gravity of the other driver's violations.

DSS discharged both employees, and both appealed to HRB. DSS settled one appeal, agreeing to a 60-day suspension and reassignment of the driver to another bureau within DSS.

On March 21, 2018, Hearing Officer Fleming recommended that HRB rescind the other driver's termination and, instead, impose a one-year suspension. On April 17, 2018, HRB heard oral arguments by the City and the other driver; ultimately, HRB imposed a two-year suspension on the other driver. The driver has since filed a motion to reconsider, which remains pending.

#### D. RECOVERIES

This quarter OIG received two reports of cost recovery actions or other financial recoveries related to an OIG investigation summarized above.

TABLE #7 – OVERVIEW OF COST RECOVERY ACTIONS

Case Number	Date	Source	Amount
15-0159	04/09/2018	Tara Smith	\$51,018 (to PBC)
13-0515	04/30/2018	Christopher Williams (Employee of City Contractor)	\$9,096.85 (to the City and victims)

## V. AUDITS AND REVIEWS

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

The following summarizes the four audits, one follow-up report, and one evaluation report released this quarter.

1. Audit of the City's Process for Evaluating and Setting User Fees (#16-0379)<sup>8</sup>

OIG conducted an audit of the City's process for evaluating and setting user fees, which are a significant source of City revenue and include charges for water usage, inspections, permits, and licenses. The objective of the audit was to determine whether the City's process for evaluating and setting user fees adhered to the City's Financial and Budgetary Policies and to national best practices embodied in the recommendations of the Government Finance Officers Association (GFOA).

OIG found that the City does not regularly review all fees to determine whether they are set at levels designed to recover the cost of providing the services related to the fees, or to achieve other policy goals. In fact, the City was unable to state with certainty how many fees exist because it lacks a comprehensive list. Furthermore, the City conducted full-cost analyses for only 3, or 3.3%, of the 91 unique fee proposals submitted during the 2013 through 2017 budget cycles. OIG reviewed two of the City's full-cost analyses and discovered several inaccuracies, resulting in a potential \$45.2 million overestimation of the cost of collecting residential refuse and a \$1.0 million underestimation of the cost of the City's vehicle booting program. OIG also found that the City provides limited opportunities for public engagement regarding fees, contrary to GFOA recommendations.

OIG recommended that the Office of Budget and Management (OBM)—which manages the City's process for evaluating and setting fees—develop a user fee policy and accompanying procedures that adhere to GFOA recommendations, including periodic review of all City fees, full-cost analyses to support consideration of fee changes, and more opportunities for transparency and public feedback regarding fees. OIG further recommended that OBM develop procedures to ensure that future

---

<sup>8</sup> Published June 21, 2018. See <http://chicagoinspectorgeneral.org/publications-and-press/audit-of-the-citys-process-for-evaluating-and-setting-user-fees/>

full-cost analyses accurately account for all direct and indirect costs. OBM agreed with OIG's recommendation to develop a fee policy, create a complete list of fees, and establish a schedule for periodic review of fees. OBM disagreed with OIG's recommendation to enhance public transparency, support fee proposals with full-cost analyses, and consider developing an alternative cost allocation plan to support future cost analyses.

## 2. Chicago Public Library Staffing Audit (#16-0363)<sup>9</sup>

OIG conducted an audit evaluating the design and implementation of the Chicago Public Library's (CPL) staffing plan, which allocates positions among CPL's 80 library locations. The objectives of the audit were to determine whether CPL's staffing plan followed industry guidance and was an effective and efficient tool for allocating human resources among CPL libraries.

Referring to staffing industry guidance from the U.S. Government Accountability Office (GAO) and the American Library Association (ALA), OIG identified several flaws in the design of CPL's staffing plan. OIG also found deficiencies in how CPL implemented the plan, such as not collecting and using all relevant data, and not consistently assigning staff to libraries at the prescribed levels. OIG concluded that the plan was not sufficient to align library branch staffing with community needs.

OIG made several recommendations to enhance the design and implementation of the staffing plan, including involving stakeholders such as library employees, as well as board and community members, in redesigning the plan to utilize measurable factors and ensure that libraries are appropriately staffed to meet local needs. CPL agreed with some OIG recommendations, stating that it will revise its staffing plan to better align the factors considered with available data, and will develop a policy that formalizes application of the plan. Management noted that the staffing plan is not fully implemented, but that CPL seeks to implement it incrementally as vacancies and reassignments permit. CPL disagreed with OIG's recommendation to disseminate the plan to all library employees, and declined to involve the library board and community members in redesigning the plan, stating that senior staff regularly "reports up and down the organizational structure" regarding staffing needs and strategies.

---

<sup>9</sup> Published May 2, 2018. See: <http://chicagoinspectorgeneral.org/publications-and-press/cpl-staffing-audit/>

3. Public Building Commission Construction Change Orders Audit (#16-0327)<sup>10</sup>

OIG evaluated PBC's change order review and approval process. PBC manages the planning, design, and construction of public buildings such as schools, firehouses, and libraries for local government clients such as the City of Chicago, Chicago Public Library, Chicago Public Schools, Chicago Park District, and City Colleges of Chicago.

OIG determined that due to inconsistencies and errors in change orders, PBC could not assure its clients that all increases in project costs were justified and reasonable. In addition, because PBC enforced its Errors and Omissions Policy in an inconsistent manner, the Commission could not provide adequate assurance to its clients or the public that it properly pursued recoverable damages attributable to architect errors.

OIG recommended that PBC improve its change order review and approval process by requiring contractors to submit cost proposals using a standardized digital form, as well as implementing an electronic document control system for change order reviews and approvals. In addition, PBC should revise and consistently implement its policy for recovering damages from architects to ensure that all damages calculations are reviewed and that the rationales for damages decisions are recorded. PBC agreed with all of OIG's recommendations and stated that it has already begun to implement improvements to its change order management.

4. Department of Buildings Complaint-Based Inspections Audit (#16-0301)<sup>11</sup>

OIG conducted an audit of the Department of Buildings' (DOB) complaint-based inspection operations to determine whether DOB met required deadlines for responding to building complaints, whether the Department effectively prioritized complaints, and whether the records of building code violations available to the public on the City's Data Portal and DOB's Building Violations web page were complete and accurate.

OIG concluded that DOB did not have effective strategies for prioritizing complaint-based inspections, resulting in potential health and safety hazards going unaddressed. Specifically, OIG found that DOB met its response deadline for only 36.5% of complaints; had a backlog of over 5,000 open complaints dating back to 2013; closed more than 2,000 complaints without addressing even those describing plainly hazardous situations; and set complaint response deadlines that did not comply with

---

<sup>10</sup> Published June 12, 2018 See <http://chicagoinspectorgeneral.org/publications-and-press/pbc-construction-change-orders-audit/>

<sup>11</sup> Published April 10, 2018 See <http://chicagoinspectorgeneral.org/publications-and-press/dob-complaint-based-inspections-audit/>

the MCC. OIG also found that the City's websites did not provide the public with a property's complete violation history or present data in a user-friendly manner.

OIG recommended that DOB take a number of steps to improve its complaint data reporting and response processes, including bringing their operations into alignment with the MCC. DOB agreed with OIG's audit recommendations and proposed several corrective actions to improve the way it addresses complaints from the public. Specifically, the Department stated that it addressed the open overdue emergency complaints OIG identified, and met with bureau supervisors to "refine protocols" related to how complaints are routed and prioritized. In addition, DOB management explained that it would take into account complaint volume and response time data when reviewing staff levels, and would "refine" reports on complaint data to ensure they meet the Department's operational needs. Finally, DOB committed to work with 311 to ensure that inspectors are able to close out complaint inspections in "real time" using mobile technology, and to work with the Department of Innovation and Technology to improve the user experience with publicly available building data.

5. Office of Emergency Management and Communications Public Safety Cameras Audit Follow-Up Inquiry (#17-0663)<sup>12</sup>

OIG completed a follow-up to its December 2016 audit of the Office of Emergency Management and Communications' (OEMC) management of public safety cameras. The 2016 audit assessed the effectiveness of OEMC's management of public safety cameras by testing whether the cameras worked properly, whether the cameras received necessary repairs in a timely manner, whether the cameras retained footage for the required number of days, and whether access to the cameras was limited to appropriately authorized personnel.

OIG found that, in managing public safety cameras, OEMC did not comply with, and did not require other departments to comply with, Citywide policies regulating access to information systems. As a result, OEMC could not, in most instances, determine which individuals accessed the camera system or how those individuals used the cameras. OIG also found that OEMC did not establish and enforce operational objectives for public safety cameras, and therefore could not determine whether operational levels were optimal. OIG further found that although OEMC's project manager PBC received and reviewed deliverables as required, minor deficiencies in PBC's vendor monitoring prevented it from fully executing its responsibilities as a project manager.

---

<sup>12</sup> Published April 30, 2018. See <http://chicagoinspectorgeneral.org/publications-and-press/oemc-public-safety-cameras-audit-follow-up/>

Based upon the results of the audit, OIG recommended that OEMC implement policies and practices regulating access to public safety cameras, develop and enforce reasonable standards for system performance, and review and identify opportunities to improve PBC's oversight of its vendor for camera repair and maintenance, Motorola. In its response to the audit, OEMC described a number of corrective actions it would take.

Based on OEMC's follow-up response, OIG concluded that OEMC implemented two corrective actions and has three corrective actions pending implementation. Specifically, OEMC assumed direct management of the Motorola contract, implementing corrective actions related to the establishment of performance measures and increased contract oversight. OEMC is in the process of implementing corrective actions to address compliance with the City's Information Security and Technology Policies. Once fully implemented, OIG believes the corrective actions reported by OEMC may reasonably be expected to resolve the core findings noted in the audit.

6. Evaluation of the Chicago Police Department's Compliance with the Firearm Owners Identification Card Act (#17-0230)<sup>13</sup>

OIG's Public Safety section evaluated the Chicago Police Department's (CPD) compliance with the clear and present danger reporting requirements for law enforcement agencies under Illinois' Firearm Owners Identification (FOID) Card Act. CPD reported to OIG that the Department had submitted only two "Person Determined to Pose a Clear and Present Danger" forms to the Illinois State Police (ISP) during the time period OIG reviewed. Information OIG collected during this evaluation indicated that CPD should have submitted significantly more than the two it submitted. CPD agreed with the evaluation's findings and subsequently instituted agency directives that require CPD employees to complete and submit the appropriate documentation to ISP after making the determination that an individual poses a clear and present danger. CPD also agreed with OIG's recommendations to provide officers and recruits adequate training and to ensure that all officers have ready access to the "Person Determined to Pose a Clear and Present Danger" form during their shifts.

---

<sup>13</sup> Published April 25, 2018 See <http://chicagoinspectorgeneral.org/publications-and-press/evaluation-of-the-chicago-police-departments-compliance-with-the-firearm-owners-identification-card-act/>

## VI. ADVISORIES AND DEPARTMENT NOTIFICATION LETTERS

Advisories and department notification letters describe management problems observed by OIG in the course of other activities including audits and investigations. These are problems that OIG believes it should apprise the City of in an official manner. OIG completed no advisories and four notifications this quarter.

### 1. Automated Citation Dismissals (#17-0149)

OIG notified DOF about a concern regarding the automated two-factor identification process used to dismiss parking, red light, speed camera, and other tickets associated with vehicles registered to deceased individuals. Specifically, DOF's automated process compares an individual's name and address in DOF's database to information of deceased individuals in the Social Security Administration database. When a match is found, the database automatically dismisses all violations associated to the deceased individual's vehicle. However, the system does not account for citations issued to vehicles registered to individuals who share the same name and address with the deceased. Further, once citations are automatically dismissed as a result of a name and address match to a deceased individual, the system fails to identify subsequent citations identified in later automated comparisons, even for citations issued after the deceased individual's death. In sum, the automatic system does not recognize citations for which a living individual may be liable.

In the course of investigating the automated dismissal of various citations to a specific vehicle, OIG learned that the registered owner shares the same name and address as that of a relative who passed away in 2012. DOF's automated system dismissed 21 citations in 2014 and another 34 citations in 2016 related to the same vehicle. The dismissed citations were issued for various violations, including, but not limited to, parking, red light, speed camera, and City sticker violations. Furthermore, OIG determined that the vehicle has been registered to and in use by the current living owner since at least 2010. In total, the automated system dismissed \$10,906.80 in fines, and the vehicle has \$13,197.80 in pending citations that, absent corrective action by DOF, would have been subject to erroneous automatic dismissal in the future.

OIG recommended that DOF take steps to address the issue to avoid further exploitation of this vulnerability. Specifically, OIG suggested DOF implement additional controls in the automated dismissal process, such as: 1) adding a third factor for the identity match such as date of birth; 2) allowing the automatic dismissal of tickets based on a deceased's records only once and requiring any further matches be reviewed before dismissal; and/or 3) comparing the date of death with the date of any ticket issuance to ensure no tickets were issued after death.

In response, DOF agreed with OIG's finding that the two-factor authentication is insufficient for purposes of positively identifying deceased motorists. As a result, DOF has discontinued the automated dismissal process. DOF stated that tickets associated to deceased motorists will only be dismissed with receipt of a death certificate and further research to confirm identification.

## 2. Conflicts of Interest for City Collection Agencies (#16-0524)

OIG notified DOF about a concern that DOF does not have a recusal policy for the City's collection agencies that would require an agency, when assigned to collect the debt of one of its employees, to transfer those debts to another collection agency. More specifically, a recent OIG investigation established that a City-contracted debt collection agency (the "Contractor") was violating the conflict of interest provision of its City contract, which states that the Contractor "must not assign any person having any conflicting interest to perform any Services under th[e] Agreement," by collecting the City debts of one of its employees (the "Employee"). The Employee had entered into a payment plan with the City regarding unpaid parking and speeding tickets that the City had issued to a vehicle for which the Employee was listed as either the primary or secondary owner. After the Contractor became responsible for collecting the Employee's debt, the Employee instructed other employees of the Contractor not to default the Employee's debt, even though the Employee was not making payments pursuant to the payment plan. When one of the Contractor's employees nevertheless defaulted the Employee's debt, the Employee requested that another Contractor employee place the Employee back into a payment plan and the employee complied.

DOF, after learning of the Contractor's collection of the Employee's debt, requested that the Contractor remove the Employee's access to CANVAS, the City's collections database, and transferred some of the Employee's debts to another agency. However, the Contractor again began collecting City ticket debt for which the Employee is responsible, with respect to a separate payment plan the Employee's spouse entered into with the City in June 2017.

OIG further established that the Contractor's recently created conflict of interest guidelines did not prohibit the Contractor from collecting its employees' City debt. Accordingly, OIG suggested that DOF take action sufficient to ensure that all City-contracted debt collection agencies have implemented and are properly executing conflict of interest policies and that DOF has an appropriate recusal policy in place for when a collection agency is assigned to collect the City debt of one of its employees.

Therefore, OIG recommended that DOF take action sufficient to ensure that its debt collectors understand and are abiding by the conflict of interest provisions of their respective contracts. Finally, OIG strongly encouraged DOF to consult with DPS to

determine how best to ensure that the Contractor possesses the standards of conduct and internal control systems expected of City contractors.

In response, DOF implemented a financial conflicts of interests policy with the City's collections firms and agencies, which prohibits their employees "from participating in any matter in which the employee or the employee's spouse, domestic partner, blood relatives, members of household, coworkers or close friends has a financial interest." The policy further provides that "[i]f an employee becomes aware that he/she or a coworker has a conflict of interest, the employee must report this conflict in writing to the employee's supervisor immediately." In addition, "collections firms and agencies contracted by the City are required to regularly and proactively check for conflicts of interest and report them to the DOF, no less than once per month." Once DOF is notified of a conflict of interest, "it will transfer the debt associated with the conflict to a different collections firm or agency to manage." DOF further stated that it would "[r]equire collection firms and agencies to conduct employee training on the conflict of interest policies and recusal requirements."

### 3. Maintenance of CFD Disciplinary Records (#16-0514)

OIG notified CFD of a concern regarding proper maintenance and storage of disciplinary records in CFD members' personnel files. The concern arose during a recent OIG investigation stemming from a complaint alleging that three CFD candidates received preferential treatment for not being disciplined after drinking in uniform at a bar. The investigation found that the candidates were in a bar in clothing bearing CFD logos. When CFD discovered their conduct, their candidate instructor told the three CFD candidates to fill out a letter of reprimand; a CFD Form 2, used for all written, intra-departmental communication; and a Fire Academy Candidate Incident Report (FAIR) detailing the incident. The three CFD candidates filled out the forms and provided them to the candidate instructor, who recalled giving the forms to the CFD training academy battalion chief. The battalion chief did not recall receiving the forms but said that they should have been maintained in the candidates' personnel files.

OIG requested the three CFD candidates' personnel files and found no forms detailing the incident. CFD further reported that it had no disciplinary forms for the candidates located anywhere else within CFD's files. The candidates all reported completing the disciplinary paperwork and believed they had received discipline for the incident, and the investigation did not establish intentional misconduct. Nevertheless, the absence of these forms created the clear appearance that the three candidates received some form of preferential treatment. Additionally, the absence of such records raised concerns about record retention at the Fire Academy, which could have broader implications for CFD and its compliance with the Illinois Local Records Act. Thus, OIG recommended that CFD review its document retention and

storage practices and policies and provide training as necessary, to ensure that all disciplinary forms, and all other forms, are appropriately maintained within CFD members' personnel file or other disciplinary files.

CFD responded that it will review its document retention and storage practices to ensure documents and forms are maintained within members' personnel or discipline files in compliance with the Illinois Local Records Act.

#### 4. Take-Home Vehicle Policy (#16-0060)

OIG notified Fleet and Facility Management (2FM) and DSS regarding concerns about 2FM's take-home vehicle policy, which governs use of vehicles for all City departments, and DSS' implementation of that policy. The notification arose out of an OIG investigation into unauthorized personal use of a City take-home vehicle by a DSS employee that revealed certain provisions of the policy were vague, leading to conflicting interpretations and applications. The 2FM policy permitted limited, incidental use of the vehicle for non-City purposes when necessary and appropriate. DSS did not have a consistent view of the 2FM policy and offered conflicting views on various operational aspects of the policy. Additionally, there was not a common understanding as to whether a 2009 DSS order, which permitted use of the vehicle for only authorized, duty-related purposes and did not allow non-City employees to be transported in the vehicle, superseded the 2FM policy with respect to DSS employees.

The 2FM policy permitted City employees to obtain a take-home vehicle to respond to emergency situations and in other situations on a case-by-case basis. The policy provided certain allowances for "City public safety employees who have been granted take home authorization in order to be immediately available to respond to an emergency situation[.]" However, the policy did not define "public safety employee" or provide examples, nor did the policy provide any guidance as to criteria to receive a take-home vehicle on a case-by-case basis. Therefore, it was not clear – and the policy did not specify – who qualified as a "public safety employee" and what qualified as an emergency for purposes of the take-home vehicle policy.

The 2FM policy's allowance for personal use also led to appearance issues. By allowing employees to use the vehicles for non-City purposes, even in limited circumstances, it created the impression that City vehicles can be treated as personal property and are a benefit of a City job. While there may be grounds for some allowance of incidental personal use of the vehicles, the language in the policy was vague and the term "occasional" left room for substantial variance in interpretation, understanding and application. Additionally, allowing non-City employees, including minors who may require additional safety measures, into City vehicles, exposed the City to liability should the vehicle be involved in an accident.

OIG recommended that 2FM consider revisions to the policy to make clear that City vehicles should not be used in lieu of a personal vehicle for anything other than unanticipated, non-regularly occurring situations. OIG further recommended that 2FM, in consultation with its primary user departments, clarify the take-home vehicle section of its policy.

In response, 2FM revised its policy to remove language concerning "public safety employees," and, instead, provide take home vehicles on a case-by-case basis to allow City employees to respond on a 24-hour basis as required by an employee's job responsibilities. 2FM's new policy will also limit passengers in City vehicles to City employees and non-City employees who are being transported on or for City business. Finally, the new 2FM policy clarifies and restricts when City vehicles can be used for personal use to only "incidental, occasional, and non-routine events." 2FM plans to post the new policy to the intranet and send to each City department's vehicle liaison for distribution to employees within the department.

OIG further recommended that DSS ensure its supervisors have a common understanding as to which take-home vehicle policy applies to DSS employees, the 2FM policy or an earlier DSS order, and how to interpret the governing policy.

DSS informed OIG that it was reviewing and revising its work rules, which would incorporate the new 2FM policy. Upon completion, all DSS personnel will receive and sign acknowledgement of the revised work rules.

## VII. OTHER REPORTS AND ACTIVITIES

As an expert in government oversight and as part of its mission to promote economy, effectiveness, efficiency, and integrity, OIG may periodically participate in additional activities and inquiries in the service of improving accountability in City government. This section is reserved in order to describe such activities as they occur.

### 1. Chicago Lives Healthy Inquiry (#18-0171)

In March 2018, OIG inquired about DOF's evaluation of the City of Chicago Employee Wellness Program, Chicago Lives Healthy (CLH). OIG undertook this inquiry pursuant to its June 2015 advisory on the same topic. The advisory found that, while the City spent nearly \$10.5 million in taxpayer resources from 2012 through 2014 to improve employee health and reduce healthcare costs through CLH, the City had not formally assessed the program's impact in either area and had no plans to do so. OIG urged the City to assess the impact of CLH by establishing a performance measurement framework including targets for health status improvements and healthcare savings, and to report publicly on CLH outcomes. In its response to the advisory, the City did not commit to setting targets or measuring the effectiveness of CLH. Nonetheless, the City has continued the wellness program and, as of June 26, 2018, has paid the CLH vendor \$22.8 million since program inception.

In response to OIG's inquiry, DOF stated that it "does not plan to set specific health status or healthcare saving targets for the current CLH program," and further, that it "does not report publicly on CLH outcomes." DOF contended that it is not possible to measure the impact of the CLH program because it is only one component of a multi-strategy approach to contain healthcare costs. Instead, DOF said it determines the effectiveness of CLH "through ongoing feedback from our labor partners."

### 2. DFSS Workforce Services Inquiry (#18-0167)

In March 2018, OIG inquired about DFSS' implementation of improvements to its Workforce Services program in the areas of (1) cross-agency collaboration; (2) program monitoring; and (3) performance measures. OIG undertook this inquiry as a follow-up to its May 2017 letter of notification to DFSS on the same topics.

In response to OIG's inquiry, the Department reported it had improved cross-agency collaboration by beginning "to work closely with the Chicago Cook Workforce Partnership in the area of youth workforce initiatives" and meeting "with Commissioners and Directors from various City departments and sister agencies to build new relationships and strengthen existing partnerships." To improve its program monitoring, DFSS reported that its Program Monitoring Unit developed and implemented a new Workforce Services Monitoring Tool, which they used to conduct

audits of Community Development Block Grant Workforce programs between October 2017 and March 2018. Programmatic audits are the primary tool that DFSS uses to check the accuracy of delegate agency performance data. Finally, as part of its efforts to move toward a more outcomes-oriented approach, the DFSS Workforce Services Division updated the performance measures in its 2018 Community Development Grant Application to include more outcome-oriented measures, such as job retention rates and wage levels.

### 3. Second Annual Progress Report on the Procurement Reform Task Force<sup>14</sup>

On May 30, 2018, OIG published its second annual Progress Report on the activities of the Chicago Procurement Reform Task Force (PRTF). Mayor Rahm Emanuel convened PRTF on May 27, 2015, to identify opportunities for the City and its sister agencies to implement best practices for awarding, managing, and overseeing public contracts. On November 17, 2015, PRTF reported its findings and made 31 recommendations grouped into 5 categories representing the essential principles of government procurement: competition, efficiency, transparency, integrity, and uniformity. On March 1, 2018, a committee of representatives from each PRTF member agency issued the 2017 PRTF Annual Report, describing the steps taken in 2017 on the Task Force's recommendations.

OIG's second annual Progress Report, as required by ordinance, summarizes and evaluates the progress of the City and its sister agencies toward fulfilling PRTF's recommendations. While reiterating the finding in the first annual Progress Report that the City and its sister agencies have not strictly complied with the implementation timetable set in the 2015 PRTF Report, OIG found that they continue to make steady progress toward achieving the Task Force's goals; 18 of its 31 recommendations have been fully implemented. The accomplishments over the past year include, but are not limited to: adopting policies for small and emergency purchases; developing universal programming for vendor outreach and training; creating uniform minimum contract close-out procedures; and developing minimum standards for project managers and other on-site review personnel to ensure vendor compliance. The City and its sister agencies have now set target deadlines for completing each of the remaining recommendations. If these deadlines are met, 11 of the 13 open recommendations will be fully implemented before OIG issues its third annual Progress Report in 2019. Based on that projection, OIG announced the intention that its third annual Progress Report will additionally assess whether and the extent to which implemented recommendations are fully operational.

---

<sup>14</sup> Published May 30, 2018. See <http://chicagoinspectorgeneral.org/publications-and-press/second-annual-progress-report-on-the-procurement-reform-task-force/>

## VIII. HIRING OVERSIGHT

Under Chapter XII of the City of Chicago General Hiring Plan, Chapter XI of CPD Hiring Plan, and Chapter IX of the CFD Hiring Plan, OIG is required to review and audit various components of the hiring process and report on them quarterly<sup>15</sup>. The City's Hiring Plans require both reviews and compliance audits. The Hiring Plans define reviews as a "check of all relevant documentation and data concerning a matter," and audits as a "check of a random sample or risk-based sample of the documentation and data concerning a hiring element."

### A. HIRING PROCESS REVIEWS

#### 1. Contacts by Hiring Departments

OIG tracks all reported or discovered instances where hiring departments contacted DHR or the Chicago Police Department Human Resources (CPD-HR) to lobby for or advocate on behalf of actual or potential Applicants or Bidders for Covered Positions or to request that specific individuals be added to any referral or eligibility list.

During the second quarter of 2018, OIG received one report of a direct contact.

- A CFD employee contacted a DHR employee regarding a relative who had applied for the covered position of firefighter/EMT.

#### 2. Political Contacts

OIG tracks all reported or discovered instances where elected or appointed officials of any political party or any agent acting on behalf of an elected or appointed official, political party, or political organization contact the City attempting to affect any hiring for any Covered Position or Other Employment Actions.

Additionally, City employees often report contacts by elected or appointed officials that may be categorized as inquiries on behalf of their constituents but not an attempt to affect any hiring decisions for any Covered Position or Other Employment Actions.

---

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

During the second quarter, OIG received notice of six political contacts:

- An alderman contacted DHR to inquire about the status of a candidate for the covered position of carpenter at DWM.
- An Illinois state senator contacted CPD to recommend a candidate for the covered position of lieutenant.
- An alderman contacted DFSS to inquire about an employee who had recently been terminated from the covered position of audio-vision tester.
- A representative from the Office of the Mayor contacted DHR to inquire about the status of a request for reassignment made by an employee in the covered position of booter at DOF.
- An alderman contacted CDA to request that the department reconsider a recent decision to terminate an employee in the covered position of airport operations supervisor.
- An alderman contacted the Internal Affairs Division of CFD regarding the discharge of a CFD firefighter/EMT candidate due to a residency violation.

### 3. Exemptions

OIG tracks all reported or discovered Shakman Exempt appointments and modifications to the Exempt List on an ongoing basis. OIG received notification of 29 exempt appointments in the second quarter.

### 4. Senior Manager Hires

OIG reviews hires pursuant to Chapter VI covering the Senior Manager Hiring Process. Of the 41 hire packets OIG reviewed in the second quarter, 11 pertained to senior manager positions, 3 of which contained an error. The errors involved missing or incomplete documentation, which DHR corrected after being informed of the errors by OIG.

Due to the nature of the errors and the corrective action taken, OIG had no further recommendations.

### 5. Written Rationale

When no consensus selection is reached during a Consensus Meeting, a Written Rationale must be provided to OIG for review.<sup>16</sup>

---

<sup>16</sup> A "Consensus Meeting" is a discussion that is led by the DHR Recruiter at the conclusion of the interview process. During the Consensus Meeting, the interviewers and the Hiring Manager review their respective interview results and any other relevant information to arrive at a hiring recommendation.

During the second quarter, OIG did not receive any Written Rationales for review.

#### 6. Emergency Appointments

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

The City reported no emergency appointments during the second quarter.

#### 7. Review of Contracting Activity

OIG is required to review City departments' compliance with the City's Contractor Policy (Exhibit C to the City's Hiring Plan). Per the Contractor Policy, OIG may choose to review any solicitation documents, draft agreements or final contract or agreement terms to assess whether they are in compliance with the Contractor Policy. This review includes analyzing the contract for common-law employee risks and ensuring the inclusion of Shakman boilerplate language.

Under the revised Contractor Policy<sup>17</sup>, departments are no longer required to notify OIG of all contract or solicitation agreements or task orders. However, all contract and solicitation agreements that OIG receives notice of will be reviewed. In addition, OIG will request and review a risk-based sample of contract documents from departments. During the second quarter, OIG reviewed eight temporary service agreements.

In addition to contracts, pursuant to Chapter X of the Hiring Plan, OIG must receive notification of the procedures for using volunteer workers at least 30 days prior to implementation. OIG also receives additional notifications of new interns and/or volunteer workers for existing programs.<sup>18</sup>

The table below details contracts and internship opportunities OIG received notice of in the second quarter.

---

<sup>17</sup> Revised June 7, 2017.

<sup>18</sup> Chapter X.B 6 of the General Hiring Plan

TABLE #8 – CONTRACT AND INTERNSHIP OR VOLUNTEER OPPORTUNITY NOTIFICATIONS

Contracting Department	Contractor, Agency, Program, or Other Organization	Duration of Contract/Agreement
Civilian Office of Police Accountability	Legal and Investigative Internship	3 Months
Cultural Affairs and Special Events	Event Volunteers	3 Months
Department of Law	Externship Program	Ongoing
Fleet and Facility Management	Chicago Public Schools	6 Weeks
Mayor's Office	Personal Service Contractor	1 Year
Mayor's Office	Operations Intern	1 Year
Mayor's Office	Yale Fellow	2 Months
Mayor's Office	Harvard University Fellow	3 Months

## B. HIRING PROCESS AUDITS

1. Modifications to Class Specifications,<sup>19</sup> Minimum Qualifications, and Screening and Hiring Criteria

OIG reviews modifications to Class Specifications, minimum qualifications, and screening and hiring criteria. In the second quarter, OIG received notifications that DHR changed the minimum qualifications for 15 titles within the following departments: CDA, CDPH, CFD, CPL, DOL, DSS, DWM, and the Department of Cultural Affairs and Special Events.

OIG reviewed each of the proposed changes to minimum qualifications and did not have any objections.

2. Referral Lists

OIG audits lists of applicants/bidders who meet the predetermined minimum qualifications generated by DHR for City positions. Each quarter, OIG examines a sample of referral lists and notifies DHR when potential issues are identified. OIG recognizes that aspects of candidate assessment are subjective and that there can be differences of opinion in the evaluation of a candidate's qualifications. Therefore, our

---

<sup>19</sup> "Class Specifications" are descriptions of the duties and responsibilities of a Class of Positions that distinguish one Class from another. They are, in effect, the general descriptions utilized to determine the proper level to which a Position should be assigned, and they include the general job duties and minimum qualifications of the position. Class Specifications shall include sufficient detail so as to accurately reflect the job duties

designation of “error” is limited to cases where, based on the information provided, OIG found that,

- a candidate who did not quantitatively meet the minimum qualifications was referred for hiring;
- a candidate who failed to provide all of the required information and/or documents listed on the job posting was referred for hiring; or
- a candidate who quantitatively met the minimum qualifications was not referred for hiring.

In the second quarter, OIG audited one referral list, which did not contain errors.

### 3. Testing

The Hiring Plan requires that OIG conduct an audit of DHR test administrations and scoring each quarter. In the second quarter, OIG audited testing administration materials<sup>20</sup> for 29 test administrations<sup>21</sup> covering 9 City departments, which were completed during the first quarter of 2018.

OIG did not identify any errors affecting the testing administrations.

### 4. Selected Hiring Sequences

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

Auditing the hiring sequence requires an examination of the hire packets, which include all documents and notes maintained by City employees involved in the selection and hiring process for a particular position. As required by the Hiring Plan,

---

<sup>20</sup> “Testing administration materials” include (1) the test booklet (or booklets, if multiple versions of the test were administered); (2) the sign in/sign out sheets, (3) the answer key; (4) the final cut score(s)—the threshold score for passing the exam—and any documentation regarding the change of a cut score(s); (5) the individual test scores for each candidate for each test that was administered, (6) the finalized test results sent to the DHR Recruiter, (7) the answer sheets completed by the candidates, (8) the rating sheets completed by the interviewers as part of the Foreman Promotional Process, (9) any additional emails or notes identifying issues surrounding the test administration or scoring (e.g., documentation identifying the individual test score changes for tests that are rescored, memos to file regarding non-scheduled candidates being allowed to test, etc.), and (10) the Referral List

<sup>21</sup> A “test administration” is complete when a test has been administered and the final candidate scores have been sent from the DHR Testing Division to the DHR Recruiting Division for candidate selection and processing

OIG examines some hire packets during the hiring process and examines other packets after the hires are completed.

In the second quarter, OIG completed an audit of hire packets for 28 hiring sequences completed during the first quarter of 2018. OIG selected these hiring sequences based on risk factors such as past errors, complaints, and historical issues with particular positions. These hiring sequences involved 16 departments. Of the 28 hire packets audited, OIG identified 5 errors, affecting 4 hiring sequences. The errors involved missing documentation and incomplete candidate assessment forms. In each sequence, OIG provided its findings to DHR. DHR took steps to correct the documentation errors by obtaining a completed form or providing appropriate justification. The documents submitted by the hiring departments were placed with the corresponding hire packets. DHR also communicated the concerns with the respective recruiters and requested more attention to detail.

#### 5. Hiring Certifications

OIG audits the City's compliance with Chapter XII.C.5 of the General Hiring Plan. A Hiring Certification is a form completed by the selected candidate(s) and all City employees involved in the hiring process to attest that no political reasons or factors or other improper considerations were taken into account during the applicable process.

OIG reviewed 41 hire packets in the second quarter and none contained a Hire Certification error.

#### 6. Selected CPD Assignment Sequences

Pursuant to Chapter XII of the CPD Hiring Plan for Sworn Titles, OIG has the authority to audit Other Employment Actions, including district or unit assignments, as it deems necessary to ensure compliance with this Hiring Plan. Generally, OIG audits assignments not covered by a collective bargaining unit and located within a district or unit.

Assignment packets include all documents and notes maintained by employees involved in the selection processes outlined in Appendix D & E of the CPD Hiring Plan. On a quarterly basis, OIG selects a risk-based sample of assignment packets for completed process review after selections have been made and the candidate has begun their assignment.

In the second quarter, OIG completed an audit of four non-bid duty assignment sequences and four non-bid unit assignments completed during the first quarter of 2018. OIG did not find any errors, however, it identified an irregularity affecting one

assignment sequence. In this instance, several of the interviewers' ratings on the candidate assessment forms were inconsistent with the candidates' responses regarding their ability to speak a second language.

OIG recommended that CPD-HR establish a process to review proposed interview questions and job-specific criteria prior to posting the Notice of Job Opportunity to ensure that the interviewers can thoroughly and objectively measure candidates' competencies. In response, CPD-HR stated that they already had an established process to ensure that interview questions are related to job-specific criteria. CPD-HR felt that the identified issues were a result of user error. CPD-HR reached out to the unit commander and instructed that unit to take additional steps to accurately utilize the candidate assessment forms.

#### 7. Selected CFD Assignment Sequences

Pursuant to Chapter X of the CFD Hiring Plan for Uniformed Positions, OIG has the authority to audit Other Employment Actions, including assignments, "as it deems necessary to ensure compliance with [the] CFD Hiring Plan." Assignment packets include all documents utilized in a specialized unit assignment sequence, including, but not limited to: all forms, certifications, licenses, and notes maintained by individuals involved in the selection process. OIG selects a risk-based sample of assignment packets for completed process review after CFD issues unit transfer orders and candidates have begun their new assignments.

In the second quarter, OIG completed an audit of selected CFD specialized unit assignment sequences. OIG will report on its findings and CFD's response in a future quarterly report.

#### 8. Monitoring Hiring Sequences

*In addition to auditing hire packets, OIG monitors hiring sequences as they progress by attending and observing Intake Meetings, interviews, tests, and Consensus Meetings. The primary goal of monitoring hiring sequences is to identify any gaps in internal controls. However, real-time monitoring also allows OIG to detect and seek to address compliance anomalies as they occur.*

OIG identifies the hiring sequences to be monitored based on risk factors such as past errors, complaints, and historical issues with particular positions. During the second quarter, OIG monitored 8 Intake Meetings, 2 tests, 10 sets of interviews, and 13

Consensus Meetings. The table below shows the breakdown of monitoring activity by department.<sup>22</sup>

TABLE #9 – SECOND QUARTER 2018 OIG MONITORING ACTIVITIES

Department	Intake Meetings Monitored	Tests Monitored	Interview Sets Monitored	Consensus Meetings Monitored
Department of Business Affairs and Consumer Protection	1			2
Department of Aviation	1		1	2
Department of Transportation	2			
Fire Department			1	1
Police Department		2	4	1
Civilian Office of Police Accountability			2	3
Commission on Human Relations	2			
Department of Administrative Hearings	1			
Department of Family and Support Services	1			
Department of Finance			2	2
Department of Law <sup>23</sup>				1
Fleet and Facilities Management				1
Totals	8	2	10	13

9. Acting Up<sup>24</sup>

OIG audits the City's compliance with Chapter XI of the General Hiring Plan and the Acting Up Policy.

<sup>22</sup> If a department is not included in this table, OIG did not monitor any elements of that department's hiring sequence(s)

<sup>23</sup> OIG monitored a Promotion Committee Meeting for the Department of Law

<sup>24</sup> "Acting Up" means an employee is directed or is held accountable to perform, and does perform, substantially all of the responsibilities of a higher position

OIG received notice of one DHR-approved waiver request to the City's 90-Day Acting Up limit in the second quarter.<sup>25</sup>

TABLE #10- SECOND QUARTER 2018 ACTING UP WAIVERS

Department	Acting Position	Number of Employees	Date of Response	Expiration of Waiver
Fleet and Facilities Management	Foreman of Hoisting Engineers	1	May 1, 2018	July 30, 2018

10. Arbitrations and Potential Resolution of Grievances by Settlement

Chapter XII.C.7 of the City's Hiring Plan requires the Hiring Oversight section to audit grievance settlement decisions that may impact procedures governed by the Hiring Plan.

During the second quarter of 2018, OIG received notice of eight settlement agreements. The outcomes of the settlement agreements included:

- addition of two candidates to a bid referral list;
- reclassification of a position;
- a waiver of the posting and bidding requirements and extension of test results for three positions;
- reposting of two positions; and
- the rehiring of an employee who was previously discharged.

Additionally, OIG received a copy of a Hearing Officer's Report upholding a department's decision to discharge an employee. Additionally, a department also notified OIG that it will pursue a reclassification of a title as a result of arbitration.

**C. REPORTING OF OTHER OIG HIRING OVERSIGHT ACTIVITY**

1. Escalations

Recruiters and analysts in DHR and CPD-HR must escalate concerns regarding improper hiring by notifying OIG. In response to these notifications, OIG may take one or more of the following actions: investigate the matter, conduct a review of the hiring

---

<sup>25</sup> Pursuant to the Acting Up Policy, no employee may serve in an Acting Up assignment in excess of 90 days in any calendar year unless the department receives prior written approval from DHR. The department must submit a Waiver Request in writing signed by the Department Head at least 10 days prior to the employee reaching the 90-day limitation. If the department exceeds 90 days of Acting Up without receiving a granted Waiver Request from DHR, the department is in violation of the Policy.

sequence, refer the matter to the DHR commissioner or appropriate department head for resolution, or refer the matter to the OIG Investigations section.

In the second quarter, OIG received notice of two escalations and concluded two. Details of the concluded escalations are reported below.

a. Department of Fleet and Facility Management

On March 20, 2018, 2FM escalated the manager of building services hiring sequence to the Hiring Oversight section of OIG. 2FM reported that, following the interviews for this title, 2FM personnel communicated concerns that the hiring manager may have tailored the interview questions to give preferential treatment to an internal candidate who works under their supervision.

On May 29, 2018, OIG submitted its findings to 2FM and DHR. OIG did not find evidence of preferential treatment. However, OIG recommended that DHR: (1) encourage hiring managers to attend intake meetings for vacant titles; and (2) consider conducting a desk audit of 2FM employees holding the title of manager of building services to determine whether any of the positions need to be re-classified.

In response to OIG's findings, DHR agreed to encourage hiring managers to attend intake meetings and agreed to have its Classifications section work with 2FM to audit the manager of building services title.

b. Department of Water Management

On March 22, 2018, DHR escalated the DWM assistant commissioner sequence to the Hiring Oversight section of OIG. According to DHR, DWM reported that a conflict of interest existed between an interviewer and a selected candidate. A DWM employee alleged the two previously knew each other and the interviewer should have recused himself from the candidate's interview.

OIG submitted its findings to DWM and DHR on May 29, 2018. OIG found that the evidence did not support the allegation of a conflict of interest or that the interviewer preselected the candidate.

2. Processing of Complaints

OIG receives complaints regarding the hiring process, including allegations of unlawful political discrimination and retaliation and other improper considerations in connection with City employment. All complaints received by OIG are reviewed as part of OIG's complaint intake process. Hiring-related complaints may be resolved in several ways depending upon the nature of the complaint. If there is an allegation of a Hiring Plan violation or breach of a policy or procedure related to hiring, OIG may

open a case into the matter to determine if such a violation or breach occurred. If a violation or breach is sustained, OIG may make corrective recommendations to the appropriate department or may undertake further investigation. If, after sufficient inquiry, no violation or breach is found, OIG will close the case as not sustained. If, in the course of an inquiry, OIG identifies a non-hiring-related process or program that could benefit from a more comprehensive audit, OIG may consider a formal audit or program review.

OIG received ten complaints related to the City’s hiring practices in the second quarter of 2018. The tables below summarize the disposition of these complaints and those pending from the previous quarter.

TABLE #11 – HIRING OVERSIGHT COMPLAINTS RECEIVED IN THE SECOND QUARTER OF 2018

Complaint Status	Number of Complaints
Pending from previous quarter	1
Received this quarter	10
Opened investigation	1
Declined	9
Referred to departments	0
Complaints pending as of end of quarter	1

Hiring Oversight closed six cases in the second quarter, including one sustained case with a recommendation to the relevant department. OIG will report out on this matter and the department’s response in the next quarterly report.

TABLE #12 – HIRING OVERSIGHT CASES RECEIVED IN THE SECOND QUARTER OF 2018

Case Status	Number of Cases
Pending from previous quarter	23
Opened this quarter	1
Closed Not Sustained	4
Closed Sustained with Recommendation	1
Closed Administratively	1
Cases Pending as of end of quarter	18