



Office of the Chicago City
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F2012-23

Office of the City Clerk

City Council Document Tracking Sheet

Meeting Date:	4/18/2012
Sponsor(s):	Mendoza, Susana A. (Clerk)
Type:	Report
Title:	Inspector General's Quarterly Report for period ended March 31, 2012
Committee(s) Assignment:	

OFFICE OF THE INSPECTOR GENERAL
City of Chicago



REPORT OF THE INSPECTOR GENERAL'S OFFICE:

QUARTERLY REPORT OF THE INSPECTOR GENERAL'S OFFICE
FIRST QUARTER 2012

APRIL 2012

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April 13, 2012

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 Office of Inspector General (IGO) during the first quarter of 2012, filed with the City Council pursuant to Section 2-56-120 of the Municipal Code of Chicago.

These reports present summaries of sustained IGO investigations, policy recommendations, audits, program reviews, and hiring compliance efforts in order to keep you apprised of IGO activities and operations. They are also intended to foster public confidence in the integrity of City government by enhancing public awareness and understanding of the role and functions of the IGO as the City's oversight agency.

In addition to the investigations, audits, and reports detailed in the quarterly itself, I wish to note a few a few additional activities this quarter:

First, regular readers may note that we have slightly modified our reporting format for this quarter. Prior reports distinguished work on the basis of the unit from which it originated. While that is one framework for viewing our work, it does not fully reflect the fact that increasingly, IGO products involve input and/or outputs from multiple office sections, ranging across the core disciplines of legal investigations, audit, program review, and data analysis. Our Assistant Inspectors General, Investigators, Audit/Program Review staff, and administrative support team routinely assist one another on various reports. In fact, much of our more programmatically significant work has stemmed from such multi-disciplinary efforts. We have revised the structural format of this and future quarterly reports to more closely reflect that operational reality.

Second, we released final Rules and Regulations for our office. In October 2011, we posted Interim Rules and Regulations for notice and public comment. From that process, we made significant revisions that we believe provide for more comprehensive protocols for the conduct of our investigative work. The Rules and Regulations (and FAQs posted to the [IGO website](#) allow Chicago residents, policymakers, employees, and vendors to better understand the governing principles and processes for IGO investigations. They are to be reviewed every two years with amendment to be subjected to the same public notice and comment process before final promulgation. This review will include an open comment period for all stakeholders to offer suggestions and obtain clarifying information.

Third, with an aim to better inform the work of our audit section work, we initiated a comprehensive risk assessment of City departments and programs. We have received a voluminous response from department heads and intend to incorporate our findings in prioritizing the next round of IGO audits. That said, I strongly urge my fellow commissioners to not hesitate to request an independent IGO audit of their department's process, procedures, or functions as a tool to identify opportunities for improving efficiencies and mitigating risks. Few are more aware of the City's potential liabilities than the department head; if their resources do not allow for an in-depth look at an area they believe to be at risk for loss, waste, abuse, or inefficiency, I encourage them to call the IGO. At their core, the IGO's audits are meant to improve efficiency and effectiveness in City programs and the delivery of services to the public, with lessons learned from each audit extending beyond the subject departments.

Lastly, as part of our ongoing lawsuit with the City, the IGO filed its initial brief with the Illinois Supreme Court. As noted last quarter, the Mayor has formally adopted the position of the prior Administration and further stated that in certain critical respects the IGO is not independent, but rather is subordinate to the Mayor and the Corporation Counsel. The briefing of the case will be completed in the coming quarter. This lawsuit remains of critical importance to the conduct of IGO operations and for the viability of independent oversight of local government in Chicago generally. We will continue to provide updates as events warrant.

As always, I encourage you to do your part in eliminating waste, fraud, abuse, and inefficiency in City government – continue to send your complaints to the IGO. Our work can only go so far without the help of Chicago residents, City employees, and vendors. Do not hesitate to alert our office if you have suggestions for improvement in City or IGO operations, our reporting mechanisms, or if you have any questions or concerns about IGO inquiries.

Respectfully,



Joseph M. Ferguson
Inspector General

REPORT OF THE INSPECTOR GENERAL'S OFFICE:

QUARTERLY REPORT OF THE INSPECTOR GENERAL'S OFFICE

April 13, 2012

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This quarterly report provides an overview of the operations of the Inspector General’s Office (IGO) during the period from January 1, 2012 through March 31, 2012. The report includes statistics and narrative description of the IGO’s activity that the IGO is required to report per the City’s Municipal Code.

A. MISSION OF THE INSPECTOR GENERAL’S OFFICE

The mission of the IGO is to prevent and root out fraud, corruption, waste, and mismanagement, while promoting economy, efficiency, effectiveness and integrity in City government. The IGO is a watchdog for the residents of the City, and has jurisdiction to conduct inquiries into most aspects of City government.

The IGO accomplishes its mission through investigations, audits, inspections, program reviews, evaluations, research, and data collection. IGO summary reports are sent to the Mayor and the responsible City management officials with findings and recommendations for corrective action and discipline. Narrative summaries of sustained investigations are released in quarterly reports. Audits, inspections, and evaluations are sent to the responsible management officials for comment and then are released to the public through publication on the IGO website.

B. INVESTIGATIONS

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

1. Complaints

The IGO received 385 complaints over the preceding quarter. The following table provides detail on the actions the IGO has taken in response to these complaints.

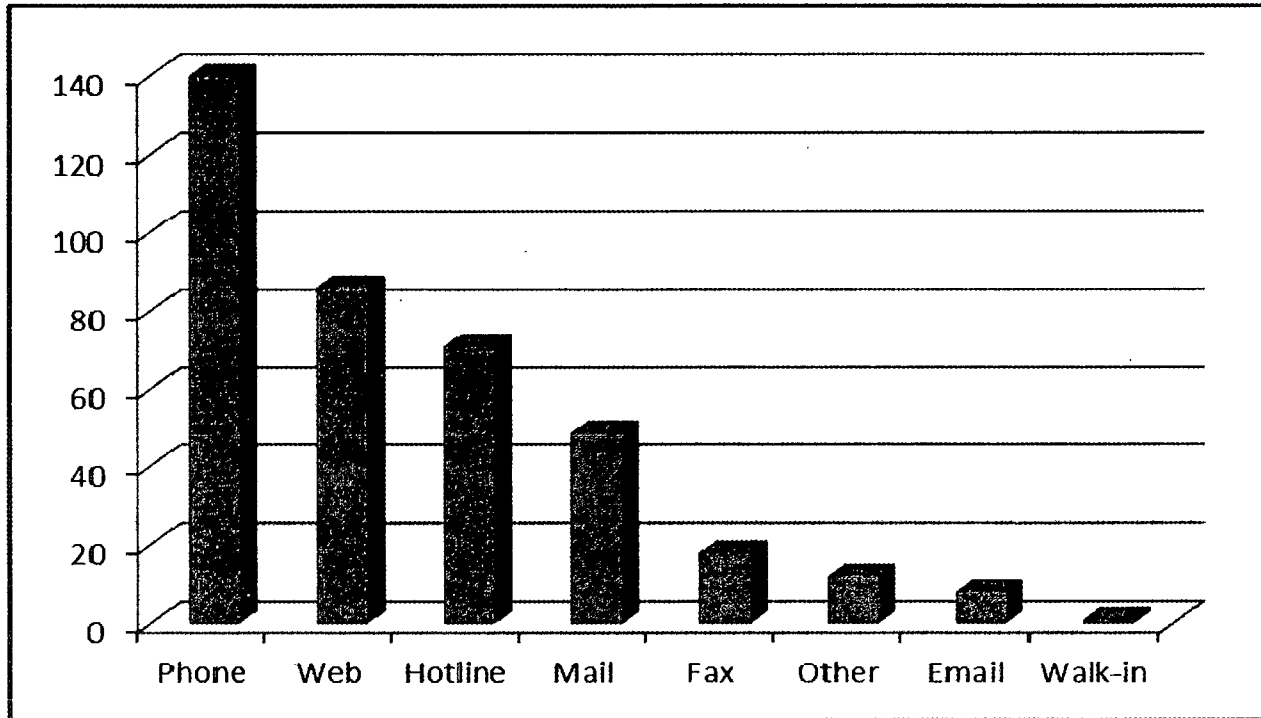
Table #1 – Complaint Actions

Status	Number of Complaints
Declined	304
Investigation	35
Referred	46
Total	385

As the table shows, for the vast majority of complaints, the IGO declined to investigate the allegation. The primary reason that the IGO declines a complaint is due to a lack of resources. That determination involves a form of cost/benefit evaluation by the Director of Investigations which, among other factors, gauges potential magnitude or significance of the allegations advanced in the complaint both individually and programmatically, investigative resources needed to effectively investigate the matter, and actual investigative resources presently available. More serious forms of misconduct, greater monetary losses, and significant

operational vulnerabilities suggested by the allegations receive priority. A subset of matters of lesser individual significance, but regular occurrence will also be opened. The chart below breaks down the complaints the IGO has received during the past quarter by the method in which the complaint was reported.

Chart #1 - Complaints by Method



2. Newly Opened Investigations

Over the quarter, the IGO opened 81 investigations. Of these, 80 were opened based on allegations of misconduct, 1 was based on allegations of waste or inefficiency and none were opened for other reasons. Of these opened matters, 46 were immediately referred to other departments or investigative agencies. Thus, of all the complaints received in the quarter, 35 (9%) proceeded to a full IGO investigation. Of the newly opened investigations, 3 were found to be not sustained before the end of the quarter, 1 was sustained before the end of the quarter, while 31 remain open. The table below categorizes the 81 matters logged by the IGO based on the subject of the investigation.

Table #2 – Subject of Investigations

Subject of Investigations	Number of Investigations
City Employees	68
Contractors, Subcontractors, and Persons Seeking City Contracts	5
Appointed Officials	2

Elected Officials	5
Investigations of Persons Seeking Certification of Eligibility	0
Other	1

3. Cases Concluded in Quarter

During the quarter, 103 investigative matters were concluded, 46 of which were the aforementioned referrals to City departments or other investigative agencies. Of the remaining concluded matters, 16 were closed as sustained and 41 were closed not sustained. A case is sustained when the preponderance of the evidence establishes that misconduct has occurred. A case is not sustained when the IGO concludes that the available evidence is insufficient to prove wrongdoing under applicable burdens of proof.

4. Pending Investigations

Including the 31 ongoing investigations initiated this quarter, the IGO has a total of 188 pending investigations.

5. Investigations Not Concluded in Twelve Months

Under the Municipal Code, § 2-56-080 (2010), the IGO must provide quarterly statistical data on pending investigations opened for more than twelve months. Of the 188 pending investigations, 72 investigations have been open for at least twelve months. The table below shows the general reasons that these investigations are not yet concluded.

The table below shows the general reasons that these investigations are not yet concluded.

Table #3 – Reasons Investigations are not Concluded in Twelve Months

Reason	Number of Investigations
Additional complaints were added during the course of the investigation.	0
Complex investigation. May involve difficult issues or multiple subjects.	36
Lack of sufficient investigative resources over the course of the investigation. Investigators' caseloads were too high to enable cases to be completed in a timely manner.	22
On hold, in order not to interfere with another ongoing investigation.	3
Under review by the Legal Section or the Director of Investigations prior to closing.	11
Total	72

C. SUSTAINED ADMINISTRATIVE CASES

IGO sustained cases can either be administrative, criminal, or both. Administrative cases generally involve violations of City rules, policies or procedures and/or waste or inefficiency. For sustained administrative cases, the IGO produces summary reports¹ – a thorough summary and analysis of the evidence and a recommendation for disciplinary or other corrective action. These reports are sent to the Office of the Mayor, the Corporation Counsel, and the City departments affected or involved in the investigation.

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

1. Synopses of Disciplinary Cases

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

In addition to the IGO's findings, each description includes the action taken by the department in response to the IGO's recommendations. Departments have 30 days to respond to IGO recommendations. This response informs the IGO of what action the department intends to take. Departments must follow strict protocols, set forth in City's Personnel Rules, Procurement Rules and/or applicable collective bargaining agreements, prior to imposing disciplinary or corrective action. Only when this process is complete and discipline has been imposed, or corrective action taken on a City employee or contractor does the IGO consider the department to have acted.

This process can often take several weeks. In deference to the deliberative processes of City Departments and contractual rights of employees relating to discipline, the IGO waits to report on cases regarding current City employees until the subject's department has acted on the IGO's report. For cases in which a department has failed to respond within 30 days (or 60 days if a full extension has been granted), the response will be listed as late.

The 3 cases listed below were closed prior to the 1st Quarter 2012, but disciplinary action had not yet been finalized by the time the 4th Quarter 2011 report was published.

¹ Per *Chicago Municipal Code*, sec. 2-56-060 (American Legal 2009), "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."

IGO Case # 10-1532

An IGO investigation revealed that a Roofer with the Department of General Services (DGS), repeatedly falsified City timekeeping and other work records in order to operate a personal side business painting houses while on City time. During three of four surveillances, the Roofer was seen driving to private residences, visiting a paint store, and painting for more than four and six hours at a time during the workday. In addition, the Roofer lied to IGO investigators and later instructed a witness not to cooperate with the investigation. The investigation also revealed that the Roofer's supervisor failed to ensure that the Roofer accurately filled out the daily log and failed to track the Roofer's work locations throughout the day, allowing the time-theft to occur unchecked. Based on these findings, the IGO recommended that DGS terminate the Roofer, deem the Roofer permanently ineligible for rehire, and issue the supervisor a written reprimand. The IGO further recommended that the City's Department of Law consider an enforcement action against the Roofer under the City's false claims ordinance for a civil penalty and cost recovery for the time falsification and the IGO's investigative costs.

In light of the significant amount of time the Roofer was able to spend away from City duties, the IGO also recommended that DGS conduct a review of the roofer position to determine its continued operational and functional necessity. The IGO noted that all larger roofing jobs are performed by City contractors, raising the question of whether the roofer position could be performed more efficiently by outside contractors. Finally, the investigation established that the DGS Bureau of Trades and Engineering Management is not currently using its various databases and GPS-enabled equipment to the fullest potential to improve accountability and supervision. The bureau has many employees working in the field with little oversight. As of November 2011, no single employee was responsible for checking these databases or verifying that work orders were, in fact, completed. The IGO therefore recommended that DGS immediately establish regular monitoring of Kronos, CMAT, and its work order database, to ensure effective oversight of its employees.

DGS agreed with the IGO's findings and terminated the Roofer. DGS also requested that DHR deem the Roofer permanently ineligible for rehire and noted that it would be reviewing the roofer position to determine its continued necessity. The supervisor was also issued a written reprimand. Additionally, DGS responded that it had recently taken steps to bolster employees' understanding of work rules and time and attendance control measures, including assigned swipe locations and random audits to ensure compliance. DGS reported that it is using GPS to investigate potential non-compliance and was in the process of launching a new work order system to improve employee productivity and accountability.

IGO Case # 11-0365

An IGO investigation revealed that a Department of Aviation (CDA) security officer assigned to O'Hare International Airport submitted a forged law enforcement certificate when he/she submitted his/her job application. At the time the employee applied for the Aviation Security Officer position, the CDA required applicants to receive law enforcement officer training and

certification by the State of Illinois. The employee took the training but failed the certification examination three times.

The employee submitted a certificate which appeared to be a copy of an original with the employee's name superimposed over where the actual recipient's name would be written. Representatives from the Illinois Law Enforcement Training and Standards Board reviewed the document and confirmed the employee's name appears in a typeface that is not used on certificates the Board issues. Further, the Board representatives informed the IGO that the certificate bears an identification number that traced to another person from the same certification training class that the Department of Aviation employee attended more than 15 years ago.

In November 2011, the IGO recommended the employee be terminated.

CDA agreed with the IGO and terminated the employee.

IGO Case # 11-0447

An IGO investigation determined that a very successful Minority-Owned Business Enterprise (MBE)-certified vendor was allowed to remain certified for at least one more year than it was entitled when a Senior Compliance Officer, who has since been laid off, failed to properly evaluate the vendor's average gross annual receipts. The U.S. Small Business Association regulations in effect at the time provided that a business with average gross receipts over \$13 million was considered an "established business," and, therefore, no longer qualified for MWBE certification. In this case, the vendor apparently provided the necessary information to the City, but the Senior Compliance Officer failed to properly determine the average gross receipts in an annual review conducted in 2006. That error meant that the vendor, which actually averaged more than \$20 million in average gross receipts (not including its subsidiary companies), was able to maintain MBE certification in 2007. Consequently, the vendor was credited with MBE participation on Public Building Commission (PBC) projects (worth more than \$14.9 million) awarded after the company should have graduated from the program. It is very likely that truly economically disadvantaged companies were denied legitimate opportunities to compete for contracts that ultimately went to that vendor.

Unfortunately, this is not the first time that the IGO has identified this type of error in assessing certification qualifications. We were unable to interview the employee before the layoff, so we are unable to determine if the problem was more than incompetence. Therefore, we recommended that if the employee ever returns to City employment, the IGO should be notified so that the employee can be interviewed in order to determine the extent of that employee's role in evaluating the validity of the vendor's certification.

Most critically, these recurring problems with the City's MWBE certification process certainly erode public confidence in the City's program. For this reason, the IGO recommended that all compliance officers currently working with the City's MWBE program receive sufficient and ongoing training to ensure that appropriate methods of evaluating certification are implemented so that companies are not certified in error.

The City, through the Department of Procurement Services (DPS), provides Minority and/or Women Business Enterprise (MWBE) certification for businesses seeking to do business with the City and other governmental entities. This certification is important because many public contracts require MWBE participation, and City MWBE certification can be used by vendors when bidding on other public contracts. The purpose of this certification is to encourage small, traditionally under-represented vendors by giving them an entry into potentially lucrative public contracts which allows them to develop into viable businesses. Since the certification impacts not only City contracts but any number of public contracts, accurate certification is critical. The failure to ensure accurate certification can result in undeserving vendors receiving public contracts at the expense of legitimate certified vendors. Even the smallest error can have significant adverse effects not only on the vendors which lose out on business but also on the credibility of the City's certification program.

Shortly following the issuance of our Summary Report, DPS issued a memorandum to all Compliance Officers reminding them of the proper method for gross receipt calculations which included guidance from the Small Business Administration concerning affiliate determinations.

City Departments took disciplinary action on the following 4 administrative cases the IGO sustained this quarter. They are summarized below.

IGO Case # 10-1704

An IGO investigation established that a Payment Services Representative (PSR) with the Department of Revenue (DOR)² violated DOR departmental rules that required him/her to: (i) reconcile his/her register tape with cash collected, and (ii) verify his/her beginning bank and end of day bank. In violating these DOR rules, the PSR repeatedly and over an extended time performed critical, required aspects of core job duties at a level substantially lower than that expected or required of PSRs, and thus was incompetent as defined under the City's Personnel Rules. Further, the PSR gave shifting and internally inconsistent accounts of the events at issue in his/her IGO interview and was deceptive, in violation of his/her duty to cooperate with an IGO investigation. Based on these findings, the IGO recommended that the PSR be terminated and classified as ineligible for hire.

DOR suspended the PSR for 29 days. The Department said that while the PSR's conduct was egregious, the supervisor and manager assigned to the payment site failed to perform the required internal controls that led to the violations. The department cannot discipline the supervisor or manager because both employees retired from City employment.

² In June 2011, the City began consolidating DOR and the Department of Finance into a new Department of Finance. The IGO's investigation focused on the PSR's conduct as a DOR employee prior to this time, and therefore our Summary Report refers to DOR.

The IGO also made policy recommendations to strengthen internal controls related to PSR cashier money handling procedures. These are listed below on page XYZ.

IGO Case # 11-0566

The IGO determined that a certified medical assistant with the City Department of Public Health (CDPH) violated the City's residency requirement by living in Sauk Village, Illinois. In addition, during the CDPH employee's interview with the IGO, the employee repeatedly lied about his residence. Based on these findings, the IGO recommended that the City terminate the CDPH employee and place the employee on the ineligible for hire list.

CDPH discharged the employee.

IGO Case # 11-0857

The IGO concluded an investigation which revealed that a Department of Streets and Sanitation (DSS) laborer violated the City's residency requirement by living in a northwest suburb. When questioned by IGO investigators, the DSS employee admitted residing outside the City for approximately five years. This admission plus extensive surveillance, documentary and testimonial evidence supported the IGO's recommendation of discharge and placement on the City's ineligible for hire list.

DSS concurred with the IGO recommendation and served the employee with a statement of charges seeking discharge. The employee resigned.

IGO Case #11-0959

An IGO investigation revealed that an Electrical Mechanic with the Department of Water Management (DWM), routinely used a City vehicle to provide personal transportation to a non-City employee unrelated to any City work for several months in 2011, a clear violation of the City's Vehicle and Equipment Policy, and the City's Personnel Rules. In fact, GPS records established that on 86 occasions, the Electrical Mechanic used a City vehicle for personal use during the work day, for an estimated total of 21.5 hours.

Based on these findings, the IGO recommended that DWM suspend the employee for at least 5 days and seek cost recovery for the 21.5 hours spent on personal business while on the clock and the IGO's investigatory costs. The IGO also recommended that DWM ensure that all employees who are authorized to drive a City vehicle are fully apprised and regularly reminded of the City's Vehicle and Equipment Use Policy. Finally, the investigation revealed that the employee was spending approximately 1.2 hours of paid time every day essentially commuting between DWM's swipe-in station and the employee's regular work station. Accordingly, the IGO recommended that DWM consider more efficient and cost-effective swipe-in and vehicle use practices for its field employees.

DWM agreed with the IGO's findings and suspended the Electrical Mechanic for 10 days. The Law Department is pursuing cost recovery. In addition, DWM reported that it would reissue the City's Vehicle and Equipment Use Policy to its employees who drive City-issued vehicles. DWM further reported that the Bureau of Water Supply was already in the process of centrally locating the roving electrical crew at the Chicago Avenue pumping station under a new electrical foreman. All electrical roving crew members are now required to swipe in and out at Chicago Avenue unless the employee is temporarily detailed to another location on a specific project. That employee is then considered non-roving and must swipe at that location until the project is completed.

2. Disciplinary and Other Corrective Action Recommendations

In the 7 sustained cases described above, the IGO made 9 discipline or other corrective action recommendations. The number of recommendations can exceed the number of cases because cases can have multiple recommendations for multiple subjects. The table below details the discipline or corrective action the IGO recommended.

Table #4 – Discipline Recommendations

Type of IGO Recommended Discipline	Number of subjects
<i>Employee Discipline</i>	
Reprimand	
Suspension less than or equal to 10 days	1
Suspension 11 to 29 days	
Suspension equal to 30 days	
Suspension over 30 days	
Termination	5
<i>Other Corrective Action</i>	
Debar	
Do not (re)hire	
Other	2
Cost Recovery	1
Total	9

(A) Departmental Action³

Of the 9 recommendations contained in this quarter's 7 summary reports:

- In 6 instances, departments imposed the same discipline/corrective action recommended by the IGO.
- In 2 instances, a department imposed less discipline/corrective action than the IGO recommended.
- In no instance did a department impose more discipline/corrective action than the IGO recommended.
- In 1 instance, the subject of the investigation resigned during the inquiry.

³ This data is as of April 14, 2010.

In no instance did a department impose discipline/corrective action when the IGO did not recommend any discipline on investigations summarized in this report.

(B) *Results of Appeals or Grievances*

Under the City's Personnel Rules and/or applicable collective bargaining agreements 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. The IGO monitors the results of administrative appeals before the Human Resources Board (HRB)⁴ and grievance arbitrations concerning our disciplinary recommendations.

To date, one of the subjects involved in the 7 investigations that were summarized in this report have appealed his/her discipline to the HRB, and no hearings have been set.

In future quarterly reports we will provide updates as appropriate on appeals or grievances concerning IGO disciplinary recommendations.

D. CRIMINAL CASES

As discussed above, in addition to administrative allegations, the IGO also investigates criminal allegations. In criminal cases, the IGO partners with a prosecuting agency, such as the U.S or State's Attorney's Office, which prosecutes the case. For the purposes of IGO quarterly reports, criminal cases are concluded when the subject of the case is indicted.

1. Synopses of Cases

No IGO cases concluded this quarter produced criminal charges.

2. Developments in Prior Criminal Cases

During the quarter, there were developments in 3 of the IGO's prior criminal investigations.

(A) *United States v. Perino & United States v. Capello*

On February 14, 2012, two City of Chicago contractors were charged with fraud involving MWBE contracts.

In one case, Elizabeth Perino, the owner of two Lockport construction companies certified as woman-owned and/or disadvantaged businesses was charged with fraudulently using her companies as sham pass-through sub-contractors as part of a scheme to help prime contractors

⁴ HRB definition: A "three-member board is appointed by the Mayor and is charged with the responsibility of conducting hearings and rendering decisions in instances of alleged misconduct by career service employees. The Board also presides over appeal hearings brought about by disciplinary action taken against employees by individual city departments."

City of Chicago. Department of Human Resources – Structure.

http://www.cityofchicago.org/city/en/depts/dhr/auto_generated/dhr_our_structure.html (accessed April 13, 2010)

meet the City of Chicago and other local governments' set-aside requirements for construction contracts. Perino allegedly acted as a sham pass-through on contracts with Prime Contractor A, a construction firm with billions of dollars' worth of government and private contracts, as well as with the owner of Prime Contractor B, who was cooperating with law enforcement.

In the second case, Anthony Cappello, 48, of Homer Glen, the owner of Diamond Coring, Inc., a Chicago concrete sawing and drilling company, was charged with one count of mail fraud by criminal information. Cappello allegedly obtained contracts worth more than \$2.3 million by operating the Stealth Group, Inc., also known as SGI, as a fraudulently certified WBE and DBE. He will be arraigned at a later date in U.S. District Court. Cappello allegedly sought millions of dollars of sub-contracts, and fraudulently obtained more than \$2.3 million, from the City of Chicago, Cook County, and the State of Illinois between 1999 and 2006.

(B) *IGO Case # 07-2077*

On February 25, 2012, Anthony Duffy plead guilty to lying to the Federal Bureau of Investigations about his failure to disclose two key investors in a sewer company that performed work on behalf of the City. He is due to be sentenced on June 26, 2012.

His co-conspirator, Jesse Brunt, is set to report to court on May 9, 2012.

On January 6, 2011, Brunt (the president and founder of "Brunt Bros. Transfer Inc."), Brunt Brothers, and Duffy, the former manager of one Illinois corporation and president of another, were indicted on three counts of Federal Mail Fraud stemming from an alleged MBE "pass-through" scheme. The indictment claimed that Brunt Brothers fraudulently received more than \$3 million from the City after being hired to clean and videotape city sewers south of 63rd Street, when, in fact, it did not actually perform the work specified by the contract.

The indictment sought a forfeiture of \$3 million.

The IGO partnered with the Federal Bureau of Investigation and the U.S. Attorney's Office in the investigation.

(C) *Crooked Code Update*

a. *Dominick Owens*

On March 29, 2012, Dominick Owens, of Chicago, was sentenced to one year and one day in prison after having been found guilty of two counts of bribery.

In November 2011, Owens had been found guilty of accepting two separate bribes of \$600 in July 2006 in exchange for certificates of occupancy at four residential properties while working as a zoning inspector for the City. Owens, 45, had faced a maximum penalty of 10 years in prison and a \$250,000 fine for each count. He will report to prison on June 13, 2012.

In one instance, a cooperating witness asked Owens for two certificates of occupancy for properties located at 6109 N Wolcott and 3713 South Wallace. On July 10, 2006, Owens entered a request in a City database for an occupancy inspection at the two addresses and then marked those same requests as "completed" in the system 12 minutes later. Then, under surveillance, the cooperating witness passed Owens \$600 in cash.

This is the final sentencing of a long standing federal corruption investigation code-named Operation Crooked Code. The cooperative effort, launched in 2007 between the City's Inspector General Office, U.S. Postal Inspection Service, the Federal Bureau of Investigation, and the U.S. Attorney's Office, resulted in the convictions of 22 people, including 16 current or former City employees.

E. PUBLIC REPORTS & AUDITS

In addition to confidential disciplinary investigations, the IGO produces a variety of public reports and audits. This work includes independent and professional audits, policy recommendations and reviews, and evaluations of the operations of City departments, programs, functions, and those doing business with the City. These engagements focus on the integrity, accountability, economy, efficiency and effectiveness of each subject. We have summarized four audits/public reports that were released this quarter.

1. Audits

(A) *Department of Business Affairs and Consumer Protection (BACP) Business License Process Audit*

On February 8, 2012, the IGO released an audit of the City's Department of Business Affairs and Consumer Protection (BACP) business licensing process for the period from January 1, 2010 through December 31, 2010.

The purpose of the audit was to review, test, and evaluate activities performed to determine whether BACP had effective and efficient operations, as well as adequate policies and procedures related to the issuance of business licenses. The audit concluded that the business licensing process conducted by BACP was overall effective and efficient, with most licenses issued within one month of a business owner's initial inquiry to the department.

However, the IGO found that only 10-15% of new business applications were filed online, and recommended that BACP work to encourage more use of its web-based application system. BACP agreed with this finding and cited budget constraints as the reason that progress on this system has been delayed.

2. Public Reports

(A) *IGO Case # 10-0873 re: CDA GPS Technology*

The IGO conducted an investigation which revealed that from 2008 through 2010, the CDA wasted City funds by purchasing, and then failing to use, global positioning system (GPS) technology for cell phones and vehicles. Moreover, the CDA continued to pay for these GPS

services even after it became apparent that the technology did not work in airport terminals and did not meet the CDA's needs. The IGO has calculated that these practices wasted at least \$171,000 over four years. IGO interviews with numerous CDA employees responsible for the GPS technology revealed a significant failure of management oversight and underutilization of resources, spanning the terms of three CDA commissioners and involving multiple employees from the top down. Given that the long-standing problem was so widespread and persisted through multiple changes in department administration and organization, the IGO regarded the matter as programmatic in nature. As such, the IGO made no recommendations for disciplinary action. Instead, the IGO recommended that the CDA immediately take the steps necessary to comply with the City's existing mobile communications and GPS policies to ensure full and effective use of its GPS technology.

The IGO further recommended that the CDA review best practices for use of GPS technology and establish comprehensive, written policies and procedures regarding GPS and other technology initiatives. The IGO also recommended that these policies include regular audits of technology use, costs, and any available alternatives that may provide more cost-effective options. Finally, the IGO recommended that the CDA review current operating procedures to ensure that appropriate CDA employees are held accountable for the full and effective use of any assigned technology as well as the implementation of all applicable policies.

The CDA Commissioner agreed with the IGO's findings and recommendations. In response to the IGO's investigation, the CDA disconnected service for 122 cell phones and discontinued ineffective GPS services for 13 vehicles in the fall of 2011. The IGO commends these first steps. Additionally, in her response, the Commissioner further pledged to continue "to review the inventory of mobile communications devices and services to confirm accuracy, continued justification and value to the City."

(B) *IGO Case # 10-1704 re: DOR Cash Handling Procedures*

The IGO conducted an investigation into allegations of theft at a Department of Revenue (DOR) facility. In the course of that investigation, the IGO discovered poor cash management practices, leaving the City susceptible to loss. The IGO report to the City Comptroller noted five steps the Comptroller should consider to help mitigate the risk of loss. They included requiring supervisors to verify subordinates' cash amounts at the beginning and end of each day, and ensuring that all video surveillance cameras undergo regular inspection.

Comptroller Amer Ahmad noted in his response to the IGO report that he had used the IGO report to strengthen each of the cashiering practices the IGO found to be weak.

(C) *IGO Case # 11-0087 re: CDPH Swiping Practices*

The IGO concluded an investigation which found that for roughly two years, five mailroom employees of the Chicago Department of Public Health (CDPH) were swiping in on timekeeping machines at remote locations, picking up City vehicles and driving to CDPH headquarters at 333 South State Street. (The five mailroom employees were instructed to engage in this activity by past supervisors.) At the end of the day, the employees would leave CDPH headquarters early in order to drive back to the remote locations, swipe out of work, and go home. On these daily trips

to and from 333 South State Street, with only rare exceptions, the employees did not perform work related to their City employment.

When asked why the CDPH vehicles were parked overnight at remote locations, a mailroom employee stated that a previous leadership team decided to disperse the vehicles in preparation for a possible bioterrorism event. The IGO estimated that the commute to and from remote locations took an average of 30 minutes per day for each employee, resulting in unnecessary vehicular wear, fuel costs, and approximately \$50,000 of lost employee productivity over two years.

In addition, the IGO recommended that CDPH review whether or not it needs Motor Truck Drivers (MTDs) in order to deliver mail or whether some lower paid position such as Clerk may be used to perform that function.

In his response to the IGO report, the Commissioner of CDPH stated that CDPH had discontinued the practice of using mailroom employees to park vehicles at remote locations, and the mailroom vehicles are now centralized at a parking lot near CDPH headquarters at 333 South State Street. In addition, CDPH asked DHR to perform a position audit for the MTD titles, and CDPH noted that occasionally, MTDs are needed to operate medical trailers.

F. HIRING COMPLIANCE

On March 26, 2010, then-Mayor Daley assigned the IGO responsibility for monitoring the City's hiring and employment compliance with the law and protocols imposed under the *Shakman* Accord. This was formalized by ordinance passed by the City Council on May 12, 2010.⁵ The IGO carries out this monitoring function principally through its Hiring Oversight Section (IGO Hiring Oversight), which reviews, monitors, and audits key processes in the City's hiring and related employment practices. IGO Hiring Oversight also receives complaints, including allegations of unlawful political discrimination and retaliation and other improper influence in connection with any aspect of City employment, and refers any such complaint that warrants investigation to the IGO Investigation section.

In the next quarter, it will have been a year since the May 2011 transition to Mayor Emanuel's administration. During this time, IGO Hiring Oversight has observed a commendable effort by the Department of Human Resources (DHR) and the Department of Law (DOL) to implement new hiring procedures that help ensure that all City employees are selected based on their knowledge, skills and ability to perform effectively on the job and not based on impermissible factors, such as political recommendations or affiliations. As discussed in our last quarterly report, the City filed three different hiring plans in the last year, plans which set forth the general principles which govern hiring in the City of Chicago consistent with and as required by the *Shakman* Accord. DHR and DOL have also developed and have conducted or are beginning to conduct trainings on various aspects of these new hiring procedures, which is an essential aspect of any successful Hiring Plan. DHR, DOL and City Hiring Departments also continue to be receptive to IGO Hiring Oversight's recommendations that have made over the past eleven

⁵ See *Chicago Municipal Code*, sec. 2-56-035

months, and, as is necessary for a successful compliance function, and have been prompt and responsive in its requests for documents and information.

As we have discussed in previous quarterly reports, however there are still significant obstacles that are compromising IGO Hiring Oversight's ability to provide stringent oversight of the City's hiring processes and to confidently ensure the City complies with the *Shakman* Decrees. The first of these obstacles – the understaffing in the IGO Hiring Oversight Section – will likely be no longer problematic in the next quarter due to the planned hiring into existing budgeted vacancies.

The second obstacle, however, remains unfortunately unchanged. The legal dispute continues regarding IGO access to information and documents in the possession of the City's Law Department. Now pending before the Illinois Supreme Court is the Law Department's appeal of the Illinois Appellate Court's ruling recognizing the IGO's ability to hire a private attorney to seek judicial enforcement of a subpoena served on the Corporation Counsel. *Ferguson v. Georges*, 948 N.E.2d 775 (Ill. Ct. App. 2011) (now *Ferguson v. Patton*, Sup. Ct. No. 112488). The investigation underlying the lawsuit involves, among other things, possible *Shakman* violations. In the last quarter, the Law Department and the IGO both submitted briefing to the Supreme Court on the subject. As we've discussed in the past, if the new Administration succeeds in its argument to the Illinois Supreme Court that the IGO's authority to enforce its subpoenas is subordinate to the authority and decisions of the Law Department and that there should be no IGO recourse to the courts to resolve such enforcement and legal conflict issues, IGO Hiring Oversight's ability to provide vigorous oversight of the City's compliance with the *Shakman* Accord will be severely handicapped. We will continue to provide updates on the progress of the lawsuit in our coming quarterly reports.

QUARTERLY REPORTING OF HIRING OVERSIGHT DATA

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.

Under Chapter XII of the new City of Chicago General Hiring Plan, IGO Hiring Oversight is required to review and audit various components of the hiring process and report on them on a quarterly basis.

This quarter, IGO Hiring Oversight conducted the following reviews:

1. *Contacts by Hiring Departments.* Review of all reported or discovered instances where hiring departments contacted DHR to lobby for or advocate on behalf of actual or potential Applicants or Bidders for Covered Positions or to request that specific individuals be added to any referral or eligibility list except as permitted in this Hiring Plan.

In the last quarter, IGO Hiring Oversight received ten reports of direct departmental contact from DHR. One of these reports involved a department contacting DHR to inquire as to why a certain applicant was not included on a referral list.⁶ DHR instructed the department to have the applicant contact DHR directly to find out the status of their application. Another report involved a department manager providing a letter of recommendation for an applicant. The remaining eight reports involved departments merely forwarding correspondence they had received from applicants inquiring about their application status. In all of these instances, DHR again instructed the departments to have the applicants contact DHR directly for any hiring inquiries.

In addition to receiving reports of direct departmental contacts, IGO Hiring Oversight also receives reports of contacts by or on behalf of elected and appointed officials, political parties, and political organizations, attempting to affect any hiring for any Covered Position⁷ (Political Contacts) as required by Section II.C.4 of the General Hiring Plan. Generally, DHR and departments are compliant with this provision of General Hiring Plan, however, a recently reported contact by a State employee raised concerns as to whether we are receiving reports of all Political Contacts including those from individuals outside of City government.

This contact involved a high-ranking State of Illinois employee contacting a City employee within a City hiring department in an effort to obtain a Covered Position for her boss' wife (her boss is an appointed official of the State of Illinois). The City employee explained that the position was Covered and that it had to be filled using the general hire process outlined in the General Hiring Plan. The State employee continued to advocate for her boss' wife, insisting there were "ways to get around the hiring process." The City employee refused to comply with her request and ceased further contact with the State employee. The City employee immediately reported this Political Contact, however they stated they were unsure as to whether it was considered a reportable Political Contact as required by the General Hiring Plan. IGO Hiring Oversight did consider this a reportable Political Contact and documented it as such.

Contacts from the staff of non-municipal political entities attempting to affect hiring sequences are just as detrimental to the integrity of City hiring sequences as those from within City Government. As such, IGO Hiring Oversight continues to work with DHR and departments to ensure that they are compliant with the direct departmental contacts and Political Contacts provisions of the General Hiring Plan, including contacts from both inside and outside City government.

⁶ A referral list is a list that is generated by DHR of applicants/bidders who meet the predetermined minimum qualifications for a position.

⁷ A Covered Position is any City Position other than an Exempt Position as listed on the Exempt List.

2. Exemptions. Review of adherence to exemption requirements and Exempt Lists and propriety of Exempt List⁸ modifications.

The Exempt List was last updated on March 1, 2012 and allows for the City to have 1,279 positions to be classified as *Shakman*-Exempt. In order to ensure that the City is complying with the Exempt List and is accurately keeping track of Exempt hires, IGO Hiring Oversight recently conducted an Exempt List audit utilizing: 1) The March 1, 2012 Exempt List currently published on DHR's Website⁹ (Exempt List); 2) DHR's Exempt List database which tracks employees with a *Shakman*-Exempt status (DHR List); and 3) A report from the Chicago Integrated Personnel and Payroll System (CHIPPS) of all employees who have a *Shakman*-Exempt status (CHIPPS List).

We compared the DHR List with the CHIPPS List as well as the Exempt List in order to determine whether the City has exceeded the number of positions provided for on the *Shakman*-Exempt List and to determine whether DHR is maintaining an accurate record of all current Exempt employees and titles. Generally, our audit found the records of Exempt employees and titles, as currently maintained by DHR, to be thorough and substantially accurate. We did, however identify some discrepancies and issues during the course of our audit, including: 1) instances where employees were accounted for on the CHIPPS List but not the DHR List and vice versa; 2) instances where the City had exceeded the number of positions provided for on the Exempt List; and 3) several other miscellaneous discrepancies between the DHR, CHIPPS, and Exempt Lists.

We issued a memorandum to DHR detailing the results of our audit at the end of this quarter which included a request that DHR provide a response in the next quarter. We will provide a summary of DHR's response as well as any additional information regarding this audit in our next quarterly report.

3. Senior Manager Hires. Review of hires using Chapter VI, the Senior Manager Hiring Process.¹⁰

Of the 44 hire packets we reviewed this past quarter, six were for Senior Manager positions. We also monitored the interviews for three Senior Manager interview sequences. We did not find any violations of the hiring plan in our review of these Senior Manager hires.

⁸ The Exempt List is a list of all City positions that are exempted from the requirements governing Covered positions (*Shakman*-Exempt). *Shakman*-Exempt Positions are those where any factor may be considered in actions covered by this Hiring Plan and Other Employment Actions, unless otherwise prohibited by law.

⁹ The link to the current Exempt List can be viewed [here](#).

¹⁰ Senior Managers are (1) not covered by a collective bargaining agreement; (2) at-will employees; (3) not *Shakman* Exempt; and (4) perform significant managerial responsibilities. These positions are filled pursuant to a Court-approved process.

4. Written rationale. *Review of any written rationale when no consensus selection was reached during a Consensus Meeting.*

We did not receive notification that Consensus selections were not reached during any Consensus Meetings that occurred during the 1st Quarter of 2012.

5. Emergency Appointments. *Review of circumstances and written justifications for any emergency hires made pursuant to the Personnel Rules and Section 2-74-050(8) of the Chicago Municipal Code.*

We received no notifications of emergency appointments during the 1st Quarter of 2012.

This quarter, IGO Hiring Oversight conducted audits of the following matters to ensure compliance with the hiring process:

1. Modifications to Class Specifications, Minimum Qualifications, and Screening and Hiring Criteria.

We are currently reviewing all modifications to job descriptions, minimum qualifications, and screening/hiring criteria. In the last quarter, the City changed the minimum qualifications or included equivalencies for four positions in DHR. IGO reviewed the changes and raised no objections to them.

2. Referral Lists. *The lists of Applicants/Bidders who meet the predetermined minimum qualifications for the Position that are generated by DHR.*

IGO Hiring Oversight currently reviews most candidate and bidder lists. In the past quarter, we reviewed 51 lists and provided commentary to DHR whenever potential issues arose. Of the 51 referral lists reviewed in the past quarter, four contained errors. All four errors occurred in the area of candidate assessment. We recognize that aspects of candidate assessment can be subjective and that there can be a difference of opinion in the evaluation of a candidate's qualifications. Therefore, our designation of "errors" is limited to cases in which applicants who, based on the information they provided, (1) did not quantitatively meet the minimum qualifications and were referred; (2) failed to provide all of the required information and/or documents listed on the job posting and were referred; or (3) quantitatively did meet the minimum qualifications and were not referred. We have provided detailed information to DHR management so that they may address these errors, and we are tracking DHR's progress in reducing these mistakes.

3. Testing. *Test Administration and Scoring.*

IGO Hiring Oversight continues to receive prompt notification from DHR regarding approvals of new tests, proposed changes to existing tests, and the dates of testing administrations. In our audit of tests developed in the past quarter, we did not observe any problems. We will continue reviewing a sampling of test administrations in the next quarter.

4. Selected Hiring Sequences. 10% in the aggregate of in-process and completed (at least 5% of completed) hiring sequences from the following departments or their successors: Streets and Sanitation, Water Management, Aviation, Transportation, Buildings, Fleet, and six other City departments selected at the discretion of IGO Hiring Oversight.

We are currently reviewing most hiring sequences and have worked directly with DHR staff and management to address errors when they arise. In reviewing these sequences, we examine hiring packets, which contain all of the documents in the hiring process, including all documents and notes maintained by individuals involved in the selection process. In the past quarter, we reviewed 44 hire packets. Of the 44 hire packets reviewed, one packet contained at least one error. This error included missing or invalid documentation (for example, an expired driver's license) and missing Hire Certifications.

5. Hiring Certifications. The required certifications attesting that no Political Reasons or Factors or other Improper considerations were taken into account in the applicable action.

Of the 44 hire packets reviewed in the last quarter, one was missing at least one required hire certification from DHR and/or the Hiring Department. After reporting the omissions to DHR, the missing certifications were provided and included in the packets.

6. Acting Up.¹¹ Review of the City's compliance with Chapter XI and any implementing procedures.

IGO Hiring Oversight reviews the City's compliance with Chapter XI of the General Hiring Plan, the Acting-Up Policy, and all Acting-Up waivers processed by DHR. In the past quarter, we have attended DHR's meetings with the Chicago Police Department and the Chicago Fire Department to develop processes for the administration and reporting of Acting Up. DHR is currently in the process of drafting a new citywide Acting-Up Policy to address various other operational problems under current practices. We have been providing feedback throughout this process and will continue to advise DHR as it prepares to roll out the new policy.

We have received no notices of waivers granted to employees to exceed the City's 520-hour Acting Up limit for the 1st Quarter of 2012.

7. Arbitrations and Potential Resolution of Grievances by Settlement. Review of all arbitration decisions arising out of Accord complaints, as well as any other arbitration decisions and potential grievance settlement agreements that may impact the procedures under this Hiring Plan.

¹¹ Acting-up is where an employee is directed to, and does perform, or is held accountable for, substantially all of the responsibilities of a higher position.

In the last quarter, IGO Hiring Oversight reviewed four settlement agreements. The first settlement, reached between the Department of Transportation (CDOT) and the Painters District Council No. 14, allowed the most senior laid-off Painters to be recalled for the next Seasonal Painter vacancies in CDOT. The second settlement, reached between the CDOT and the Cement Mason's Union, Local 502, allowed a Cement Finisher, who was on duty disability during the Foreman of Cement Finishers promotional sequence, to submit a bid for the Foreman of Cement Finishers. If the Cement Finisher successfully completes the promotional process, including passing the exams, and is eligible for promotion based on the City's promotional guidelines, the Cement Finisher will be appointed to the Foreman position. The third settlement, reached between the Chicago Police Department (CPD) and the Service Employees International Union, Local 73, allowed 11 laid-off female Traffic Control Aides to resubmit bids for the Detention Aide position in CPD. If they are deemed qualified for the position, they will receive first preference when/if the CPD moves to hire additional female Detention Aides. The final settlement, reached between CDOT and Laborer's Union, Local 1001, allowed three Material Dispatchers to be reclassified to Dispatchers – Asphalt. The settlement also stated that the City will post, bid, and fill additional Dispatcher – Asphalt and District Clerk positions.

QUARTERLY REPORTING OF CONTRACTING ACTIVITY

IGO Hiring Oversight is required to review City Departments' compliance with the City's "Contractor Policy" (Exhibit C to the General Hiring Plan). Over the past quarter, DHR has provided training to senior-level employees of City Departments to ensure they are aware of their obligations under the policy. Once DHR has completed the training initiative, we will conduct an audit of the Departments' use of contractors to perform services for the City on City premises to determine whether these contractors are in compliance with the policy, the *Shakman* Accord, and federal regulations regarding common-law employment.

In January 2012, the Department of Buildings (DOB) informed us that it intended to retain several employees from different independent contracting firms on City premises. After reviewing the documentation, we issued a memorandum to DOB notifying them that we had identified those individual employees as common-law employees of the City in violation of the *Shakman* Accord, the Contractor Policy, and federal regulations. We based our analysis on several criteria in the Contractor Policy: (1) the level of direction and control the City had over the contractors; (2) the similarity of duties between those performed by City employees and those performed by the contractors; (3) the long history several of these contractors had performing the same duties as contractors in DOB; and (4) the payment arrangement between the City and contractors in which the City paid the contractors based on the number of hours worked and not the number of projects completed. The following month, DOB responded to our memorandum stating that all of the contractors except one had been removed from City premises and would perform their duties from their employers' offices without DOB supervision. The remaining individual still remains at DOB and will return to his employer's offices later this year at the termination of a project.

Under the Contractor Policy, we are also required to receive notifications of all draft contracts and other agreements with Temporary Employment Agencies, not-for-profit agencies, for-profit contractors and other organizations and entities providing services to the City under Section 2b of the City’s “Contractor Policy” (Exhibit C to the General Hiring Plan). We may choose to review the drafts for the purpose of assessing whether the draft contract or agreement terms are in compliance with the Policy. IGO Hiring Oversight received notifications for and reviewed four draft contracts in the last quarter. The following chart details the contract notifications we received and reviewed in the last quarter:

Name of the Contractor, Agency or other Organization	Name of Contracting Department	Duration of such Contract or Agreement	Approved by DHR?
Kobotech Inc.	DCASE	06/01/2012 – 12/31/2012	n/a
Glessner House Museum	DCASE	Two (2) years	n/a
William Filan	Mayor’s Office	Two (2) years	Yes
M3 Medical Management Services	Public Health	7/31/12 – 7/31/13	n/a

In conjunction with IGO Hiring Oversight’s contract compliance activities, IGO Hiring Oversight also provided assistance to numerous departments by reviewing sections and suggesting edits to numerous RFPs and programs that had potential *Shakman* concerns.

IGO Hiring Oversight continues to work with DPS and contracting departments to ensure compliance with the notification requirement of the City’s Contractor Policy.

REPORTING OF OTHER IGO HIRING OVERSIGHT ACTIVITY

1. *Review of Escalations. Recruiters and Analysts in DHR must escalate concerns regarding improper hiring to IGO Hiring Oversight. IGO Hiring Oversight evaluates the circumstances surrounding the escalation and may do one or more of the following: investigate the matter, conduct a review of the hiring sequence, refer the matter to the DHR Commissioner or appropriate Department Head for resolution, and/or refer the matter to the Investigation Section of the IGO.*

IGO Hiring Oversight received two escalations in the last quarter. We are currently conducting reviews of both issues that were escalated and, once our reviews are completed, we will report our findings in a future quarterly report.

2. *Processing of Complaints. IGO Hiring Oversight receives complaints regarding the hiring process, including allegations of unlawful political unlawful political discrimination and retaliation and other improper influence in connection with any aspect of City employment.*

Complaints made to IGO Hiring Oversight may be resolved in several different ways depending upon the nature of the complaint. If there is an allegation of misconduct, the complaint may be referred to the Investigation Section of the IGO. If there is an allegation of a breach of policy or procedure, IGO Hiring Oversight may conduct an inquiry into the matter to determine if such a breach occurred. If a breach of policy or procedure is found, IGO Hiring Oversight may resolve the matter by making corrective recommendations to the appropriate department or referring the matter to the Investigation Section of the IGO. If no breach of policy or procedure is found, IGO Hiring Oversight may refer the matter to DHR and/or the appropriate department for resolution or close the complaint.

IGO Hiring Oversight received 26 complaints in the past quarter. Of those complaints, 17 were referred from the *Shakman* Monitor's Office. The chart below summarizes the disposition of these 26 complaints as well complaints from the previous quarter which were not closed when we issued our last report.

Status	Number of Complaints
Complaints Pending from the 4 th Quarter of 2011	9
Complaints Received in the 1 st Quarter of 2012	26
Total closed in the 1 st Quarter	13
Closed by Referral to IGO Investigations	2
Closed by Referral to DHR	1
Closed with Recommendations to the Hiring Department and/or DHR	0
Pending with IGO Hiring Oversight as of 1/1/2012	22

3. *Private Secretaries*

Chapter IX of the General Hiring Plan has a provision that allows Exempt employees to hire private secretaries without going through the general hiring process so long as individuals involved in the action certify that no political reasons or improper factors affected their hiring decisions. Because these positions have less protection than other positions covered by *Shakman*, they are particularly vulnerable to manipulation by City officials who wish to hire an individual without going through the general hiring process. In November 2011, we worked with DHR to set up an oversight function whereby we receive advance notice of all private secretary appointments.

We received notifications for three private secretary appointments this last quarter. Two of the requests were approved and did not raise any concerns. We conducted an additional review of the third appointment due to concerns that the private secretary candidate did not appear to meet the minimum qualifications for the position for which they were being appointed. The private

secretary provision of the General Hire Plan states that, “DHR shall maintain a list of Classes¹² covered by this chapter, and each Class shall have a Class Specification,¹³ which will include minimum qualifications, on file with DHR”. See pg. 27, Section IX.A. After discussions with DHR regarding these concerns, it was determined that the candidate did not in fact meet the minimum qualifications for the position and the appointment request was denied by DHR. IGO Hiring Oversight has obtained a list of private secretary Classes from DHR and will continue to review these private secretary appointments for compliance with the requirements of the Chapter IX of the General Hire Plan.

¹² A Class of Positions (Classes) is a category of Position(s), each of which is sufficiently similar in respect to duties and responsibilities such that the same word(s) may be used to designate each Position in the group, the same salary range may be equitably applied, the same qualifications required, and the same examination used to select qualified employees. A Class of Positions is equivalent to a job title.

¹³ 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.