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# DEPARTMENT OF ADMINISTRATIVE HEARINGS ADJUDICATION TIMELINESS FOLLOW-UP INQUIRY

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GENERAL

REPORT OF THE OFFICE OF INSPECTOR

2018 DEC 27 AH 9=3

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## **DECEMBER 20, 2018**

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

The City of Chicago Office of Inspector General (OIG) has completed a second follow-up to its May 2016 audit of the Department of Administrative Hearing's (DOAH) adjudication timeliness. Based on the Department's responses, OIG concludes that DOAH has not fully implemented corrective actions related to the audit findings.

The purpose of the 2016 audit was to determine if DOAH used nationally recognized performance measures—namely, clearance rate and time to disposition—to assess the flow and timeliness of cases under its purview. Clearance rate is the ratio of cases closed to cases open in a given reporting period. A clearance rate under 100% means that a case backlog will grow because more cases are opened than closed. Time to disposition measures the number of days it took to close a case. Our audit found that DOAH did not measure or set standards for clearance rates or time to disposition, and that the Department's lack of monitoring impeded its ability to identify potentially problematic backlogs and cases of unusually long duration.

Based upon the results of the audit, OIG recommended that DOAH use clearance rates and time to disposition to evaluate its own performance on an ongoing basis. We further recommended that when DOAH management identifies changing trends, it should work with ticketing departments to identify underlying causes and, where necessary, create plans to address them.

In its response to the audit, DOAH committed to adopting clearance-rate and time-to-disposition standards. The Department also committed to monitoring its performance through quarterly reports and taking appropriate action to reduce backlogs.

In August 2017, OIG inquired about corrective actions taken by DOAH in response to the audit. Based on the Department's follow-up response, OIG concluded that DOAH had begun to implement corrective actions. Specifically, it had adopted, although not documented, a 100% clearance-rate policy, and defined time-to-disposition standards for 28, or 90.3% of 31 case types. At that time, DOAH was still in the process of developing accurate reports to monitor its performance relative to the new clearance -rate and time-to-disposition standards.

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In October 2018, more than two years after the original audit, OIG inquired for a second time about the status of corrective actions. Based on DOAH'S response, OIG concludes that the Department has not fully implemented corrective

actions. While DOAH has created clearance-rate and time-to-disposition monitoring reports, and incorporated a-written clearance-rate policy into its clearance-rate report, the reports are not finalized. For example, DOAH could not say with confidence whether the clearance-rate reports included the required types of cases. The Department also stated that its time-to-disposition reports were still a "work in progress." Accurate and complete monitoring reports will assist DOAH with performance review and the identification of areas of improvement. Once fully implemented, OIG believes the corrective actions reported by DOAH may reasonably be expected to improve the Department's ability to identify and address negative operational trends, including caseload backlogs and excessive case durations. We urge DOAH to complete the process of designing and implementing complete and accurate clearance-rate and time-to-disposition monitoring reports. Below, we summarize the audit finding and recommendations, as well as the Department's response to our follow-up inquiry.

We thank the staff and leadership of the Department of Administrative Hearings for their cooperation during the audit and responsiveness to our follow-up inquiries.

Joseph M. Ferguson Inspector General City of Chicago  
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Respectfully,

OIG FILE #18-0705  
DOAH ADJUDICATION TIMELINESS SECOND FOLLOW-UP

DECEMBER 20, 2018

## **FOLLOW-UP RESULTS**

In October 2018, OIG conducted a second follow-up to a May 2016 audit of the timeliness of the Department of Administrative Hearing's (DOAH) case adjudication.<sup>1</sup> DOAH responded by describing the corrective actions it has taken since receiving the audit and providing supporting documentation. Below, we summarize the

finding, the associated recommendations, and the status of the Department's corrective actions. Our follow-up inquiry did not observe or test implementation of the new procedures; thus, we make no determination as to their effectiveness, which would require a new audit with full testing.

OIG uses four categories to describe the Status of Corrective Action:

- **IMPLEMENTED** - The department has implemented actions that may reasonably be expected to resolve the core findings/concerns noted in the audit.
- **PARTIALLY IMPLEMENTED** - The department has implemented actions in response to the audit, but the actions do not fully address the findings/concerns raised in the audit.
- **PENDING IMPLEMENTATION** - The department has initiated action that, if fully implemented, may reasonably be expected to resolve the core findings of the audit. However, the department has not completed implementation.
- **NOT IMPLEMENTED** - The department has not initiated or implemented any actions responsive to OIG's findings.

<sup>1</sup> The 2016 DOAH Adjudication Timeliness report is available on the OIG website. <<https://igchicaaoo.org/2016/05/24/audit-of-doah-adjudication-timeliness/>> The first follow-up, issued in November 2017, is also available on the OIG website- <https://igchicaaoo.org/2017/11/17/follow-up-of-the-doah-adjudication-timeliness-audit/>.

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backlogs and variation^^**

OIG RECOMMENDATION:

In the 2016 audit, OIG recommended that DOAH adopt a clearance-rate standard of

100% for all cases over a chosen period of time, such as each quarter, and regularly monitor its rate. DOAH should also adopt time-to-disposition standards by case type, either by referring to National Center for State Courts standards and methodology or identifying other standards it deems more appropriate. OIG also recommended that DOAH regularly compare its performance to the chosen standards to identify performance trends and to evaluate individual cases for unjustified length.

For both metrics, OIG recommended that management work with ticketing departments to identify causes of backlogs and lengthy cases, and, if necessary, create a plan to reduce the backlog and work to dispose of cases that DOAH deems to be excessively and unnecessarily long. OIG noted that, as part of the solution, DOAH may also need to further adjust its own courtroom allocations, administrative law judges, and staff levels.

### **STATUS OF CORRECTIVE ACTION: PENDING IMPLEMENTATION**

In response to OIG's follow-up inquiries, DOAH stated it has adopted a 100% clearance-rate policy and included it on the clearance-rate monitoring report. DOAH has also adopted time-to-disposition standards for all case types.

DOAH provided clearance-rate and time-to-disposition reports but stated that the time-to-disposition reports "continue to be a .work in progress." During the follow-up, DOAH could not state definitively whether the clearance-rate report included all required cases. It should be noted that DOAH had originally committed to completing both reports by October 1, 2016.

DOAH stated that it had informed staff of the formal adoption of the 100% clearance-rate policy and begun to schedule internal

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meetings to discuss the current clearance-rate reports. DOAH also stated it has an informal process of examining cases over 90 days old in order to address possible issues. Complete and accurate monitoring reports should assist DOAH in both efforts. OIG encourages DOAH to complete the performance reports, and to adopt formal procedures for monitoring performance, identifying areas for improvement in adjudication timeliness, and addressing any backlog of cases

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**MISSION**

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

- administrative and criminal investigations by its Investigations Section;
- performance audits of City programs and operations by its Audit and Program Review Section;
- inspections, evaluations and reviews of City police and police accountability programs, operations, and policies by its Public Safety Section; and
- compliance audit and monitoring of City hiring and employment activities by its Hiring Oversight Unit.

From these activities, OIG issues reports of findings and disciplinary and other recommendations,

- to assure that City officials, employees, and vendors are held accountable for

- violations of laws and policies;
- to improve the efficiency, and cost-effectiveness of government operations; and
- to prevent, detect, identify, expose, and eliminate waste, inefficiency, misconduct, fraud, corruption, and abuse of public authority and resources.

## AUTHORITY

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

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