



# Office of the City Clerk

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Report of the Office of Inspector General: \*\*\*\*\*

### *Quarterly Report of the Office of Inspector General Third Quarter 2015*

OCTOBER 14,2015

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October 14, 2015

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 third quarter of 2015, filed with the City Council pursuant to Section 2-56-120 of the Municipal Code of Chicago.

This quarterly report comes as the City Council is in the process of reviewing, and ultimately voting on, the Mayor's proposed budget. The budget proposed for 2016 includes tax increases that are substantial, but will not alone address the City's structural deficits. Moving forward, our collective ability to deliver municipal services needed and expected of a world-class City can be achieved only through paradigm-shifting reforms. We must double down on efforts to identify and implement work and service delivery models that permit the City to deliver more for less in a fiscally responsible and self-sustaining manner. Such reform can only be achieved through a continuous process of self-examination and performance management aimed at improving the economy, effectiveness, and efficiency of City programs.

As we do in advance of each fiscal year, this quarter we published our 2016 Proposed Audit Plan, which identifies 25 City programs and services for potential examination in the coming year. Some of these projects focus on risk and efficiency, seeking to ensure that the City is acting as a responsible steward of your tax dollars. Others focus on effectiveness, helping the City to deliver better and greater services. Audits are OIG's primary tool for systemic evaluation of City programs and we seek input from every stakeholder in this effort. We encourage you to read and comment on our plan at [bit.ly/2016ADP](http://bit.ly/2016ADP). We are grateful for your input.

This quarter, there were also a number of important developments arising out of OIG criminal and administrative investigations:

- A former CDOT employee pleaded guilty to embezzling hundreds of thousands of dollars from the City's coffers. The former employee was sentenced to 30 months' imprisonment and ordered to pay restitution of over \$741,000.
- The former CEO of the City's former Red Light Camera program vendor pleaded guilty in the continuing prosecution of the almost decade-long kickback scheme involving a since retired senior City official.

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- An individual pleaded guilty to a scheme to falsely and fraudulently generate clean car titles for

approximately 180 salvaged and rebuilt cars which were put to use as taxicabs in the City, in violation of City, state, and municipal law.

- Roughly a year after OIG first reported that a City vendor had submitted false timesheets, the vendor and City entered into a Memorandum of Understanding that includes payment of \$50,000 to the City.

These cases serve as a reminder that the confluence of money and power at any level creates a risk of corruption. As always, I encourage you to send OIG your complaints and concerns as well as your ideas for audits. Do not hesitate to alert our office if you have suggestions for improving the City or OIG.

Joseph M. Ferguson Inspector General City of Chicago

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Respectfully,

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OIG Quarterly Report-Third Quarter 2015

This quarterly report provides an overview of the operations of the Office of Inspector General (OIG) during the period from July 1, 2015, through September 30, 2015. The report includes statistics and narrative descriptions of OIG's activity as required by the Municipal Code of Chicago (MCC).

A. 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 agency authority or the Mayor and appropriate management officials, with investigative findings and recommendations for corrective action and discipline. Narrative summaries of sustained investigations 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.

B. 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.

**1. Complaints**

OIG received 518 complaints during the preceding quarter. The following table outlines the actions OIG has taken in response to these complaints.<sup>2</sup>

**Table #1 - Complaint Actions**

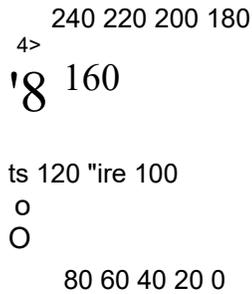
<b>Status</b>	<b>Number of Complaints</b>
Declined	370
Opened Investigation	35
Referred	62
Pending	51
<b>Total</b>	<b>518</b>

"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.

" OIG also took action on complaints received in earlier quarters by declining 26 complaints, opening OIG administrative or criminal investigations based on 11 complaints, and referring 22 complaints.

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 chart below breaks down the complaints OIG received during the past quarter by the method in which the complaint was reported.

### Chart #1 - Complaints by Reporting Method



11

1,000

%

%

## Complaints Origin

### 2. Newly Opened Matters

During the quarter, OIG opened 130 matters, including 33 based on complaints received in earlier quarters. Of the opened matters, 127 centered on allegations of misconduct, 2 centered on waste and inefficiency, and 1 centered on an allegation of ineffectiveness. Of the 130 opened matters, 84 were immediately referred to other departments or investigative agencies. A total of 46 cases proceeded to an OIG investigation, 2 were closed, and 44 remained open at the end of the quarter.

The following table categorizes the 130 matters opened by OIG based on the subject of the matter.

<sup>3</sup> In July of 2015, OIG implemented improvements to its complaint intake process that allow OIG to assess the substance of a complaint: prior to processing and, after thorough review, to filter out complaints that lack sufficient information or clarity in which to base additional research or action, or are incoherent, incomprehensible, or factually impossible.

**Table #2 - Subject of Investigations and Referrals**

<b>Subject of Investigations and Referrals</b>	<b>Number of Investigations and Referrals</b>
Employees	<b>98</b>
Contractors, Subcontractors, and Persons Seeking Contracts	<b>16</b>
Elected Officials	<b>1</b>
Other	<b>15</b>
<b>Total</b>	<b>130</b>

**3. Cases Concluded in Quarter**

During the quarter, OIG concluded 99 opened matters, 84 of which were the aforementioned referrals to City departments or other investigative agencies. Of the 84 referred matters, 68 were referred to a City department, and 16 were referred to a sister agency. Of the remaining 15 concluded matters, 5 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 the Department. A total of eight cases 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 two cases 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.

**4. Pending Matters**

At the close of the quarter, OIG had a total of 172 pending matters, including the 44 investigations opened during the quarter.

**5. 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 172 pending matters, 68 investigations have been open for at least 12 months.

The following table shows the general reasons that these investigations remain active.

**Table #3 - Reasons Investigations Were Not Concluded in Twelve Months**

<b>Reason</b>	<b>Number of Investigations</b>
Complex investigation. Generally involve difficult issues or multiple subjects.	<b>64</b>

On hold, in order not to interfere with another ongoing investigation.	1
Under review by the Legal Section or the DIG-Investigations prior to closing.	3
<b>Total</b>	<b>68</b>

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## 6. Ethics Ordinance Complaints<sup>4</sup>

OIG received no ethics ordinance complaints this quarter.

## 7. Public Building Commission Complaints and Investigations

Included in the 518 complaints received, OIG received 2 complaints related to the Public Buildings Commission (PBC). One complaint was declined, and one is pending. OIG opened no investigations related to PBC. OIG declined two pending complaints related to PBC that were received in a previous quarter.

### C. Sustained Administrative Cases

OIG investigations can 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. These reports are sent to the appropriate agency authority or the Office of the Mayor, the Corporation Counsel, and the City departments affected or involved in the investigation.

The following are brief synopses of administrative investigations completed and reported as sustained 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 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 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.

<sup>4</sup> Effective July 1, 2013, the OIG ordinance, MCC § 2-56-120, was amended establishing a new requirement that OIG report the number of ethics ordinance complaints declined each quarter and the reasons for declination.

<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."

<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.

**Table #4 - Overview of Cases Completed and Reported as Sustained Matters**

Case Number	Department or Agency	Number of Subjects	OIG Recommendation	Department or Agency Action
10-0922 Case Update	Transportation/ Procurement	2	Sanctions, Recovery	Executive Barred from City Contract Work, Recovery of \$50,000, Implementation of Code of Conduct & Ethics
13-0103	Fire	2	Appropriate Discipline, Written Findings, Recovery	Termination, Written Findings, Recovery of \$1,634.66
13-0308 Case Update	Aviation/ Procurement	1	Debarment	Debarment
15-0020	Business Affairs and Consumer Protection	1	Appropriate Discipline/ Termination	Termination

*(A) OIG Case Update #10-0922*

As reported in the third quarter of 2014, an engineering company (the "Vendor") knowingly submitted false invoices to the City on a consistent basis for over six years. Specifically, two consultants for the Vendor submitted timesheets for work on the City's Residential Concrete and Miscellaneous Asphalt (RCMA) projects, even though they performed no services on the projects. Instead, the consultants operated as common-law City employees and performed work outside the scope of the Vendor's contracts. The consultants submitted the false timesheets at the direction of superiors at the Vendor and the Chicago Department of Transportation (CDOT), and the City ultimately paid the Vendor on the basis of those false timesheets.

OIG's investigation further established that an executive at the Vendor (the "Executive") communicated improperly with a supervisory employee at CDOT regarding the execution and administration of the RCMA projects.

In addition to other recommendations reported in 2014, OIG recommended that Department of Procurement Services (DPS) impose sanctions on the Vendor pursuant to the City Debarment Rules; and seek return of the City's improper payments to the Vendor, either as restitution or as part of a cost recovery action.

In September 2015, DPS entered into a Memorandum of Understanding (MOU) with the Vendor, in which the Vendor agreed to make a payment to the City in the amount of \$50,000. The MOU precludes the

Executive from performing any work on the Vendor's existing or future contracts with the City. Finally, the MOU requires that the Vendor implement and enforce a Code of Conduct & Ethics and have all its employees complete an ethics training program, the implementation of which the City may review within a year.

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B) *OIG Case #13-0103*

An OIG investigation established that on two separate occasions a former City of Chicago Fire Department (CFD) Deputy District Chief (DDC) worked for NBCUniversal's local production company, Open 4 Business, LCC, on the show Chicago Fire while on duty for the City. The DDC was therefore compensated by the City for time spent in what constituted secondary employment.

The DDC retired before the completion of OIG's investigation. Had the DDC not retired, OIG would have recommended that the DDC receive discipline commensurate with the seriousness of the misconduct, his position of authority, disciplinary and work history, department standards, and any other relevant considerations. OIG did recommend that CFD make written findings respecting the DDC's conduct and direct that a copy of any such findings and OIG's investigative report be placed in the DDC's personnel file. OIG further recommended that the City consider cost recovery with respect to the time the DDC worked on Chicago Fire while under obligation to the City. CFD agreed with OIG's findings and that the DDC's conduct warranted discipline. As such, CFD requested that a copy of OIG's investigative report and CFD's response be included in the DDC's personnel file. In addition, CFD forwarded the matter to the Department of Law (DOL) to pursue cost recovery, namely, the wages CFD paid to the DDC for times when the DDC was actually working on Chicago Fire. On July 13, 2015, DOL received payment in full, \$1,634.66, from the DDC.

This investigation also revealed that a CFD Firefighter worked on Chicago Fire while on medical lay-up. OIG recommended CFD, at its discretion, impose discipline commensurate with the seriousness of the misconduct, the Firefighter's position of authority, disciplinary and work history, department standards, and any other relevant considerations. OIG also recommended the City consider cost recovery for the Firefighter's hours worked on Chicago Fire while the Firefighter was on medical leave. CFD agreed that OIG's findings established a serious violation warranting substantial discipline and terminated the Firefighter in July of 2015. The Firefighter's union has filed a grievance on his behalf appealing the decision. An arbitration hearing is scheduled for December 4, 2015.

Because CFD has pursued disciplinary action against the Firefighter, DOL declined to pursue cost recovery, in deference to a July 29, 2013 arbitration ruling arising from OIG case #10-0078 (2011 Third Quarter Report) holding that any cost recovery action must be brought as part of the already initiated disciplinary proceeding notwithstanding the City's independently operating cost recovery ordinance.

C) *OIG Case Update #13-0308*

As reported in the third quarter of 2014, an OIG investigation established that a Booter employed by a City vendor solicited and accepted a bribe from a driver parked in an airport lot in exchange for releasing a wheel,

or Denver, boot from a car. OIG recommended that the City make findings with respect to the Booter's conduct, and, to the extent the City concurred, direct that DPS initiate proceedings to debar the Booter and provide a copy of OIG's summary report of investigation to the vendor. In May 2015, DPS permanently debarred the Booter.

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(D) OIG Case #15-0020

An OIG investigation established that a City of Chicago Department of Business Affairs and Consumer Protection (BACP) employee violated the City of Chicago Personnel Rules. The evidence established that the employee provided false and misleading information related to the reasons for the employee's termination from previous employment when applying for several positions within City agencies. In addition, after becoming employed with the City, the employee pleaded guilty to a federal criminal offense, specifically three counts of identity theft in the Northern District of Indiana, arising from conduct related to the employee's prior termination. This prior conduct is of a nature that renders the employee unfit to serve in a position that requires the direct handling of sensitive, personal identifying information. OIG did not find evidence the employee had used City information improperly.

OIG recommended BACP impose discipline against the employee up to and including termination, commensurate with the gravity of the individual's violations, department standards, and any other relevant considerations. BACP agreed with OIG's findings and terminated the employee.

#### **D. 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 Cook County State's Attorney's Office, the U.S. Attorney's Office, or the Illinois Attorney General's Office, as appropriate. For the purposes of OIG quarterly reports, 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)<sup>8</sup> and grievance arbitrations concerning OIG's disciplinary recommendations.

##### **1. Synopses of Criminal Cases**

During this quarter, there were no criminal charges arising from OTG investigations.

##### **2. Developments in Prior Charged Criminal Cases**

During this quarter, there were four significant developments in previously reported criminal cases.

<sup>7</sup> OIG may issue summary reports of investigation recommending administrative action based on criminal conduct.

<sup>8</sup> HRB definition: "The 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](http://www.cityofchicago.org/city/en/depts/dhr/auto-generated/dhr_our_structure.html) (accessed July 9, 2015)

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United States v. Daniel Rankins, 13-CR-331 (ND IL)

On July 7, 2015, Daniel Rankins was sentenced to 18 months in federal prison and ordered to pay \$115,809 in restitution to the City of Chicago by U.S. District Judge Robert M. Dow, Jr. Rankins had entered a guilty plea in December 2014 to devising or intending to devise a scheme and participating in a scheme to defraud the City of Chicago through the filing of false bankruptcy petitions in violation of 18 U.S.C. § 157.

The joint investigation, conducted by OIG and the Federal Bureau of Investigation (FBI), revealed that Rankins assisted 80 people in the filing of false Chapter 7 bankruptcy petitions to avoid paying City impound fees. Specifically, Rankins solicited and accepted a \$600 cash payment from an undercover officer in exchange for assisting the officer in filing a false bankruptcy case.

DOL is now working more closely with the U.S. Trustee's Office to carefully screen suspicious bankruptcy petitions before releasing an impounded vehicle whenever the owner submits proof of bankruptcy.

United States v. Alexander Igolnikov, 14-CR-484 (ND IL)

On August 13, 2015, Alexander Igolnikov, former owner of Seven Amigos Used Cars and former vice president of Chicago Elite Cab Corp, entered a plea of guilty to one count of conspiracy to transport, receive, and possess a counterfeit security in violation of 18 U.S.C. § 371, 2314, and 2315.

Specifically, Igolnikov admitted that from 2007 through April 2010 he knowingly obtained fraudulent Indiana titles for salvaged vehicles in order to acquire clean titles in Illinois. Igolnikov and his associates then put the vehicles into service as taxicabs in the City of Chicago, in violation of a City ordinance prohibiting the use of vehicles with previously issued a salvaged or rebuilt titles as taxicabs.

Igolnikov's sentencing is scheduled for November 19, 2015 before U.S. District Judge Edmond Chang. Igolnikov faces a maximum sentence of 5 years in prison and a fine of up to \$250,000, or twice the gross gain or loss from the offense.

United States v. Karen Finley, etal, 14-CR-135 (ND IL)

On August 20, 2015, Karen Finley, former chief executive officer of Redflex Traffic Systems Inc., entered a plea of guilty to one count of conspiracy to commit federal program bribery, in violation of 18 U.S.C. § 371. Finley admitted that, beginning as early as January 2003 and continuing through June 30, 2011, she conspired to corruptly give cash payments and other personal financial benefits to John Bills, a City of Chicago official, and his friend Martin O'Malley, with intent to influence and reward Bills in connection with the City's award of Red Light Camera Enforcement Program contracts to Redflex.

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As previously reported, John Bills, Karen Finley, and Martin O'Malley were indicted on August 13, 2014, following a joint investigation of OIG, FBI, and the Internal Revenue Service (IRS) Criminal Investigation Division. The 23-count indictment alleges that Redflex officials, including Finley, provided Bills, who managed the City's red light camera program, with approximately \$570,000 cash and other personal benefits in exchange for Bills's providing inside information and assisting Redflex in obtaining, keeping, and expanding its Chicago contracts that grew to \$124 million.

U.S. District Judge Virginia Kendall scheduled Karen Finley's sentencing hearing for February 18, 2016. Finley faces a maximum sentence of 5 years in prison, a maximum fine of \$250,000 or twice the gross gain or loss from the offense, and mandatory restitution. In addition, as previously reported, on December 10, 2014, Martin O'Malley entered a plea of guilty for conspiracy to commit federal program bribery. The remaining defendant, John Bills, is scheduled . to proceed to trial on January 11, 2016. Bills is presumed innocent and is entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

(D) United States v. Antionette Chenier, 14-CR-1 85 (ND IL)

On September 10, 2015, former CDOT clerk Antionette Chenier was sentenced by U.S. District Judge Samuel Der-Yeghiayan to 30 months' imprisonment and ordered to pay restitution in the amount of \$741,299 to the City and \$154,826 to the IRS. As previously reported, on April 14, 2015, Chenier entered a guilty plea to federal criminal charges of embezzlement, in violation of 18 U.S.C § 666(a)(1), and tax evasion, in violation of 26 U.S.C. § 7201, in connection with her theft of over \$740,000 from the City of Chicago.

Chenier worked for the City from 1990 until 2014. For the majority of this time, Chenier was assigned to CDOT's City Hall permitting office, where she processed moving van and dumpster permit fees. The joint investigation conducted by OIG, FBI, and IRS established that between August 2008 and January 10, 2014, Chenier deposited approximately \$741,299 in checks belonging to the City of Chicago into personal checking and business accounts that she controlled at Charter One Bank.

As previously reported, on January 26, 2015, the City obtained an insurance payment of \$715,874.09 for reimbursement of the funds embezzled by Chenier based on documentation obtained in the course of OIG's administrative investigation.

**3. Synopses and Results of Administrative Appeals or Grievances**

To date, OIG has been notified of no updates of appeals to HRB occurring in the quarter regarding discipline imposed as a result of an OIG investigation.

**4. Recoveries**

This quarter OIG received three reports of cost recovery actions or other financial recoveries related to an OIG investigation totaling to \$908,742.66. OIG cases 10-0922, 13-0103, United States v. Daniel Rankins, 13-CR-331 (ND IL), and United States v. Antionette Chenier, 14-CR-185 (ND IL), are described above.

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### E. 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 two audits and one follow-up inquiry.

A) *Department of Streets and Sanitation Garbage Collection Performance Measurement Audit\**

OIG evaluated the Department of Streets and Sanitation's (DSS) processes for measuring performance of garbage collection, assessed garbage collection performance across all service areas, and reviewed DSS's quality control policies, as outlined in DSS Order 14-001, that govern garbage collection operations and personnel.

OIG concluded that gaps in DSS performance measurement impeded the Department from achieving its goal of optimizing the garbage collection system. Specifically, OIG's review of the Bureau of Sanitation's data, including GPS records, found that DSS did not measure all garbage collection operations and did not know the number of garbage carts that require City service in each division. OIG also found that DSS did not optimally allocate the number of alleys to garbage collection routes or staff resources across divisions.

OIG also concluded that while Order 14-001 was an important administrative achievement for the Department, the supervisory process established in the Order did not provide reasonable assurance of compliance with all of the Order's goals. DSS agreed with all the findings and stated that it would take specific corrective actions to address deficiencies, including adjusting collection routes and conducting a full inventory of garbage and recycling carts. The City later announced that, in partnership with Laborers Union Local 1001, it had made adjustments to collection routes that will allow it to reduce the deployment of garbage trucks by 18, from 310 to 292, per day, which DSS projected as permitting a reallocation of approximately \$7 million operational resources to other services.

B) *Department of Buildings Elevator Inspections Follow-up Inquiry<sup>TM</sup>*

OIG evaluated the status of the corrective actions the Department of Buildings (DOB) took or planned in response to OIG's October 2014 audit of DOB's compliance with the annual elevator inspection requirements set forth in the MCC. Based on DOB's follow-up response, OIG concluded that the Department was still in the planning stage respecting corrective actions for two original audit findings and had fully implemented corrective actions that address the

<sup>9</sup> OIG published its audit of Garbage Collection Performance Measurement during the 2<sup>nd</sup> quarter of 2015. This report was published on April 27, 2015. See, <<http://chicagoinspectoi'general.org/publications-and-press/audit-of-dss->garbage-collection-performance/>>.

<sup>10</sup> This report was published on July 16, 2015. See, <http://chicagoinspectorgeneral.org/publications-and->picss/follow-up-report-on-dob-elevator-inspections/>.

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remaining three audit findings. It is also important to note that the scale of corrective action needed had increased since the time OIG issued the original audit. At the time of the audit, DOB records showed that 6,438 buildings required annual elevator inspections in 2013. However, in response to the audit the Department reviewed its data and found system errors had resulted in an understatement of its inventory of buildings requiring inspection. It is important for the Department to continue to strive toward its stated goal of 100% inspection completion rate for elevators citywide. To that end, OIG urged the Department to continue its expansion of the Annual Inspection Certification program and its upgrade of its electronic inspection database.

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(C) *Department of Family and Support Services Homeless Services Audit*

OIG evaluated how the Department of Family and Support Services (DFSS) selected and monitored homeless service providers, known as "delegate agencies." OIG's review focused on the process by which delegate agencies were selected and monitored between 2013 and 2014. During this timeframe, DFSS oversaw contracts with 57 delegate agencies totaling approximately \$60 million.

OIG's audit found that DFSS reviewers inaccurately and inconsistently scored delegate agency applications and failed to follow Departmental guidelines to resolve scoring discrepancies. Without reliable scoring, DFSS may not select the most qualified applicants and cannot assure delegate agencies that it scores all applications correctly. The audit also found that a DFSS auditor failed to record missing records because she was not specifically instructed to record this problem during that stage of her evaluation. In addition, OIG found that DFSS's delegate monitoring procedures may not hold delegates fully accountable for misreporting program performance data.

OIG recommended that the Department improve its quality control procedures, instruct auditors to record all known problems and issues at delegate agencies, and take a more focused look at program performance data. DFSS agreed with OIG's findings and stated that it will automate its scoring procedures, improve auditor training, and implement new methods to detect inaccurate program performance data.

" This report was published on August 17, 2015. See, <<http://chicagoinspectorgeneral.org/publications-and->press/audit-of-dfss-homcless-services/>.

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#### F. 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 capacity. OIG issued one advisory and completed three notifications this quarter.

##### A) *Advisory Concerning the City of Chicago Employee Wellness Program*<sup>12</sup>

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 the Chicago Lives Healthy (CLH) program, the City had not formally assessed the program's impact on health outcomes or healthcare costs, and, at the time of publication, the City had no plans to do so. Additionally, OIG conducted an extensive survey of the available literature on the effectiveness of employee wellness programs. OIG found that, as a whole, research on the effectiveness of employee wellness programs is inconclusive.

OIG suggested that, if CLH is renewed for 2016, the City establish a performance measurement framework. Without such a framework, the City cannot make evidence-based, cost-benefit decisions about the future of the program. In response, the Department of Finance (DOF) stated that the City would "continue to monitor program data and healthcare expenses to determine if targets would improve wellness program outcomes," and evaluate research studies of other wellness programs to determine if changes should be made to CLH.

##### B) *Notifications Regarding Secondary Employment Practices at the Chicago Fire Department and the Chicago Police Department*

OIG sent notifications to CFD and the Chicago Police Department (CPD) after an OIG investigation revealed issues relating to employees engaged in secondary employment with the television program Chicago Fire. The first issue relates to timekeeping. OIG established that CFD employees working as extras on the television program Chicago Fire signed blank timesheets, which were later completed by a studio production assistant. OIG concluded that CPD officers likely followed the same practice. This practice left personnel vulnerable to allegations of time falsification in connection with their City employment. In addition, by signing the blank timesheets, each CFD and CPD employee made the following certification, "I represent that the recorded times are accurate and worked by me." Signing such a document is inherently risky and could be considered fraudulent because the employees are wholly unaware of the specific times later entered on the form by the production personnel. Indeed, because of studio record-keeping practices, OIG could not conclusively determine the accuracy of the Chicago Fire time records. Thus, even where employees lack the intent to abuse the system, they are vulnerable to the appearance of both time falsification and falsification of statements with potential for significant negative consequences.

<sup>12</sup> This report was published on August 4, 2015. See, <<http://chicagoinspectorgeneral.org/publications-and->press/advisory-regarding>

-the-citys-wellness-program/.

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This practice is particularly problematic for CPD personnel. If CPD time records were to conflict with Chicago Fire time records, an officer could unnecessarily be subject to allegations of time falsification, which would bear upon the officer's credibility and veracity.

Second, CFD employees reported to OIG investigators that they regularly traded work shifts and days in order to work on Chicago Fire. This admitted conduct directly conflicts with the Chicago Fire Firefighters Union Local No. 2 Collective Bargaining Agreement (CBA), which states that trades for both tours of duty and Daley Days (specified days off) are not to be approved for any outside employment.

Lastly, CFD employees interviewed by OIG reported that they are paid more by Chicago Fire for bringing and using their CFD uniforms and gear when appearing as extras. Such utilization of uniforms is an apparent violation of the Personnel Rules and CFD General Order 08-001. Uniforms and gear are provided by the City. The City also replaces worn out, destroyed, or damaged uniforms and gear. Therefore, the City has an interest in ensuring that uniforms and gear are protected and used only for official duties.

OIG recommended that CFD,

- provide guidance to its employees regarding their time-keeping obligations to avoid, at risk of potential discipline, actual misconduct and conduct that may create the appearance of impropriety;
- remind, re-educate, or provide supplemental notification to CFD employees on the Department's policies and procedures regarding shift trades; and
- remind all employees that CFD uniforms and badges are to be used only in the course of official business.

CFD responded that,

- it will send a training memorandum out to all personnel providing guidance that cautions them about the loose controls on timekeeping records at Chicago Fire and reminds them of the importance of avoiding any appearance of impropriety;
- the Department is in the process of implementing full electronic scheduling, which it states will substantially improve tracking and monitoring of trades. In the meantime, the Department will issue a training memorandum to remind members of the Department's shift trade policies and procedures, including the CBA requirement that trades are not permitted "for the purpose of outside employment of any nature;" and
- the City has an agreement with the show's production company that specifically authorizes the use of CFD's intellectual property, and also broadly authorizes "use in the {Chicago Fire} Series of City employees, agents, and subcontractors." Under this general authority, members have been permitted to wear CFD uniforms for the limited purpose of appearing as extras on Chicago Fire. To ensure that this practice remains limited and is only conducted under the auspices of the City's agreement with Chicago Fire, the

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Department will, however, include in the training memorandum a reminder regarding Department rules on off-duty use of CFD uniforms.

OIG also recommended that CPD provide guidance to its employees regarding their obligations to avoid, at risk of potential discipline, actual misconduct and conduct that may create the appearance of impropriety-such as the practice of certifying blank timesheets. CPD responded that it would contact the Fraternal Order of Police to advise their membership to discontinue the practice to avoid the appearance of impropriety.

*(C) Notification Regarding Chicago Department of Aviation Aircraft Noise Outreach and Transparency*

Prompted by complaints, OIG reviewed the Chicago Department of Aviation's (CDA) public outreach regarding aircraft noise.

During the course of the review, CDA released plans to address aircraft noise. The plans, announced on July 31, 2015, appeared to address many of the concerns that OIG identified during its review. OIG sent a letter of notification to CDA regarding two additional areas for potential improvement that CDA should consider. Specifically, OIG suggested that CDA,

- encourage parties of the intergovernmental agreement that established the O'Hare Noise Compatibility Commission (ONCC) to grant established community groups full membership or advisory status on the Commission; and
- document each time CDA or its consultant excludes a noise event in the calculation of a reported noise metric.

In response, CDA stated that "[w]hile full community group membership is not something we are pursuing at this time, the CDA and the ONCC are taking steps to more fully engage community groups with the ONCC in targeted ways that OIG believes allows them even greater meaningful participation and the opportunity to provide valuable insight beyond the current model which already provides for public participation." In addition, CDA has requested its consultant transmit a monthly report to the Department identifying "the data included and excluded in the final noise data set for the published [Airport Noise Management System] report, as well as the basis of the exclusion." '

## **G. Hiring Oversight**

Under Chapter XII of the City of Chicago General Hiring Plan, Chapter XI of the CPD Hiring Plan, and Chapter IX of the CFD Firing Plan,<sup>13</sup> OIG is required to review and audit various components of the hiring process and report on them quarterly. The General Hiring Plan requires both reviews and compliance audits. The plan defines 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."

### **1. Hiring Process Reviews**

#### **A) *Contacts by Hiring Departments***

OIG reviews all reported or discovered instances where hiring departments contacted the Department of Human Resources (DHR) or CPD 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 except as permitted by the Hiring Plan.<sup>14</sup>

During the third quarter of 2015, OIG did not receive notice of any direct contacts.

#### **B) *Political Contacts***

OIG reviews 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.

During the third quarter of 2015, OIG received notice of five political contacts:

- An elected official contacted DHR for information regarding the status of an appeal for a candidate who applied for the position of CPD Police Officer.

<sup>13</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."

<sup>14</sup> Chapter II, C(1) of the General Hiring Plan provides that Hiring departments shall not contact DHR to lobby for or advocate on behalf of actual or potential Applicants or Bidders for Covered Positions, nor may hiring departments request that specific individuals be added to any referral or eligibility list except as permitted in this Hiring Plan. Hiring departments may contact DHR to inquire about the status of selected Candidates. Any DHR employee receiving a contact violating this section shall report it to the DHR Commissioner and OIG Hiring Oversight within forty-eight (48) hours.

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- An elected official contacted DHR about a candidate who did not receive a notice to appeal for the position of CPD Police Officer.
- An elected official forwarded correspondence to DHR from an applicant for the position of CPD Police Officer.
- An elected official contacted DHR for information regarding the application status for a candidate who applied for the position of CPD Police Officer.
- An elected official contacted a DOL employee on behalf of a candidate applying for a position in the Department.

#### C) *Exemptions*

OIG reviews adherence to exemption requirements, Exempt Lists,<sup>15</sup> and the propriety of Exempt List modifications. OIG receives and reviews notifications of all Shakman Exempt appointments and modifications to the Exempt List<sup>16</sup> on an ongoing basis from DHR. OIG received 39 notifications of exempt appointments in the third quarter.

#### D) *Senior Manager Hires*

OIG reviews hires pursuant to Chapter VI covering the Senior Manager Hiring Process.<sup>17</sup>

Of the 47 hire packets<sup>18</sup> OIG reviewed in the third quarter, 7 pertained to Senior Manager positions, none of which contained errors.

#### E) *Written Rationale*

When no consensus selection is reached during a Consensus Meeting, a Written Rationale must be provided to OIG for review.<sup>19</sup>

During the third quarter of 2015, OIG did not receive any Written Rationales.

<sup>15</sup> "The Exempt List" is a list of all City Positions that are exempt from the requirements governing Covered positions (Shakman Exempt). Shakman Exempt Positions are those for which any factor may be considered in actions covered by the City's Hiring

Plans and Other Employment Actions, unless otherwise prohibited by law.

<sup>16</sup> The current Exempt List can be viewed here or on DHR's website

<sup>17</sup> Senior Manager Classes are not covered by a collective bargaining agreement; not career service positions (i.e. they are employees-at-will); not Exempt; and involve significant managerial responsibilities.

<sup>18</sup> A "Hiring Packet" is the file maintained at DHR that includes all of the documents utilized in a hiring sequence, including, but not limited to, all forms, certifications, and notes maintained by individuals involved in the selection process by which candidates are selected for positions with the City. This may include a copy of the job posting, any and all lists of selected or Pre-Qualified Candidates, any and all test scores, any and all lists of candidates referred to the department, interview notes, evaluation forms, screening and hiring criteria, consensus notes, justification letters, notes to file, and original signed and executed Hire Certifications.

<sup>19</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.

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F) *Emergency Appointments*

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

The City reported no emergency appointments during the third quarter of 2015.

G) *Review of Contracting Activity*

Prior to offering any contract or other agreement terms to any not-for-profit agency, for-profit contractor, or other organization or entity to provide services for the City, the requesting department shall give OIG advance notification. OIG is also 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 draft contract or agreement terms to assess whether they are in compliance with the Policy. 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. The following chart details these contract and volunteer program notifications.

**Table #5 - Contract and Volunteer Opportunity Notifications**

<b>Contracting Department</b>	<b>Contractor, Agency, Program, or other Organization</b>	<b>Duration of Contract or Agreement</b>
City Treasurer	Professional Dynamic	3 weeks
Cultural Affairs and Special Events	Airad, Inc	6/1/2014-5/31/2016
Cultural Affairs and Special Events	Artist in Residence	1/1/2015-8/31/2015
Cultural Affairs and Special Events	Artist in Residence	1/1/2015-8/31/2015

Cultural Affairs and Special Events	Artist in Residence	5/27/2015-8/31/2015
Cultural Affairs and Special Events	Artist in Residence	6/1/2015-9/15/2015
Cultural Affairs and Special Events	Redmoon theater	1/1/2015-12/31/2015
Family and Support Services	M3 Medical Services	9/8/2015-10/30/2015
Family and Support Services	Request for Qualifications	36 months
Family and Support Services	Request for Qualifications	60 months
Family and Support Services	Veterans Benefits Administration	12 months
Finance	Request for Proposals	60 months
Human Resources	CEB SHL US Incorporated	9/14/2015-12/31/2016
Mayor's Office	Rockefeller Philanthropy Advisors Inc.	24 months
Mayor's Office for People with Disabilities	M3 Medical Services	9/9/2015-10/30/2015

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<b>Contracting Department</b>	<b>Contractor, Agency, Program, or other Organization</b>	<b>Duration of Contract or Agreement</b>
Planning and Development	Allied Appraisal	3 weeks
Planning and Development	Allied Appraisal	3 weeks
Planning and Development	Allied Appraisal	3 weeks
Planning and Development	Allied Appraisal	3 weeks
Planning and Development	Allied Appraisal	3 weeks
Planning and Development	Allied Appraisal	3 weeks
Planning and Development	Allied Appraisals	3 weeks
Planning and Development	Applied Real Estate Analysis	3 weeks
Planning and Development	Applied Real Estate Analysis	3 weeks
Planning and Development	Applied Real Estate Analysis	3 weeks
Planning and Development	Applied Real Estate Analysis Inc.	3 weeks
Planning and Development	Byrnes and Walsh	3 weeks
Planning and Development	Byrnes and Walsh	3 weeks
Planning and Development	Byrnes and Walsh	3 weeks
Planning and Development	Byrnes and Walsh	3 weeks
Planning and Development	Byrnes and Walsh	3 weeks
Planning and Development	Byrnes and Walsh	3 weeks
Planning and Development	Byrnes and Walsh	3 weeks
Planning and Development	Byrnes and Walsh	3 weeks
Planning and Development	DTZ	1/31/2015-1/31/2017
Planning and Development	Johnson Research	60 months

Planning and Development	Jones Lang LaSalle Americas	Approval date-12/31/2016
Planning and Development	Kelly Appraisal Company	3 weeks
Planning and Development	Kelly Appraisal Company	3 weeks
Planning and Development	PF Appraisals	3 weeks
Planning and Development	PF Appraisals	3 weeks
Planning and Development	PF Appraisals Inc.	3 weeks
Planning and Development	PF Appraisals Inc.	3 weeks
Planning and Development	PF Appraisals Inc.	3 weeks
Planning and Development	PF Appraisals Inc.	3 weeks
Planning and Development	PF Appraisals Inc.	3 weeks
Planning and Development	PF Appraisals Inc.	3 weeks
Planning and Development	Request for Qualifications	60 months
Planning and Development	Request for Qualifications	60 months
Planning and Development	S. B. Friedman	60 months
Planning and Development	Teska Associates	8/15/2015-1/31/2017
Procurement Services	Request for Qualifications	3 years
Public Health	FCS	6 months

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<b>Contracting Department</b>	<b>Contractor, Agency, Program, or other Organization</b>	<b>Duration of Contract or Agreement</b>
Public Health	M3 Medical Management	60 days
Public Health	M3 Medical Management	9/14/2015-12/31/2015
Public Health	M3 Medical Management	90 days
Public Health	Request for Qualifications	TBD
Water Management	Primera Engineering Inc	8/17/2015-12/31/2015
Water Management	Request for Qualifications	10/2015-9/2018
Water Management	Request for Qualifications	8/16/2015-12/31/2016
Water Management	Request for Qualifications	8/16/2015-12/31/2016
Water Management	Request for Qualifications	8/16/2015-12/31/2016
Water Management	Request for Qualifications	8/16/2015-12/31/2016
Water Management	Request for Qualifications	8/16/2015-12/31/2016
Water Management	Task Order Request	10.5 months
Water Management	Task Order Request	10.5 months
Water Management	Task Order Request	10.5 months
Water Management	Task Order Request	10/2015-5/27/2016
Water Management	Task Order Request	10/26/2015-9/9/2016
Water Management	Task Order Request	11/9/2015-11/8/2015
Water Management	Task Order Request	12 months
Water Management	Task Order Request	12 months
Water Management	Task Order Request	8/16/2015 -12/31/2016

Water Management	Task Order Request	8/17/2015-12/31/2015
Water Management	Task Order Request	9/1/2015/-7/15/2016

## 2. Hiring Process Audits

### (A) *Modifications to Class Specifications,<sup>20</sup> Minimum Qualifications, and Screening and Hiring Criteria*

OIG audits modifications to Class Specifications, minimum qualifications, and screening/hiring criteria. In the last quarter, OIG received notification that the City changed the minimum qualifications or included equivalencies for eight titles within the Department of Public Health, CDOT, CDA, DPS, Fleet and Facilities Management (2FM), and the Department of Cultural Affairs and Special Events. OIG did not have any questions or concerns regarding the wording or rationale of the modifications.

DHR continues to submit to OIG a report of updated or newly created Class Specifications.

"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.

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### B) *Referral Lists*

OIG audits the lists of Applicants/Bidders who meet the predetermined minimum qualifications generated by DHR for the position. Each quarter, OIG examines a sample of referral lists and provides commentary to DHR whenever potential issues arise. OIG recognizes that aspects of candidate assessment can be subjective and that there can be differences of opinion in the evaluation of a candidate's qualifications. Therefore, the 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 last quarter, OIG audited nine referral lists, two of which contained errors.

### C) *Testing*

OIG also audited testing administration materials<sup>21</sup> for 20 completed test administrations<sup>22</sup> completed during the second quarter of 2015.

OIG found errors affecting four test administrations and reported them to DHR. These errors did not affect any

candidates' placement on position eligibility lists or any final candidate selection decisions. None of the errors constituted a violation of the Hiring Plan. The individual errors and DHR's response to each error are detailed below.

i. Aviation - Operating Engineer-Group A, Multiple Choice Test

OIG determined that the grading of a candidate's answer sheet did not conform to the answer key. The DHR Testing Manager agreed with this assessment and rescored the test. The candidate's final score changed from 79% to 75%. Although the original cut score<sup>23</sup> listed in the testing packet was 79%, the cut score was revised following administration of the test to reflect the overall test results. As a result, the candidate achieved a passing score. Ultimately, the rescore did not affect the candidate's placement on the eligibility list or the final selection decision for the position.

<sup>21</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) 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>22</sup> A "test administration" is considered to be completed 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.

<sup>23</sup> A "cut score" is the threshold score above which is considered a passing score for the exam. Generally, cut scores are not predetermined prior to the administration of an exam, rather, the cut score for any given test administration reflects the specific performance results of that test administration in consideration of the job analysis.

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ii. City Clerk's Office - License Enforcement Aide, Skills Assessment

OIG determined that the grading of two candidates' answer sheets did not conform to the answer key. The DHR Testing Manager agreed with this assessment, but explained that the candidates received incorrect information on their test preparation materials; therefore, DHR accepted multiple answers as correct. DHR only penalized those that did not answer or answered "N/A" for the question. Ultimately, the rescore did not affect the candidates' placement on the eligibility list or the final selection decision for the position.

Additionally, OIG determined that the grading of a third candidate's answer sheet did not conform to the answer key. Ultimately, the rescore did not affect the candidate's placement on the eligibility list or the final selection decision for the position.

iii. City Clerk's Office - License Enforcement Aide, Geography Test

OIG determined that the grading of a candidate's answer sheet did not conform to the answer key. The DHR Testing Manager agreed with this assessment and rescored the test. Ultimately, the rescore did not affect the candidate's placement on the eligibility list or the final selection decision for the position.

iv. Department of Public Health - Clerk III, Filing Test

OIG determined that the grading of a candidate's answer sheet did not conform to the answer key. The DHR Testing Manager agreed with this assessment and rescored the test. Ultimately, the rescore did not affect the candidate's placement on the eligibility list or the final selection decision for the position.

*(D) 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: DSS, DWM, CDA, CDOT, DOB, 2FM, and six other City departments selected at the discretion of OIG.

Hire packets include all documents and notes maintained by City employees involved in the selection and hiring process. As required by the Hiring Plan, OIG examines some hire packets prior to the hires being completed and others after the hires have been completed.

During the third quarter of 2015, OIG completed an audit of hire packets for 40 hiring sequences. OIG selected these hiring sequences to be audited based on risk factors such as past errors, complaints, and historical issues with particular positions. These 40 hiring sequences involved 14 departments and 228 selected candidates. Of the 40 hire packets audited, there were 6 errors across 5 hiring packets. One error related to Hire Certification Forms, two related to Candidate Assessment Forms, and three related to other documentation issues. Specifically, one error OIG observed related to a Hiring Sequence in which an employee that should not have been was allowed to participate in an Intake Meeting. One error resulted from the late extension of a Pre-

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Qualified Candidate list<sup>24</sup> and another resulted from the lack of a written justification for the extension of that list.

OIG will include DHR's response to the hire packet audit in a future quarterly report.

*(E) Selected Assignment Sequences*

Pursuant to Chapter XII of the CPD Hiring Plan for Sworn Titles, OIG has the authority to audit Other Employment Actions,<sup>25</sup> including assignments, and shall monitor and audit these actions as it deems necessary to ensure compliance with this Hiring Plan.

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

During the third quarter of 2015, OIG audited assignment packets from four Non-Bid Duty Assignment<sup>27</sup> sequences, and three Non-Bid Unit Assignment sequences.<sup>28</sup> These 7 sequences covered 20 selected candidates.

Of the packets audited, OIG identified errors in four assignment sequences. These errors involved missing, incorrect or incomplete hire certifications, and other missing documentation. However, OIG recognized that the sequences selected for audit were initiated prior to the extensive training conducted for Appendices D and E to the Hiring Plan which were adopted as of June of 2014 and intended to create a standardized process for CPD assignments. Consequently, many of the documentation issues identified have been addressed with the implementation and utilization of standardized forms for both Non-Bid Duty and Unit Assignments. OIG recommended that CPD-HR ensure that the appropriate CPD members attend CPD Appendix D and E Training. Other recommendations OIG made to CPD in response to these audit findings were to remind interviewers of their responsibility to disclose to CPD-HR potential conflicts of interests; and to reiterate to interviewers that their notes should accurately reflect the content of interviews and all ratings should appropriately correlate with the competencies demonstrated during each interview.

OIG will report on CPD-HR's response to this audit in a future quarterly report.

" Per Chapter V.B.13 Pre-Qualified Candidates shall remain on the Pre-Qualified list for twelve (12) months from the date of application. This deadline can be extended by the DHR Commissioner for an additional twelve (12) month period by submitting a written justification to OIG.

<sup>25</sup> Other Employment Actions is defined in the Hiring Plans as any change in the terms and conditions of employment including, but not limited to: hiring, firing, promotion, demotion, lay-off, reinstatement, reemployment, transfer, reclassification, granting overtime, assignment, withholding of any job benefit and imposition of any employment sanction or detriment.

<sup>26</sup> See CPD Hiring Plan, Appendix D and E.

<sup>27</sup> Non-Bid Duty Assignments are duty assignments located within a District/Unit and not covered by a Collective Bargaining Agreement. Examples of these assignments are Tactical Teams and Foot Patrol Units such as the Entertainment Venue Teams.

<sup>28</sup> Non-Bid Unit Assignments are assignments to units not designated by the relevant CBA as a bid unit.

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### (F) 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 a hiring sequence 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 past quarter, OIG monitored two intake meetings, eight test administrations, seven sets of interviews, and four consensus meetings. The table below shows the breakdown of monitoring activity by department.<sup>29</sup>

### Table #6 - First Quarter 2015 OIG Monitoring Activities

Department	Intake Meetings Monitored	Tests Monitored	Interview Sets Monitored	Consensus Meetings Monitored
Public Library				1
Streets and Sanitation		1	1	
Planning and Development			2	1
Family and Support Services	1		1	
Finance			2	1
Police		1	1	
Mayor's Office for People with Disabilities'			1	1
Water Management		1		
Transportation		3		
Fleet and Facilities Management			1	
Procurement Services		1		
City Clerk	1			
Emergency Management and Communications		1		
<b>Total</b>	<b>2</b>	<b>8</b>	<b>9</b>	<b>4</b>

In the course of these monitoring activities, OIG observed errors in two sequences that resulted in OIG issuing a monitoring memorandum to the affected departments. In the first instance, OIG noted that interviewers in a Chicago Public Library (CPL) sequence discussed candidates prior to the Consensus Meeting.<sup>30</sup>

In response, CPL management created a form which reminded all interviewers in the department of their obligations under the Hiring Plan, especially the prohibition against discussing

<sup>29</sup> If a department is not included in this table, OIG did not monitor any elements of a hiring sequence for that department.

<sup>30</sup> Chapter V.8 of the Hiring Plan states, in part, that "There shall be no discussion between the interviewers regarding the Candidates until the Consensus Meeting."

candidates outside of the Consensus Meeting. This form was distributed to all certified interviewers within CPL, who then signed an acknowledgment of receipt and understanding of the form.

In the other instance, during interviews held for a position in DOF, OIG observed that interviewers were not completing their Candidate Assessment forms in a timely manner.<sup>31</sup>

Subsequently, DOF management required the interviewers involved in the sequence to retake Interview and Consensus Training conducted by DHR. In addition, DOF officials created an instruction sheet that will be distributed to all interviewers prior to conducting an interview. In order to ensure the accuracy of the instructions, this sheet was written in cooperation with DHR, and emphasized the obligations of interviewers under the Hiring Plan. The department also instructed all Human Resource Liaisons to ensure interviews are scheduled to allow ample time for interviewers to complete all required paperwork.

G) *Hiring Certifications*

Hiring Certifications are the required certifications attesting that no political reasons or factors or other improper considerations were taken into account in the applicable action.

Of the 47 hire packets audited in the last quarter, 1 contained an error of a clerical nature related to Hiring Certification.

H) *Acting Up*<sup>32</sup>

OIG audits the City's compliance with Chapter XI of the General Hiring Plan,<sup>33</sup> the Acting Up Policy, and all Acting Up waivers processed by DHR.

The following chart details waivers to the City's 90-Day Acting Up limit approved by DHR in the last quarter.

**Table #7 - Acting Up Waivers**

Department	Position	Number of Employees	Date of Response	Duration of Waiver
Water Management	Chief Operating Engineer	1	07/2015	Until 10/2015
Fleet and Facilities Management	Foreman of Hoisting Engineers	1	08/2015	Until 07/2015
Water Management	Chief Mason Inspector	1	08/2015	Until 09/2015
Water Management	Construction Laborer	2	09/2015	Until 11/2015

*Chapter V.13.8 of the City of Chicago Hiring Plan states, "[e]ach interviewer shall independently and personally complete an evaluation form for the Candidate at the conclusion of the interview."*

<sup>32</sup> 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.

<sup>33</sup> Chapter VIII of the CFD Hiring Plan and Chapter X of the CPD Hiring Plan follow the same guidelines as Chapter XI of the General Hiring Plan.

*Arbitrations and Potential Resolution of Grievances by Settlement*

OIG is required to conduct audits of all arbitration decisions and grievance settlement agreements that may impact procedures under the City's Hiring Plans or Other Employment Actions.

During the third quarter of 2015, OIG received two notices of settlement agreements from DHR.

In the first agreement, DHR denied the grievant's request to adjust their seniority date as a Pool Motor Truck Driver.

The second agreement involved a CFD position. In this instance, the grievant was promoted to the rank of Fire Engineer.

**3. Reporting of Other OIG Hiring Oversight Activity**

*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 sequence, refer the matter to the DHR Commissioner or appropriate department head for resolution, or refer the matter to the Investigations Section of OIG.

OIG received no escalation notifications during the third quarter of 2015. OIG had no escalations pending that were concluded within the third quarter.

*(B) 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 any aspect of 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 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 closed one case with a recommendation memorandum to CFD regarding the scheduling of interviews for Special Unit Assignments. During the review, OIG found that CFD-HR does not have a practice of sending candidates confirmation emails of interviews. Based on OIG's findings, OIG recommended that CFD send email confirmations. CFD stated that doing so would be overly burdensome since 1 vacancy could have over 50 candidates. Instead, CFD proposed to schedule an interview make-up day for any candidate that missed or misunderstood their interview date and time.

*OIG Quarterly Report -Third Quarter 2015*

OIG received 14 complaints related to the City's hiring practices in the past quarter. The chart below summarizes the disposition of these complaints as well as the complaints and cases from the previous quarter that were not closed when OIG issued its last report.

**Table #8 - Disposition of Hiring Oversight Complaints Received in the Third Quarter 2015**

<b>Status</b>	<b>Number of Complaints</b>
Cases Pending at the End of the 2 <sup>nd</sup> Quarter of 2015	24
Complaints Pending at the End of the 2 <sup>nd</sup> Quarter 2015	1
Complaints Received in the 3 <sup>rd</sup> Quarter of 2015	14
Complaints Referred by OIG Investigations in the 2 <sup>nd</sup> Quarter 2015	0
Total Complaints Closed without Inquiry in the 2 <sup>nd</sup> Quarter of 2015	0

Total Cases Closed in the 3 <sup>rd</sup> Quarter 2015	17
Closed by Referral to OIG Investigations	2
Closed by Referral to DHR	1
Closed with Recommendations to the Hiring Department and/or DHR	1
Pending with OIG-HO as of September 30, 2015	22

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City of Chicago Office of Inspector General

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To Suggest Ways to Improve City Government Visit our website: <<https://chicagoinspectoreeneral.org/eet-involved/help->>  
<http://chicagoinspectoreeneral.org/eet-involved/help->>

To Report Fraud, Waste, and Abuse in City Programs Call OIG's toll-free hotline 866-IG-TIPLINE (866-448-4754).  
Talk to an investigator from 8:30 a.m. to 5:00 p.m. Monday-Friday. Or visit our website:  
<<http://chicagoinspectoreeneral.org/eet-involved/fieht->>

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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 operation of City government. OIG achieves this mission through,

- administrative and criminal investigations;
- audits of City programs and operations; and
- reviews of City programs, operations, and policies.

From these activities, OIG issues reports of findings, disciplinary, and other recommendations to assure that City officials, employees, and vendors are held accountable for the provision of efficient, cost-effective government operations and further to prevent, detect, identify, expose, and eliminate waste, inefficiency, misconduct, fraud, corruption, and abuse of public authority and resources.

AUTHORITY

The authority to produce reports and recommendations on ways to improve City operations is established in the City of Chicago Municipal Code § 2-56-030(c), which confers upon the Inspector General the following power and duty:

*To promote economy, efficiency, effectiveness and integrity in the administration of the programs and operations of the city government by reviewing programs, identifying any inefficiencies, waste and potential for misconduct therein, and recommending to the mayor and the city council policies and methods for the elimination of inefficiencies and waste, and the prevention of misconduct.*