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Office of Inspector General

City of Chicago

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Report of the Office of Inspector General:

Quarterly Report of the Office of Inspector General Fourth Quarter 2015

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Joseph M. Ferguson Inspector General

OFFICE OF INSPECTOR GENERAL

City of Chicago

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January 15, 2016

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

As 2015 came to a close the City of Chicago grappled with serious questions about the meaning of accountable, ethical government. Though these questions took on an immediacy in 2015, their importance and urgency is not new. OIG has played and will continue to play a role in the answering these questions. During the pivotal moment in the City's history, we hold steadfast in promoting OIG's mission to fight for honest and efficient government and, as reflected in the quarterly report, continue to work towards new and collaborative ways of doing so.

This quarterly report demonstrates some of the many facets of OIG's effort to ensure City government is accountable to the public including investigations of theft and the misuse of public funds, theft of City resources, false reports of police. In addition, this past quarter the Chicago Procurement Reform Task Force, for which I served as a Co-Chair, along with the City's Chief Procurement Officer, Jamie Rhee, issued a report detailing findings and recommendations for reforming the procurement policies and practices of the City of Chicago and six of its sister agencies-Chicago Public Schools, Chicago Transit Authority, Chicago Housing Authority, City Colleges of Chicago, Chicago Park District, and Public Building Commission. Beyond the standalone significance of recommendations that, once implemented, will standardize, coordinate and in some instances consolidate aspects of procurement, contracting, contract management, and compliance, the recommendations include specific transparency and accountability mechanisms that have been codified in the Municipal Code.

Similarly, OIG ended 2015 engaged as a collaborative partner with the Police Accountability Task Force (PATF), examining and assessing police oversight and accountability issues. PATF will report out findings and recommendations addressing these critical issues in the coming quarter. In the meantime, OIG will continue to look for new ways to support and promote its

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core mission objectives and principles in other realms of municipal government. We welcome your support and insights, as well as your ideas for what and how you believe we can better serve the public good.

Respectfully,

Joseph M. Ferguson Inspector General City
of Chicago

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OIG Quarterly Report -Fourth Quarter 2015

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This quarterly report provides an overview of the operations of the Office of Inspector General (OIG) during the period from October 1, 2015, through December 31, 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.¹ 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 382 complaints during the preceding quarter. The following table outlines the actions OIG has taken in response to these complaints."

Table #1 - Complaint Actions

Status	Number of Complaints
Declined	251
Opened Investigation	28
Referred	51
Pending	52
Total	382

"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 13 complaints, opening Old administrative or criminal investigations based on 20 complaints, and referring 12 complaints. Six complaints from previous quarters are pending.

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Among other factors, OIG evaluates complaints to gauge the investigative viability and potential magnitude or significance of the allegations—both individually and programmatically.³ 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



Complaints Origin

2. Newly Opened Matters

During the quarter, OIG opened 111 matters, including 32 based on complaints received in earlier quarters. Of the opened matters, 109 centered on allegations of misconduct, and 2 centered on waste and inefficiency. Of the 111 opened matters, 63 were immediately referred to other departments or investigative agencies. A total of 48 cases proceeded to an OIG investigation, 2 were closed, and 46 remained open at the end of the quarter.

The following table categorizes the 11 investigation.

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.

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Table #2 - Subject of Investigations and Referrals

Subject of Investigations and Referrals	Number of Investigations and Referrals
Employees	79
Contractors, Subcontractors, and Persons Seeking Contracts	10
Appointed Officials	2
Other	20
Total	111

3. Cases Concluded in Quarter

During the quarter, OIG concluded 85 opened matters, 63 of which were the aforementioned referrals to City departments or other investigative agencies. Of the 63 referred matters, 43 were referred to a City department, and 20 were referred to a sister agency. Of the remaining 22 concluded matters, 8 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 nine 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 five 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 198 pending matters, including 46 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 198 pending matters, 66 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

Reason	Number of Investigations
Complex investigation. Generally involve difficult issues or multiple subjects.	64
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.	1
Total	66

6. Ethics Ordinance Complaints⁴

OIG received one ethics ordinance complaint this quarter.

7. Public Building Commission Complaints and Investigations

Included in the 382 complaints received, OIG received 3 complaints related to the Public Buildings Commission (PBC). Two complaints were declined, and one proceeded to an investigation related to PBC. OTG opened one investigation from a pending complaint related to PBC that was 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 investigation⁵-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

⁴ 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.

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

recommendations.⁶ 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.

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
11-0382	Police Department	1	Appropriate Discipline /Discharge	Discharge
14-0216	Transportation	1	Appropriate Discipline	7-Day Suspension
14-0394	Planning and Development	1	Discharge	Discharged, Ineligible For Rehire
14-0587	Water Management	1	Appropriate Discipline	3-Day Suspension, Training
15-0187	Animal Care and Control	2	Appropriate Discipline/ Termination	20-Day Suspension and 3-Day Suspension
15-0443	Fleet and Facility Management	1	Discharge, Ineligible For Rehire	Resigned in Lieu of Discharge, Ineligible For Rehire

(A) OIG Case #11-0382

An OIG investigation established that a Chicago Police Officer committed criminal acts of perjury and obstruction of justice. Specifically, the Officer wrote false reports regarding the 2010 arrest of a man for criminal possession of heroin. At the resulting preliminary hearing and bench trial the Officer also delivered false sworn testimony. A security video of the arrest scene showed that the Officer's reports and testimony about purported first-hand observations of the scene and interactions with the arrestee were clearly fabricated. The arrestee was eventually acquitted of the felony drug charge. In November 2012 the City settled a federal civil rights action against the City, the Officer, and two other Officers for \$99,000. OIG recommended that the Chicago Police Department (CPD) issue discipline against the Officer up to and including separation.

In August 2014, CPD opened an investigation of the Officer based on OIG's findings. CPD subsequently filed charges with the City of Chicago Police Board recommending that the Officer

⁶ 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.

be discharged from CPD. After a hearing before a Police Board Hearing Officer, the Police Board found that CPD proved by a preponderance of the evidence that the Officer committed perjury and made false reports, among other rule

violations. The Board found that the Officer's conduct was "sufficiently serious to constitute a substantial shortcoming that renders his continuance in his office detrimental to the discipline and efficiency of the service of the Chicago Police Department" On November 19, 2015, the Board ordered the Officer discharged. The Officer subsequently filed a lawsuit in the Circuit Court of Cook County seeking to reverse the Board's decision and to be reinstated as a police officer. That lawsuit remains pending.

(B) OIG Case #14-0216

An OIG investigation established that a Chicago Department of Transportation (CDOT) employee used a City vehicle for personal use and stored his or her personal vehicle in a City facility. The employee, who had take-home authorization for the City vehicle, used the vehicle to run personal errands during non-working hours, visit family members, and travel outside of City limits for non-work-related purposes. This violated the City's take-home vehicle policy, which only allows for incidental personal use of take-home vehicles and does not permit those vehicles to travel outside the City for non-work-related purposes. While using the City's vehicle, the employee also parked a personal vehicle in a City garage for weeks at a time, using City property as free, long-term overnight parking.

OIG recommended CDOT, at its discretion, impose discipline commensurate with the seriousness of the misconduct, the employee's position of authority, discipline history, and department standards. OIG noted CDOT revoked the employee's take-home vehicle authorization during the course of OIG's investigation. OIG also recommended that the Department of Fleet and Facility Management (2FM), which manages the City's take-home vehicle program, consider amending the Take-home Vehicle Authorization Request form to indicate that, by signing the form, an employee certifies that he or she understands and agrees to abide by the rules applicable to take-home vehicle use.

CDOT suspended the employee for seven days without pay. CDOT also distributed a copy of the City's vehicle policy to employees with take-home vehicle privileges and asked each employee to sign an acknowledgement form that they had read and understood the policy. CDOT stated that going forward it will ask all relevant employees to execute a new acknowledgement form each time CDOT renews their take-home authorization. In addition, every six months the Department will review all take-home vehicle privileges to ensure there is a valid departmental need for those employees to have access to a take-home vehicle. Lastly, CDOT stated it will develop and implement an auditing policy to ensure compliance with the take-home vehicle policy.

2FM informed OIG that it updated the Take-Home Vehicle Authorization Request form used by City Departments to require employees to certify that they understand and will abide by the City's vehicle policy and personnel rules.

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C) OIG Case #14-0394

An OIG investigation established that a Chicago Department of Planning and Development (DPD) employee lived in Darien, Illinois, in violation of the City's municipal code requiring its employees to reside in the City. OIG also found that the employee violated several Personnel Rules. The employee failed to disclose a financial interest in rental property on Statements of Financial Interests filed in 2011 and 2012 and intentionally maintained voter registration at the rental property, an action that constitutes voter fraud. The employee also failed to file a change of address for two City

residences in which the employee had previously lived. Finally, the employee presented a City ID badge to a CTA bus driver in order to ride the bus without paying.

OIG recommended that DPD make findings regarding each of the alleged Personnel Rule violations, take action consonant with the Residency Ordinance and Personnel Rules, which mandate discharge, and designate and refer the employee for placement on the ineligible for hire list maintained by the Department of Human Resources (DHR).

DPD agreed with OIG's recommendations and terminated the employee on November 6, 2015. The employee appealed, and an arbitration is scheduled for February 2016.

D) *OIG Case #14-0587*

An OIG investigation established that a Department of Water Management (DWM) employee participated as an interviewer in the hiring of a relative and failed, before and after the interview, to disclose the personal relationship to anyone at DWM or DHR. Pursuant to the City Personnel Rules, departmental rules, and trainings required by the City of Chicago Hiring Plan, interviewers must be unbiased and must disclose any potential threats to their objectivity.

OIG's investigation also revealed that DHR does not require departments to notify interviewers of the candidate names in advance, providing them with little opportunity to disclose or recuse themselves. In addition DHR's Hire Certification form required only that interviewers attest that political reasons or factors did not play a role in hiring, and did not mention other "improper factors."

OIG recommended that DWM impose discipline against the employee commensurate with the seriousness of the misconduct, the employee's discipline history, and department standards. OIG also recommended that DHR consider: (i) requiring departments to provide candidate names to interviewers in advance; (ii) amending the Hire Certification form to include other "improper factors;" and (iii) requiring interviewers to attest that they have disclosed any personal relationships with candidates.

Following OIG's investigation, DWM issued a three-day suspension to the employee and directed the employee to attend the next interview training. In addition, DHR stated that it will take steps which will minimize the occurrence of cases like this in the future. To that end, DHR will require hiring departments to provide candidate names to interviewers in advance. Additionally, in consultation with OIG Hiring Oversight, DHR amended the Hire Certification Form such that employees who participate in the hiring process must now attest that no improper

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factors influenced their decisions, and that they understand failure to disclose any personal relationships with candidates is a violation of the hiring process.

OIG Case #15-0187

An OIG investigation established that two Commission on Animal Care and Control (CACC) employees violated the City's Personnel Rules. Specifically, OIG found that one employee left a dog on a CACC vehicle after an adoption event. The employee later discovered the dog, alive, but not until a full five days and five nights. Further, the OIG investigation revealed that a supervising CACC employee's lack of control over the offsite adoption event contributed to the dog not being discovered for five days and five nights.

OIG recommended CACC impose discipline against the two CACC employees up to and including termination, commensurate with the gravity of their violations, department standards, and any other relevant considerations. In response, CACC suspended the employee who left the dog on the vehicle for 20 days without pay and the supervising employee for 10 days without pay. The supervising employee appealed the suspension on January 5, 2016, and the appeal is currently under review. Additionally, CACC suspended a third employee involved in the incident for three days without pay. CACC also informed OIG that, in July and August 2015, as a result of the incident, CACC updated its policies in an effort to more accurately track animals going to and from offsite events.

OIG Case #15-0443

An OIG investigation established that a 2FM employee stole City-owned gasoline from a City-owned and managed refueling station manned by the employee. The 2FM employee's conduct was captured on video. The employee's actions constituted theft under the Illinois Criminal Code and violated the City's Personnel Rules. Accordingly, OIG recommended that 2FM terminate the individual's employment and refer the individual for placement on the ineligible for rehire list maintained by DHR.

In response, 2FM stated that it requested and received a Statement of Charges from DOL and subsequently conducted a pre-disciplinary hearing with the employee. The employee then submitted a letter of resignation. 2FM accepted the employee's resignation in lieu of discharge and confirmed with DHR that the individual would be placed on the ineligible for rehire list. Separately, in November the employee pleaded guilty to theft and was and was sentenced to 3 months of court supervision.

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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.⁷

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)^S and grievance arbitrations concerning OIG's disciplinary recommendations.

1. **Synopses of Criminal Cases**

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

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

During this quarter, there were no significant developments in previously reported criminal cases.

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

To date, OIG has been notified of one update of appeals to HRB occurring in the quarter regarding discipline imposed as a result of an OIG investigation.

(A) Update of OIG Case #09-1575

As reported in the fourth quarter of 2010, a prime contractor defrauded the City of \$1.4 million dollars intended for legitimate M/WBE participation. The contractor had two certified firms execute fraudulent lien waivers falsely claiming that they had received payments from the prime contractor for work on City contracts. The fraud scheme occurred on three contracts with CDA. OIG determined that the certified firms did little or no work and received payment of 2% of the value of the falsified liens. The prime contractor submitted the falsified lien waivers to the City as proof that it had met its M/WBE participation requirements. OIG recommended permanent debarment of the principals of the prime contractor and the certified firms who knowingly executed fraudulent lien waivers, debarment of all three companies, and decertification of the certified firms.

In 2011, DPS debarred the two certified firms, the individual presidents of each certified firm, the prime contractor, and one of the prime contractor's principals. DPS's action to debar a

' OIG may issue summary reports of investigation recommending administrative action based on criminal conduct. * 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.cii>yol'chicatio.oru/citv/en/dept.s/dhr/aiito tiencrated/dhr our structure.html> (accessed July 9, 2015)

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second principal went to an administrative hearing. On October 29, 2014, an administrative law judge recommended that the Chief Procurement Officer (CPO) debar the individual. On October 7, 2015, the CPO issued her final decision to permanently debar the individual.

Recoveries

This quarter OIG received one report of cost recovery actions or other financial recoveries related to an OIG investigation.

Update of OIG Case #09-0330

As reported in the fourth quarter of 2010, a delegate agency, the delegate agency's president, and its chief executive officer defrauded the City in three respects. The subjects falsely represented that the delegate agency was current with its payroll tax obligations, when, in fact, the agency had an outstanding tax balance of up to \$1.35 million. The delegate agency also defrauded the City by using taxpayer grants for purposes unrelated to the mission of the organization, including payments made for school tuition, personal vehicle loans, and expenses related to a business owned by the

president's husband. Lastly, the delegate agency submitted reimbursement claims for expenses the agency did not pay, including approximately \$56,000 in false expense claims for audit, health insurance, and payroll expenditures.

Following OIG's investigation, on January 20, 2011, the City permanently debarred the delegate agency and its president. In 2011, DOL filed a breach of contract and municipal violations complaint in Circuit Court against the delegate agency and its president, alleging that they improperly submitted vouchers to the City and received payment for these vouchers totaling \$54,121.97. In August 2015, after several years of litigation, the parties settled the case for \$32,000, with payments to be made to the City over a period of five years. The defendants subsequently defaulted on the payment plan, and, on November 18, 2015-in accordance with the settlement agreement-the Circuit Court entered a judgment against the defendants for the City of Chicago in the amount of \$54,121.97, the full amount of damages.

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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 released this quarter.

(A) Chicago Department of Transportation Pavement Management Audit⁹

OIG evaluated CDOT's pavement management program to determine if the Department managed street maintenance in a cost-effective way that extended pavement life in accordance with the Federal Highway Administration's (FHWA) pavement preservation program guidelines.

OIG found that CDOT's pavement management program did not comport with FHWA's guidelines. Specifically, OIG found that CDOT's pavement management program, which manages arterial and residential streets separately, had

deficits in the areas of street condition data, performance measurement, and preventive maintenance.

OIG found that, between 2000 and 2014, CDOT performed no preventive maintenance, such as crack sealing, on arterial streets and a negligible amount on residential streets. Instead, CDOT invested almost all of its resources in corrective maintenance and repair, such as pothole filling, resurfacing, and reconstruction, which CDOT management characterized as a "worst-first" approach. OIG estimated that, by reallocating \$2.9 million per year from resurfacing to preventive maintenance, the City could save \$69.5 million over the 15-year lifecycle of a street, for an average annual savings of \$4.6 million.

OIG recommended that CDOT develop in-house expertise about pavement preservation techniques, collect reliable condition data on a routine basis, develop a proactive preventive maintenance strategy, and separate residential street resurfacing from the Aldermanic Menu Program, among other action items. CDOT agreed with the majority of OIG's recommendations. However, the Department does not plan to change its data collection for residential streets nor separate residential street resurfacing from the Aldermanic Menu program.

" Published December 22, 2015. See <<http://chic.moinspcctort;cnrtil.ort/wp-coiitent/uploiids/2015/12/CDQT->Puvcmcnl-lvlainiiicment-Audit.pdf>>

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B) *Department of Human Resources and Office of Budget and Management Hiring Timeliness Audit*
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OIG evaluated the City's hiring process for fiscal year 2013 to determine the timeliness of the City's processes for filling employment vacancies. The City's hiring process requires a coordinated effort by DHR, which works with departments to conduct the hiring process, and the Office of Budget Management (OBM), which approves a department's request to start the hiring process. OBM also requires most departments to submit a budgetary hiring plan that staggers hiring throughout the year to reduce personnel costs. This practice forces departments to delay hiring into vacant positions and to operate with less than the turnover-adjusted net personnel budgets appropriated to them by the City Council. We found that the City lacked official performance goals for the timeliness of the full hiring process and did not track the time-to-hire for vacancies. Our analysis also found that in 2013 it took the City an average of 176 days to fill vacant positions, while many appropriated positions remained unfilled over the course of the entire year.

OIG recommended that OBM evaluate whether its method of managing hiring needlessly prevents departments from maintaining necessary staffing levels to operate effectively. We also recommended that DHR set official time-to-hire goals and implement procedures to identify, measure, and remedy hiring delays. A lengthy hiring process may hinder operational effectiveness and discourage high-quality job applicants. If the City wishes to improve the speed of the hiring

process and meet departments' operational needs, it should reliably record and analyze data on the many steps in the hiring process in order to identify opportunities for streamlining the process.

OBM disagreed with the audit findings and recommendations and did not propose changes to the budgetary hiring plan process. DHR partially agreed with OIG, stating that it would implement new methods for tracking milestones in the hiring process and identifying sources of delay.

C) *Business Affairs and Consumer Protection Medallion Sales and Taxicab Inspections Follow-up Inquiry*

OIG evaluated the status of Business Affairs and Consumer Protection's (BACP) corrective actions in response to OIG's March 2015 audit of BACP's administration of taxicab regulations in 2013. OIG concluded that the Department had implemented corrective actions related to three of the original four audit findings, including making revisions to its Public Vehicle Inspection Guide to specify the visual and manual brake test procedures used in place of the brake machine. Corrective action on the remaining finding remained premature because as of November 23, 2015, BACP had yet to take final action on medallion sales from the 2013 auction even though the bidding closed over two years earlier.

¹ Published December 23, 2015. See <http://7chicagoinspectoiuei'ieral.oru/wp-content/uploads/2015/12/City-Hirinu-Timclincss-Audil-.pd I>.

² Published November 23, 2015. See <<http://chicaao1nspector12cnral.ori>>"vp-content,"uploads/2015/1 1 /BACP-raxicah-Mcdalli()n-Aucti()ii-and-Inspections-Audit-l'ollo\y-Up-Reportl.pdr

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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 manner. OIG completed three notifications this quarter.

(A) ■ *Notification Regarding Updating of Economic Disclosure Statements Filed by the Department of Procurement Services*

OIG notified DPS of a procedural issue in its bid process. The issue arose during the course of an OIG investigation revealing that a City vendor was unaware of its obligation to keep current the economic disclosure statement (EDS) it submitted to the City in conjunction with a contract bid. OIG's investigation strongly suggested that the unusual year-long bid evaluation period led the vendor's representative to assume that the vendor was no longer under consideration for the contract. As a result, the vendor did not amend its EDS or otherwise notify DPS of a change in ownership structure, and DPS awarded the contract to the vendor when it was not in technical compliance with its economic disclosure obligations.

Accordingly, OIG recommended that DPS consider notifying vendors during the bid evaluation process of their duty to accurately maintain their EDS by promptly amending their disclosures to reflect current interests and circumstances. OIG noted that the EDS itself requires a vendor to certify that it will keep the provided information current, but a formal

reminder to vendors of that duty could eliminate confusion at the end of the award process, prevent possible controversy, and even cancellation of an award.

In its response, DPS agreed that providing an additional reminder to bidders and contractors that they must keep their EDS information up-to-date is "wholly consistent with [its] guiding principles of integrity and public trust." As a result, DPS stated that it would add a formal reminder in its notices of award and ensure that all contract administration staff members verify that the EDS on file is current prior to award. In addition, DPS sent a formal reminder to its contractors about their obligation to update their disclosures. Finally, with respect to other types of City-related actions that require the submittal of EDS forms, aside from DPS-administered bids and contracts (e.g., bonds, grants, and TIF-funded projects), DPS stated that "[m]echanisms should be in place to remind the disclosing parties of the EDSs to keep their information current." In service of that principle, DPS forwarded OIG's letter to DOL for consideration of further action.

*(B) Notification Regarding Office of Emergency Management and Communications Employees
Accessing Databases for Personal Reasons*

OIG sent a notification to the Office of Emergency Management and Communications (OEMC) regarding the risk of misuse of the City's Computer Aided Dispatch (CAD) system. The notification follows an investigation that established that an OEMC employee used CAD for personal reasons on a serial basis over a period of years. OIG regards this risk as a matter of serious concern as the accessing of City databases, such as CAD, for personal reasons is

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inappropriate and the absence of proscriptions and controls poses security and integrity risks, regardless of whether there is further dissemination of sensitive information to a third party.

OEMC General Order 10-006 states that members are to "limit the communication of sensitive work-related information to only associates that need the information for operational/administrative needs" and "maintain the confidentiality of sensitive information in a non-work related environment, including, but not limited to personal phone calls, personal electronic communications, and social media platforms." However, the Order does not explicitly prohibit personnel from obtaining any data from CAD for personal use. During OIG's investigation an OEMC supervisor stated that the Department is aware that OEMC employees access CAD for personal reasons and, in certain circumstances, tolerates this activity.

OIG recommended that OEMC review existing department rules and regulations concerning the accessing of sensitive City information and take action sufficient to ensure that all department employees are aware that they are not to access CAD, or any City database containing sensitive information, for personal reasons under any circumstances. OIG further recommended that OEMC consider expanding OEMC Order P99-012, a more restrictive policy that forbids Police Dispatch Personnel from obtaining any data through the Illinois Law Enforcement Agencies Data System (LEADS) for personal use, to cover CAD, as well as any other applicable City databases.

OEMC's response did not specifically address the appropriateness of habitual use of CAD information by employees for personal reasons. However, OEMC stated that it conducted a LEADS dissemination training for all three watches in October 2014 regarding OEMC Order 10-006. OEMC further noted that employees with LEADS access receive State-required training every two years to maintain that access. Finally, OEMC stated that it is "in the process of expanding General Order 10-006," the order requiring employees to maintain the confidentiality of sensitive information, "to encompass the Computer Aided Dispatch system as well as other applicable City databases."

(C) Notification Regarding Chicago Fire Department Medical Clearance

OIG sent a notification to CFD after an OIG investigation revealed that at least 20 CFD firefighters in the Lewis 111 class -see Arthur L. Lewis, Jr. et al. v. City of Chicago, No. 98-C5596 (N.D. 111. filed Aug. 17, 2011)-had not been medically cleared by a CFD physician prior to starting their employment, in contravention of national standards for fire departments and the department's own established practice. Two of the twenty improperly cleared members suffered serious medical events while off-duty and died not long after they began their full duties, highlighting the importance a CFD physician to provide medical clearance for all new firefighters. OIG strongly urged that CFD consider immediate action to assure that the remaining 18 members who had not been medically cleared by a CFD physician were in fact medically fit for duty. OIG further urged that CFD devise and implement a formal medical clearance policy consistent with national standards to assure that similar deviations did not occur in the future.

In response, CFD stated that, as part of its standard pre-hiring processing, the Lewis 111 candidates had been medically examined by an outside vendor. That examination included a

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medical history, a physical evaluation, and blood tests. CFD physicians then conducted an initial review of the vendor's medical examination files to either clear the candidate or note "what additional steps were required-such as particular types of follow-up examinations by the candidate's personal physician or retesting where the initial blood tests showed anomalous results." CFD acknowledged that the CFD physicians "fell behind in subsequently reviewing the applicants' files to assure whether the specified additional steps were taken."

CFD further that, operating on the advice of counsel, and in order to ensure compliance with a Court-imposed hiring deadline it decided to have administrative personnel conduct a "limited and administrative follow-up review" of the medical examination files of 53 yet to be cleared candidates. CFD characterized this clearance as an administrative "check of documents," which consisted of CFD administrative personnel reviewing documents provided by external personal care physicians. CFD administrative personnel ultimately cleared 19 of the 53 candidates and rejected 34 others "because the documentation in their files was incomplete." In a supplemental response, however, CFD acknowledged that a twentieth individual "may have been administratively-cleared," as the individual's clearance letter was signed by CFD's Personnel Division.

A current and former CFD Medical Director told OIG, that the administrative personnel performing the "check of documents" lacked the medical judgment necessary to evaluate whether the candidate met the medical standards to be hired. For example, in their view, even where a candidate's file contains a letter from a private physician attesting that a candidate is fit for service, a reviewing CFD doctor should evaluate that letter in the context of any accompanying test results before clearing the candidate. In addition, national standards state that when medical evaluations are conducted by a physician or medical provider other than the fire department physician, the evaluation shall be reviewed and approved by the fire department physician.

CFD's response further stated that after the first of the two cleared firefighters died, CFD retained an outside doctor with particular experience with fire service requirements to conduct a detailed review of the medical files of the other 19 administratively cleared candidates and the determination that they were cleared for hire. This medical review found that 6 of the 19 candidates should not have been cleared without further inquiry regarding medical conditions of concern.

Soon after, a second of the 19 administratively cleared candidates died while off-duty. Both of the firefighters who died were among the six candidates who the outside doctor identified as having medical conditions warranting further inquiry, which CFD has acknowledged.

As to the four surviving administratively-cleared firefighters for whom the outside physician concluded additional screening to be warranted, CFD stated that three of those four candidates subsequently experienced a medical issue, unrelated to the medical condition of concern identified during the pre-hire screening process, that led to them being evaluated by CFD's medical staff. According to CFD, CFD's medical staff subsequently cleared all three as "fully fit to return to duty." However, CFD acknowledged that the wellness exam these three firefighters received from CFD's medical staff did not include certain diagnostic components that are part of the candidate application screening process, such as bloodwork. CFD acknowledged that the

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fourth firefighter "has had no occasion to be evaluated by CFD Medical," but stated that the information documented in the fourth firefighter's medical examination "posed no serious health or medical issues."

CFD stated that it had discussed performing a medical exam for all the administratively-cleared firefighters, and was willing to pursue such examinations, but was "advised by outside counsel that doing so would be improper and potentially violate the Americans with Disabilities Act." Going forward, CFD noted that its current Medical Director "has developed detailed internal operating procedures" that follow National Fire Protection Association standards, which the Department is now following. CFD's "Medical Division Handbook," dated June 2015, states that a CFD physician is to "[m]ake a final medical clearance determination on applicants."

G. Other Reports and Activities

As an expert in government oversight and as part of its mission to promote economy, effectiveness, efficiency, and integrity, OIG may participate in additional activity to improve accountability in City government. OIG concluded one such activity this quarter.

(A) Chicago Procurement Reform Task Force

On May 19, 2015, Mayor Rahm Emanuel announced the creation of a task force on procurement reform to include members from the City of Chicago and six participating sister agencies- Chicago Public Schools, Chicago Transit Authority, Chicago Housing Authority, City Colleges of Chicago, Chicago Park District, and Public Building Commission. Inspector General Joe Ferguson and the City's Chief Procurement Officer, Jamie Rhee Co-Chaired the Procurement Reform Task Force, which was charged with identifying opportunities for the City of Chicago and its sister agencies'to implement uniform best practices governing the award, management, and oversight of contracts.

OIG provided research and analyses on efficiency, accountability, transparency, integrity, and economy in procurement. The Task Force issued a comprehensive survey to all member agencies, reviewed policies and procedures, held meetings with procurement staff, and compared statutory obligations and practices. The resulting 31 recommendations outline actions to streamline operations, reduce redundancies, and enhance resource management across the City and its sister agencies, as well as reduce unnecessary administrative burden on City vendors. The final recommendations also identify steps to limit the risks for fraud and conflicts of interests through implementation of uniform best practices and improved

information-sharing and oversight. Participating members of the Task Force agreed on and committed themselves to an implementation timeline for the recommendations that were variously tiered as, immediate (to be addressed by the end of Q1 2016), mid-term (to be addressed by the end of Q4 2016), long-term (to be addressed in 2017 and thereafter).

The Task Force issued its final report on November 17, 2015, including its findings and recommendations for procurement reform. The report can be found at <http://bit.ly/PRTF2015>.

As a result of the November report, City Council passed an ordinance on January 13, 2016,

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establishing an intergovernmental agreement between the City and the participating sister agencies to support implementation of the recommendations. The agreement is available at <http://bit.ly/lZBDbnC>. The ordinance also requires OIG to conduct and publicly report out an annual, independent evaluation of the City's progress toward implementation. These steps will help ensure that the Task Force goals are realized in the near and long-term.

H. Hiring Oversight

Under Chapter XII of the City of Chicago General Hiring Plan, Chapter XI of CPD Hiring Plan,

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

1. Hiring Process Reviews

(A) Contacts by Hiring Departments

OIG reviews all reported or discovered instances where hiring departments contacted the Department of Human Resource (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.

During the fourth quarter of 2015, OIG received notice of two direct contacts:

- A department contacted a DHR Recruiter inquiring why three applicants were placed on a referral list. DHR determined that two of the three applicants were not eligible to bid for the position and should not be interviewed. DHR confirmed that the third applicant met the minimum qualifications and should be interviewed.
- A department contacted a DHR Recruiter to ask why an internal applicant was not included on a referral list. The DHR Recruiter informed the department of the legal proscription against such inquiries and counseled that individual applicants with questions may contact DHR directly.

¹² 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 unions 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 refilled, 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 10, 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."

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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 fourth quarter of 2015, OIG received notice of three political contacts:

- An elected official contacted DHR in support of a candidate appealing his removal from the police officer eligibility list.
- An elected official contacted DHR and inquired whether a former City employee was on the Ineligible for Rehire List.
- An elected official contacted DOL to refer four prospective applicants.

C) *Exemptions*

OIG reviews adherence to exemption requirements, Exempt Lists, and the propriety of Exempt List modifications. OIG receives and reviews notifications of all Shakman Exempt appointments and modifications to the Exempt List on an ongoing basis from DHR. OIG received 52 notifications of exempt appointments in the fourth quarter.

D) *Senior Manager Hires*

OIG reviews hires pursuant to Chapter VI covering the Senior Manager Hiring Process.

Of the 60 hire packets OIG reviewed in the fourth quarter, 13 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.¹³

During the fourth quarter of 2015, OIG received notice of one Written Rationale.

F) Emergency Appointments

¹³ 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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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 fourth 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 for services to 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 chart below details the contract and volunteer program notifications OIG received in the fourth quarter of 2015.

In addition, this quarter OIG completed a review of the contracting process used by the Department of Water Management (DWM). This review focused on DWM's process for selecting vendors using task orders. OIG's review found that DWM failed to provide advance notification to OIG prior to offering contracts and include required Shakman Boilerplate language in all contracts.

In response to this review, DWM corrected the identified errors and collaborated with OIG and DPS to create a task order policy that is in compliance with all relevant City policies and regulations. In its response to OIG's review, DPS noted that the Contractor Policy, as written, is silent on the Task Order process and should be amended.

During the course of OIG's review of DWM contracting process, DHR revamped its training efforts regarding the Contractor Policy and required all City of Chicago employees involved in contracting activities to attend a training before September 30, 2015. The training provided clarification that each department is required to provide OIG advance notification of draft contract or agreement terms, including task orders issued under Master Consulting Agreements. Following this training, in the fourth quarter of 2015, OIG received 52 agreements to review, 108% more contracts than it received in the fourth quarter of 2014.

During the fourth quarter, OIG also received notice of a Contractor Policy violation by the Department of Public Health (CDPH). The Contractor Policy limits the use of temporary service agreements to one year.¹⁴ CDPH utilizes temporary

psychiatry professionals to staff six mental health centers throughout the City of Chicago. In the fourth quarter of 2015, CDPH continued the use of temporary service staff beyond the one year limit, in violation of the Contractor Policy, to avoid a disruption of essential patient care. CDPH is actively working to fill their psychiatry vacancies and provided evidence of those efforts to OIG.

Table #5 - Contract and Volunteer Opportunity Notifications

¹⁴ Exhibit C. Section II.B.1.(b)(3) of the General Hiring Plan.

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Contracting Department	Contractor, Agency, Program, or other Organization	Duration of Contract or Agreement	Number of Contracts (if multiple)
Cultural Affairs and Special Events	Columbia College Chicago	7 months	2
Cultural Affairs and Special Events	Artist in Residence	5 weeks	
Cultural Affairs and Special Events	Artist in Residence	7 months	
Family and Support Services	Chicago Public Schools	2 years	2
Family and Support Services	M3 Medical Services	10 weeks	
Family and Support Services	M3 Medical Services	7 months	
Fleet and Facility Management	Task Order Request	9 months	2
Fleet and Facility Management	Task Order Request	1 year	
Fleet and Facility Management	Task Order Request	1 year	
Fleet and Facility Management	Task Order Request	3 months	2
Fleet and Facility Management	Task Order Request	4 weeks	
Fleet and Facility Management	Task Order Request	4 to 10 weeks	
Fleet and Facility Management	Task Order Request	4 weeks	2
Fleet and Facility Management	Task Order Request	1 year	
Fleet and Facility Management	Task Order Request	1 year	
Mayor's Office	AmeriCorps	1 year	2
Mayor's Office	Stanford In Government	Summer 2016	
Mayor's Office	University of Chicago Urban Labs	Academic year	
Planning and Development	Allied Appraisal Company	3 weeks	4
Planning and Development	Applied Real Estate Analysis	3 weeks	
Planning and Development	Byrnes & Walsh	3 weeks	
Planning and Development	Kelly Appraisal	3 weeks	11
Planning and Development	PF Appraisal	3 weeks	
Planning and Development	SSA Provider Agencies	1 year	
Planning and Development	Task Order Request	3 weeks	20
Planning and Development	Task Order Request	N/A	
Water Management	Task Order Request	6 months	
Water Management	Task Order Request	10 months	6

Water Management	Task Order Request	4 months
Water Management	Task Order Request	4 months
Water Manauement	Task Order Request	10 months
Water Manaecment	Task Order Request	8 months

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2. Hiring Process Audits

A) *Modifications to Class Specifications,¹⁵ 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 9 titles within the following Departments: Business Affairs and Consumer Protection, Cultural Affairs and Special Events, Finance, Planning and Development, Police, and Public Health. Due to the manageable number of modifications, OIG reviewed all instances of a change to minimum qualifications.

In 8 instances, OIG did not have concerns or objections regarding the wording or rationale of DHR's modifications. In one instance, OIG objected to DHR's modifications and is awaiting a final resolution.

B) *Referral Lists*

OIG audits lists of Applicants/Bidders who meet the predetermined minimum qualifications generated by DHR for City positions. Each quarter, OIG examines a sample of referral lists and notifies DHR when potential issues are identified. OIG recognizes that aspects of candidate assessment are subjective and that there can be differences of opinion in the evaluation of a candidate's qualifications. Therefore, our 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 7 referral lists, none of which contained errors.

C) *Testing*

The Hiring Plan requires DHR to conduct an audit of DHR test administration and scoring each quarter. In the fourth quarter, OIG audited testing administration materials¹⁶ for 20 completed test administrations¹⁷ completed during the third quarter of 2015.

¹⁵ "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.

"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

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OIG found errors affecting two 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. Citywide - Foreman of Motor Truck Drivers, Multiple Choice Test

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 and rescored the test. Ultimately, the rescore did not affect the candidates' placement on the eligibility list or the final selection decision for the position.

ii. Office of Emergency Management - License Enforcement Aide, Skills-Assessment

OIG determined that the calculation of a candidate's score was incorrect. 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: the Department of Streets and Sanitation (DSS), DWM, CDA, CDOT, the Department of Buildings (DOB), 2FM, and six other City departments selected at the discretion of OIG.

Auditing the hiring sequence requires an examination of the hire packets, which include all documents and notes maintained by City employees involved in the selection and hiring process for a particular position. As required by the Hiring Plan, OIG examines some hire packets during the hiring process and examines other packets after the hires have been completed.

As reported in the third quarter of 2015, OIG completed an audit of hire packets for 40 hiring sequences. Of the 40 hire packets audited, there were errors in five hiring packets. From one hiring packet, OIG observed that an employee, who should have been excluded from all hiring activities, participated in an Intake Meeting. The review of another hiring packet revealed one error resulting from the late extension of a Pre-Qualified Candidate list and a second error resulting from the lack of a written justification for the extension of that list. In another sequence, the interviewers did not provide comments or ratings for one hiring criteria. In separate

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

"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.

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sequence, the candidate assessments forms were missing. In the last error identified by the OIG audit the HRL's hire certification was not dated.

During this quarter-the fourth quarter of 2015-DHR reported to OIG that in response to its audit recommendations the department revised the template justification memo related to the extension of Pre-Qualified Candidate lists. DHR has also reminded Recruiters to appropriately screen for individuals who have been excluded from the hiring process.

Also, in the fourth quarter of 2015, OIG completed an audit of hire packets for 52 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 52 hiring sequences involved 16 departments and 162 selected candidates. Of the 52 hire packets audited, there were 6 errors in 5 hiring packets. These errors involved missing documentation related to candidate assessment forms and a referral list error. In one sequence the interviewer did not select a rating for one hiring criteria. Additionally, OIG observed four hire sequences where a DHR Recruiter did not include their Consensus Meeting notes in the hire packet. In the last error, OIG noted that a Recruiter instructed the department not to interview all the lottery order candidates on the interview list.

In its response DHR stated they will update the Interview and Consensus Training to inform participants that they must include comments reflecting their overall hiring recommendations for each interviewed candidate. DHR will also remind Recruiters to only provide names of three to five applicants per vacancy in lottery order.

(E) Selected CPD Assignment Sequences

Pursuant to Chapter XII of the CPD Hiring Plan for Sworn Titles, OIG has the authority to audit Other Employment Actions,¹⁸ including district or unit assignments, as it deems necessary to ensure compliance with this Hiring Plan.¹⁹ Generally, OIG audits assignments not covered by a collective bargaining unit and located within a District or Unit,

Assignment packets include all documents and notes maintained by employees involved in the selection processes outlined in Appendix D & E of the CPD Hiring Plan. 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 second quarter of 2015, OIG audited assignment packets from four Non-Bid Duty Assignment²⁰ sequences, and three Non-Bid Unit Assignment sequences.²¹ These seven 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,

"Other Employment Actions" are 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.

See CPD Hiring Plan, Appendix D&E. " " 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. " Non-Bid Unit Assignments are assignments to units not designated by the relevant CHA as a bid unit.

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and other missing documentation. However, OIG recognized that the sequences selected for audit were initiated prior to the extensive training conducted for Appendices D & E to the Hiring Plan which were adopted as of June 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.

During this quarter-the fourth quarter of 2015-CPD-HR agreed with our recommendations and reported that they have already begun to take additional steps to decrease the issues with assignment packets, such as meeting with interviewers prior to interviews.

OIG recently completed its audit of assignment packets from Non-Bid Duty and Unit Assignment sequences from the third quarter of 2015. OIG will report its audit findings in a future quarterly report.

(F) Monitoring Hiring Sequences

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

OIG identifies the hiring sequences to be monitored based on risk factors such as past errors, complaints, and historical issues with particular positions. During the past quarter, OIG monitored four intake meetings, five test administrations, 15 sets of interviews, and 13 consensus meetings. The table below shows the breakdown of monitoring activity by department."

³ If a department is not included in this table, OKi did not monitor any elements of a hiring sequence for that department.

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Table #6 - First Quarter 2015 OIG Monitoring Activities

Department	Intake Meetings Monitored	Tests Monitored	Interview Sets Monitored	Consensus Meetings Monitored
Public Library			1	1
Streets and Sanitation		1	3	3
Planning and Development			1	1
Family and Support Services			1	1
Finance	1			
Police		2		
Fleet and Facilities Management				1
Public Health			1	2
Water Management			1	
Transportation			2	1
Cultural Affairs and Special Events			1	
Fire		2		
City Clerk			2	1
Business Affairs and Consumer Protection	2			
Human Resources			1	1
Administrative Hearings			1	1
Emergency Management and Communications	1			
Total	4	5	15	13

G) *Hiring Certifications*

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

There were no errors related to Hiring Certifications in the 60 hire packets reviewed in the last quarter.

H) *Acting Up²³*

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

"Acting Up" is where an employee is directed or is held accountable to perform, and does perform, substantially all of the responsibilities of a higher position

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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	Assistant Chief Operating Engineer	1	10/2015	Until 12/31/2015
Water Management	Operating Engineer	1	10/2015	Until 11/30/2015
Water Management	Chief Operating Engineer	1	10/2015	Until 12/31/2015
Water Management	Foreman of Machinist	1	10/2015	Until 12/31/2015
Water Management	Chief Operating Engineer	1	11/2015	Until 12/31/2015
Fleet and Facility Management	Foreman of Carpenters	2	11/2015	Until 12/31/2015
Fleet and Facility Management	Garage Attendant in Charge	1	11/2015	Until 12/31/2015
Fleet and Facility Management	Foreman of Blacksmiths	1	12/2015	Until 12/31/2015
Transportation	General Foreman of Linemen	1	12/2015	Until 12/31/2015

In the fourth quarter of 2015, OIG concluded audits of 2FM's, CDA's, DSS's, and CDOT's compliance with the Recordkeeping Consistency section of the Acting Up Policy. This section of the policy requires Acting Up to be coded in City payroll records using an Acting Up earnings element. The audit found minor compliance issues within CDA and DSS. These departments agreed with our findings and took corrective actions as necessary.

Additionally, as a result of the audit, 2FM identified an employee who had exceeded 90 days of Acting Up during the third quarter of 2015 without a waiver. Upon discovery of this oversight, the department immediately rotated the position to the next eligible employee and submitted documentation to DHR.

Finally, in the second quarters of 2014 and again in 2015 OIG audited CDOT's compliance with the Recordkeeping Consistency section. OIG's audits found numerous discrepancies between CDOT's monthly Department Reports of Acting Up and the corresponding payroll reports. Additionally, CDOT's monthly Department Reports of Acting Up were consistently late.

In the fourth quarter of 2015 OIG met with CDOT and DHR personnel to discuss the issues and possible resolutions. Following the meeting CDOT also completed a critical hire of additional management staff to assist with the administration of Acting Up. OIG will continue to monitor CDOT's compliance with the Record Keeping Consistency section of the Acting Up Policy.

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(I) Arbitrations and Potential Resolution of Grievances by Settlement

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

In June 2013, the City of Chicago implemented a City-wide labor grievance tracking system. Each department is required to enter all grievances filed on or after June 1, 2013, into the online tracking database. All grievances are to be entered at the time they are filed and individually updated as each grievance moves through the process.

As part of its auditing responsibilities, OIG conducted an audit of selected departments' use of the City's grievance database. OIG audited DOL, Clerk's Office, and CDPH. OIG found that the majority of the information reported by departments in response to its inquiries accurately matched with existing information in the database. Within the Clerk's Office and DOL, the audit found inconsistencies between grievances that were reported and the information in the City's database. Both departments agreed to take the appropriate corrective actions to ensure that the database is kept up to date. Additionally, in its response memo, DOL stated they would develop Grievance Tracking training for all departmental Labor Relations Liaisons to ensure uniform tracking and utilization.

OIG did not receive any notices of settlement agreements from DHR during the fourth quarter of 2015.

3. Reporting of Other OIG Hiring Oversight Activity

A) 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 OIG Investigations Section.

OIG received notice of one escalation during the fourth quarter of 2015. OIG reviewed the related hiring sequence. The result of this review is currently pending and the details will be reported after the matter is concluded. OIG had no pending escalations that were concluded within the fourth 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 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 received 11 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 Fourth Quarter 2015

Status	Number of Complaints
Cases Pending at the End of the 3 rd Quarter of 2015	22
Complaints Pending at the End of the 3 rd Quarter 2015	0
Complaints Received in the 4 th Quarter of 2015	11
Complaints Referred by OIG Investigations in the 4 th Quarter 2015	0
Total Complaints Closed without Inquiry in the 4 th Quarter of 2015	0
Total Cases Closed in the 4 th Quarter 2015	18
Closed by Referral to OIG Investigations	0
Closed by Referral to DHR/Department	1
Closed with Recommendations to the Hiring Department and/or DHR	2
Pending with OIG-HO as of December 31, 2015	15

During the fourth quarter of 2015, OIG closed two sustained cases. OIG's review found that due to the lack of City-wide written policies, CDPH personnel may have unintentionally deviated from hiring practices in requiring only in-person interviews. OIG recommended DHR codify practices regarding the use of technology-based interviews. OIG also recommended that CDPH remind its Human Resource Liaisons (HRL) of the importance of accurately documenting hiring details and submitting revised interview notification forms in a timely manner. CDPH agreed with our recommendations and updated their departmental hiring handbook. As part of its response DHR drafted a policy regarding technology-based interviews.

During the fourth quarter, OIG concluded a review of a testing sequence in DWM. In the course of its inquiry, OIG found that a DWM HRL requested candidates' union cards for a non-union title prior to scheduling the candidates for skills assessments. OIG recently submitted its findings to DWM and DHR, OIG will include a summary of the matter and the departments' responses in a future quarterly report.

In addition to the two sustained cases, OIG reviewed alleged inefficiencies related to the on-boarding process for the entry-level Firefighter/F.MT position in CFD. OIG's review found the

CFD Personnel Division (CFD-HR) and DHR communicated with candidates inconsistently as they progressed through the hiring process. Additionally, DHR and CFD-HR did not communicate with each other when candidates updated their contact information. OIG recommended that DHR facilitate CFD's use of the City of Chicago online applicant system, Taleo, to process Firefighter/EMT applicants and maintain electronic records. DHR and CFD agreed with this recommendation. DHR provided Taleo user training to CFD-HR in the fourth quarter of 2015 and both departments anticipate using this system for entry-level CFD candidates.

City of Chicago Office of Inspector General

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To Suggest Ways to Improve City Government	Visit our website: < improve-city-government/">https://chicagoinspectorgeneral.org/get-involved/help->improve-city-government/ >
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: < waste-fraud-and-abuse/">http://chicagoinspectorgeneral.org/get-involved/fight->waste-fraud-and-abuse/ >

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.