



Office of the City Clerk

City Hall
121 N. LaSalle St.
Room 107
Chicago, IL 60602
www.chicityclerk.com

Legislation Text

File #: F2018-22, Version: 1

201B APR 16 AM 8=08

OFFICE OF THE

Hi TV fi FRK

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

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

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

In the current era of #MeToo and Time's Up, this quarterly report reflects the ongoing national conversation about sexual harassment and assault. Under the City's Diversity and Equal Employment Opportunities Policy, OIG serves as the primary investigative agency for a subset of harassment complaints—those involving City contractors or members of the public - while the Department of Human Resources' Diversity and Equal Employment Opportunities Division handles the majority of complaints involving City employees as both complainant and victim. Despite the fact that OIG investigates just a subset of these complaints, OIG has seen an increase in these allegations.

In this report, we summarize two serious cases of sexual harassment that resulted in sustained findings and the discharge of two City employees. As consciousness grows about the harassment and discrimination that some City employees and contractors face in the workplace, in part as a result of investigations such as these, the City must take this opportunity to ensure it has strong, effective policies to protect its employees, contractors, and residents. To date, the City Council has passed legislation expanding sexual harassment rules for elected officials and requiring primary contractors seeking City bids to sign affidavits swearing that they too will protect their employees through established sexual harassment policies. These are steps in the right direction. We cannot fail to tackle these issues, as the City is legally and morally obligated to provide protections and enforce a comprehensive sexual harassment policy.

Relatedly, this quarter also brought the final dispositions in OIG's investigation of racist and sexist emails exchanged among senior-level officials at the Department of Water Management (DWM). As a result of sustained findings against multiple employees, DWM's new leadership and the Office of the Mayor have made numerous public commitments to combat harassment and discrimination at the Department. This changing culture is reflected in a recent reported incident in which the Department took swift and decisive action against a senior official after the use of a slur.

OIG investigations summarized in this quarterly report also highlight efforts to preserve the integrity of the City's Minority and Women-Owned Business Enterprise program. As the result of an OIG investigation conducted in conjunction with the Illinois Attorney General, the manager and president of a car wash contracted by the City of Chicago

■\:"t!

I OIG TIPLINE: (866) 448-4754 I TTY (773) 478-2066

were charged with various felonies, including theft and fraud, for their roles in a scheme to use a certified Minority-Owned

Business Enterprise (MBE) business as a pass-through, generating false invoices for products that were sold and delivered by a non-MBE business. Another car wash owner and the owner of the MBE also pleaded guilty to one felony theft charge, and each agreed to pay restitution for their roles in the \$1 million theft scheme. In another matter, the Department of Procurement Services (DPS) brought to a close three years of litigation and debarment proceedings against an MBE contractor that OIG had found to operate solely as a broker in contravention of the program rules. Under the settlement that DPS reached, the contractor will have new management, will retain a third-party compliance monitor, and will undergo ethics and compliance training. The oversight and outcomes of these investigations help to ensure that the City resources devoted to this important program support its intended beneficiaries-businesses owned by underrepresented populations.

Investigations into misconduct are not the sole means by which OIG seeks to prompt improvements in workplace culture and City operations. This past quarter OIG also embarked on a collaborative effort with the Board of Ethics, Department of Law, and a group of representative aldermen from the Chicago City Council to develop practical guidance to help aldermen and their staff operate effectively and efficiently within the ethics rules and regulations. After assuming jurisdiction over City Council and its staff in 2016, OIG quickly determined that aldermen face unique ethical issues arising from their multifaceted role and the greater independence of their office operations as compared to the rest of the City, and would therefore benefit from more robust operational guidance and support. OIG has received complaints and identified areas with heightened risk of violations that would have been avoidable with more carefully designed and comprehensive guidance. One example-the improper inclusion of political campaign donation buttons on websites for official ward business-is highlighted below in the summary of a notification to City Council. The collaborative working group is fully engaged in its work and will ultimately develop a guidance manual that will help to ensure compliance in the first instance and, as a result, reduce complaints resulting from uninformed actions and unintended violations.

We encourage residents to come forward with any allegations, suggestions, or complaints they may have. Trust that OIG is working to ensure that the vital issues addressed within this quarterly report will contribute to the positive reforms our City demands.

Respectfully,

A stylized signature consisting of a solid black square followed by the text 'd²-' in a bold, sans-serif font.

Joseph M. Ferguson Inspector General City
of Chicago

WWWCHICACOINS.PECTORCENALORC | OIG TIPLINE (866) 448-4754 | TTY (773) 478-2066

FIRST QUARTER REPORT

TABLE OF CONTENTS

FIRST QUARTER 2018 HIGHLIGHTS	2
I. MISSION OF THE OFFICE OF INSPECTOR GENERAL	3
II. INVESTIGATIONS	4

A. Complaints received this quarter	4
B. Prior Quarter Matters	5
C. Newly Opened Matters	5
D. Cases Concluded in Quarter	6
E. Pending Matters	6
F. Investigations Not Concluded in Twelve Months	7
G. Ethics Ordinance Complaints	7
H. Public Building Commission Complaints and Investigations	7
III. ADMINISTRATIVE CASES	8
A. Campaign Finance Investigations	8
B. Sustained Administrative Investigations	8
IV. CRIMINAL CASES, ADMINISTRATIVE APPEALS, GRIEVANCES, AND	
IV. RECOVERIES	16
A. Synopses of Criminal Cases	16
B. Developments in Prior Charged Criminal Cases	17
C. Synopses and Results of Administrative Appeals, Grievances, or Other Actions	17
D. Recoveries	21
V. AUDITS AND REVIEWS	22
VI. ADVISORIES AND DEPARTMENT NOTIFICATION LETTERS	23
VII. OTHER REPORTS AND ACTIVITIES	26
VIII. HIRING OVERSIGHT	27
A. Hiring Process Reviews	27
B. Hiring Process Audits	30
C. Reporting of Other OIG Hiring Oversight Activity	35

PAGE I

FIRST QUARTER REPORT

FIRST QUARTER 2018 HIGHLIGHTS

COMPLAINTS RECEIVED

\$30,917

FINANCIAL RECOVERIES

171

MATTERS CONCLUDED

3

in

MONITORED

HIRING

SEQUENCES

Department of Water Management employees used City resources to transmit racist, bigoted, and misogynistic emails, which included offensive purported jokes, racial slurs, and sexually explicit photos

Department of Cultural Affairs and Special Events employee engaged in aggravated battery and repeated sexual harassment during work hours and on City property

Chicago Police Department staff engaged in a preferential parking treatment scheme for off-duty law enforcement officers, friends, and family attending events at the United Center and other venues throughout the City

ETHICS COMPLAINTS

RESIDENCY VIOLATIONS

Chicago Department of Transportation Management of Construction in the Public Way Audit revealed that the project coordination program saved the City \$18.1 million in construction costs in 2016. although additional opportunities for improvement and coordination exist

PAGE 2

FIRST QUARTER REPORT

APRIL 15, 2018

This quarterly report provides an overview of the operations of the Office of Inspector General (OIG) from January 1, 2018, through March 31, 2018. The report includes statistics and narrative descriptions of OIG's activity as required by the Municipal Code of Chicago (MCC).

I. MISSION OF THE OFFICE OF INSPECTOR GENERAL

The mission of OIG is to promote economy, effectiveness, efficiency, and integrity in the administration of programs and operation of City government.¹ OIG accomplishes its mission through investigations, audits, and other reviews. OIG issues summary reports of investigations to the appropriate authority or the Mayor and appropriate management officials, with investigative findings and recommendations for corrective action and discipline. Summaries of sustained investigations and the resulting department or agency actions are released in quarterly reports. OIG's audit reports and advisories are directed to the appropriate agency authority or management officials for comment and then are released to the public through publication on the QIC...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.

¹ "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.

PAGE 3

FIRST QUARTER REPORT

APRIL 15, 2018

II. INVESTIGATIONS

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

A. COMPLAINTS RECEIVED THIS QUARTER

OIG received 552 complaints during the first quarter. The chart below breaks down the complaints OIG received by the method in which the complaint was reported.²

CHART #1 - COMPLAINTS BY REPORTING METHOD

Complaint Origin

² In response to recommendations of the Mayor's Police Accountability Task Force and the U.S Department of Justice, OIG created, at the request of the Chicago Police Department (CPD), a web-based Member Hotline permitting CPD personnel to file anonymous complaints and suggestions. The recommendation was based on findings that some CPD members, who have an affirmative duty to report misconduct, as mandated both by municipal ordinance and CPD General Orders, were reluctant to comply because of fear of reprisal and concern that their complaints and information would be disclosed. The CPD Member Hotline addresses this concern through a double-blind registration process that assigns each registering member a unique, untraceable login number. The CPD Member Hotline was activated during the fourth quarter of 2017. Since that time, only 19 of 14,011 employees of CPD have registered and a total of 9 complaints or suggestions have been received To date. CPD has declined OIG suggestions to mandate registration for all members or, alternatively, to require such registration as a condition of graduation from the Police Academy.

PAGE 4

FIRST QUARTER REPORT

APRIL 15, 2018

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

TABLE #1 - COMPLAINT ACTIONS

Status	Number of Complaints
Opened Investigation	19
Pending	50
Referred	115
Declined	368
Total	552

B. PRIOR QUARTER MATTERS

OIG also took action on complaints that were pending at the end of the prior quarter by declining 56 complaints, opening 6 administrative or criminal investigations, and referring 16 complaints to sister agencies. Additionally, three complaints were referred to the Hiring Oversight section and one complaint was referred to the Audit and Program Review section. Seven complaints remain pending. The following table provides the status of all complaints that were pending at the end of the previous quarter.

TABLE #2 - PRIOR QUARTER PENDING COMPLAINTS

Status	Number of Complaints
Opened Investigation	6
Pending	7
Referred to Audit and Program Review	1
Referred to Hiring Oversight	3
Referred to Department/Sister Agency	16
Declined	56
Total	89

C. NEWLY OPENED MATTERS

During the first quarter, OIG opened 160 matters. Of the newly opened matters, 135 were referred to other departments or investigative agencies. A total of 25 cases proceeded to an OIG investigation. Of those cases, 22 remained open at the end of the quarter, one case was closed sustained, one case was closed administratively, and one was closed not sustained.

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

PAGE 5

FIRST QUARTER REPORT

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

TABLE #3 - SUBJECT OF INVESTIGATIONS AND REFERRALS

Subject of Investigations and Referrals	Number of Investigations and Referrals
Employees	133
Contractors, Subcontractors, and Persons Seeking Contracts	10
Elected Officials	3
Licensees	4
Other	10
Total	160

D. CASES CONCLUDED IN QUARTER

During the first quarter, OIG concluded 171 opened matters, 136 of which were referred to the following: 110 to a City department and 26 to a sister agency or other external agency. Of the remaining concluded matters, 16 were closed as "sustained." A case is sustained when the evidence sufficiently establishes that either an administrative or criminal violation has occurred or the case identifies a particular problem or risk that warrants a public report or notification to a department. A total of 14 matters were closed as "not sustained." A case is not sustained when OIG concludes that the available evidence is insufficient to prove a violation under applicable burdens of proof. A total of five matters were closed "administratively." A case is closed administratively when, in OIG's assessment, it has been or is being appropriately treated by another agency or department, the matter was consolidated with another investigation or, in rare circumstances, OIG determined that further action was unwarranted.

TABLE #4 - CASES CONCLUDED IN QUARTER

StatUS ..	Number of Cases	...is* ..\v..o;fe. 'j;,,.,.
Referred to a City department	110	
Referred to a sister/external agency	26	
Sustained	16	
Not sustained	14	
Closed administratively	5	
Total	171	

E. PENDING MATTERS

At the close of the first quarter, OIG had a total of 148 pending matters, including investigations opened during the quarter.

PAGE 6

FIRST QUARTER REPORT

APRIL 15, 2018

F. INVESTIGATIONS NOT CONCLUDED IN TWELVE MONTHS

Under MCC § 2-56-080, OIG must provide quarterly statistical data on pending investigations open for more than 12 months. Of the 148 pending matters, 61 investigations have been open for at least 12 months.⁴ The following table

shows the general reasons that these investigations remain active.

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

Reason	Number of Investigations
Complex or resource-intensive investigation, which may involve difficult issues or multiple subjects	44
Extended due to higher-risk, time-sensitive investigations	13
Additional complaints added during the course of the investigation	3
On hold, so as not to interfere with another ongoing investigation	1
Total	61

G. ETHICS ORDINANCE COMPLAINTS

During the first quarter, OIG received six ethics ordinance complaints. OIG declined three complaints because they lacked foundation, one complaint was opened for investigation, and two complaints are pending.

H. PUBLIC BUILDING COMMISSION COMPLAINTS AND INVESTIGATIONS

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

⁵ Of the 61 cases opened longer than 12 months. 19 are criminal matters being conducted under the direction of county, state, or federal prosecutorial bodies.

PAGE 7

FIRST QUARTER REPORT

III. ADMINISTRATIVE CASES

OIG investigations may result in administrative sanctions, criminal charges, or both. Investigations leading to administrative sanctions involve violations of City rules, policies or procedures, and/or waste or inefficiency. For "sustained" administrative cases, OIG produces summary reports of investigation⁵-a summary and analysis of the

evidence and recommendations for disciplinary or other corrective action. OIG sends these reports to the appropriate authority or the Office of the Mayor, the Corporation Counsel, and the City departments affected by or involved in the investigation. When officials are found to be in violation of campaign finance regulations, the law affords them the opportunity to cure the violation by returning excess funds.

A. CAMPAIGN FINANCE INVESTIGATIONS

The MCC bans City vendors, lobbyists, and those seeking to do business with the City from contributing over \$1,500 annually to any City official or candidate political campaigns. Potential violations of the cap are identified through complaints and OIG analysis. Other rules and regulations such as Executive Orders 2011-2, 2011-3, and 2011-4 place further restrictions on donations. Once a potential violation is identified, OIG notifies the donor and the donation recipient of the violation and, in accordance with the MCC, provides the individual or entities 10 days to challenge the determination or cure the violation by returning the excess donation. If the excess donation is returned in a timely manner, or it is determined that a violation did not occur, OIG closes the matter administratively. In the event the matter is not cured or rightfully challenged, OIG will sustain an investigation and deliver the case to the Board of Ethics for adjudication. This quarter OIG sustained no campaign finance violations.

B. SUSTAINED ADMINISTRATIVE INVESTIGATIONS

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

In addition to OIG's findings, each synopsis includes the action taken by the department in response to OIG's recommendations. City departments have 30 days to respond to OIG recommendations.⁶ This response informs OIG of what action the department intends to take. Departments must follow strict protocols, set forth in the

⁵ 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."

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. If OIG issues a report to the Chairman of the City Council Committee on Committees, Rules and Ethics, the Chairman must forward the report to the appropriate City Council authority within 14 days. After receiving the report, that individual has 30 days to provide a written response to the Inspector General (or 60 days if a full extension has been granted or if action by the Chairman of the Committee on Committees, Rules and Ethics is required).

PAGE 8

FIRST QUARTER REPORT

City's Personnel Rules, Procurement Rules, and/or applicable collective bargaining agreements, prior to imposing disciplinary or corrective action.

In deference to the deliberative processes of City departments and the contractual rights of employees relating to discipline, OIG does not report on cases regarding current City employees until the subject's department has acted on and/or responded to OIG's report. For cases in which a department has failed to respond in full within 30 days (or 60 days if a full extension has been granted), the response will be listed as late. The following chart lists concluded matters for which OIG has received a department response this quarter.⁷

TABLE #6 - OVERVIEW OF CASES COMPLETED AND REPORTED AS SUSTAINED

MATTERS

Case Number ⁷	Department or Agency	OIG ., Recommendation	Department or Agency Action
17-0232	Department of Water Management	Discharge	Discharged; Appeal pending
17-0233	Department of Water Management	Discipline up to and including discharge	Designated as resigned in lieu of discharge
17-0456	Department of Water Management	Discipline commensurate with gravity of violations	5-day suspension
17-0339	Department of Water Management	Discharge	Discharged
17-0378	Department of Cultural Affairs and Special Events	Discharge	Designated as resigned in lieu of discharge
16-0192	Chicago Police Department	Discipline commensurate with gravity of violations	Deputy Chief Reprimanded Lieutenant No discipline

⁷ OIG received a response regarding an additional report that is not summarized below because it is part of the now-completed investigation of administrative misconduct in the fatal shooting of Laquan McDonald. OIG is postponing its full summary of the administrative investigation into the McDonald shooting due to the pending criminal prosecutions of CPD members in *People v Van Dyke*, 17 CR 4286, and *People v. March. Walsh, Gaffney*, 17 CR 9700. In its report, OIG recommended that a lieutenant who retired prior to the issuance of the report be stripped of their retirement identification card and star, be designated as "resigned under inquiry," and that the report be placed in their personnel file. CPD agreed to designate the member "resigned under inquiry" and place the report in their file, but declined to take action on their retirement credentials. In addition to this activity, in prior quarters, OIG had issued findings and disciplinary recommendations respecting 15 other sworn members of CPD. OIG recommended discharge for 11 of the 15 officers. Of those 11, the Superintendent sought discharge of 5 on the basis of evidence presented by OIG. Those discharges presently are stayed at the Police Board pending conclusion of the criminal proceedings. The Superintendent disagreed with OIG's findings and disciplinary recommendation respecting one officer. Five other officers among the 11 resigned or retired prior to formal action on OIG's findings and discharge recommendations. OIG issued findings and disciplinary recommendations of suspension for four other officers, on the basis of which the Superintendent issued five-day suspensions for each of the four individuals.

PACE 9

FIRST QUARTER REPORT

Case Number	Department or Agency -	OIG . ■■ . Recommendation	Department or Agency Action
14-0345	Department of Procurement Services	Debarment	Debarment proceedings against vendor are pending
18-0065	Department of Human Resources	Discharge	Discharged
16-0186	Department of Transportation	Discharge	Designated as resigned in lieu of discharge
16-0171	Department of Water Management	Designate as having resigned under inquiry	Designated as resigned under inquiry

1. Summary of Department of Water Management Cases

With the case summaries provided below, OIG marks the conclusion of a related group of investigations concerning Department of Water Management (DWM) employees' use of City resources to transmit racist, bigoted, and misogynistic emails, which included offensive purported jokes, racial slurs, and sexually explicit photos. OIG first reported on these investigations in its Second Quarter 2017 Report, and then again in its Third Quarter 2017 Report.

The investigations, which stemmed from OIG's inquiry into an allegation that a supervisory DWM employee was using

their City computer to buy and sell firearms, revealed that individuals at the highest level of the Department sent and received hateful emails over a period of at least five years. The investigations further revealed that DWM supervisory employees did not report the offensive emails they received as required by City policy.

In the course of the investigations, two high-ranking DWM employees resigned subsequent to the issuance of one or more OIG reports of violations by associated DWM employees, but prior to any interview with OIG, resulting in new senior leadership within the Department. As a result of the investigations, DWM's new leadership, along with the Office of the Mayor, have made numerous public commitments to combat harassment and discrimination within DWM through appropriate discipline and additional Equal Employment Opportunity training for all managers and supervisors.

In total, OIG issued seven summary reports, recommending that DWM:

- Discharge five employees, including four supervisory employees, for repeatedly using City resources to send and/or receive racist and offensive emails;
- Suspend one DWM supervisory employee for failing to report numerous racist emails the employee received from multiple City employees over a period of years; and
Issue a formal determination and designate a supervisory employee as having resigned under inquiry, when the employee, whom OIG would have recommended be discharged for sending racist emails, resigned after being interviewed by OIG.

PAGE 10

FIRST QUARTER REPORT

Three of the employees for whom OIG recommended discharge, including two supervisory employees, subsequently resigned. DWM discharged another one of the supervisory employees, who appealed the termination, which is still pending. DWM disagreed with OIG's discharge recommendation for one of the supervisory employees, and instead suspended the employee for 14 days. DWM acknowledged that the employee failed to report receiving numerous racist and offensive emails, but noted that the majority of the emails in question were also sent to three top-level DWM managers, including the commissioner at the time. With respect to the supervisory employee for whom OIG recommended a suspension, DWM suspended the employee for five days. In addition, the employee who resigned prior to the issuance of OIG's report was designated as retired under inquiry.

a. Racist and Offensive Emails, Misuse of City Resources (OIG Case #17-0232)

An OIG investigation established that a DWM supervisory employee failed to report and, on multiple occasions, responded affirmatively to, racist and offensive emails, using a City email account and computer. For example:

- The supervisory employee received an email from a City employee, in which the employee referenced traveling through Fontana, North Carolina, and Dandridge, Tennessee, and stated: "Google both of them and I guarantee you can't find a negro!" One minute later, the employee sent another email to the employee, stating: "or a taco bender for that matter." The supervisory employee responded: "god love you, you have found paradise you lucky mutha."
- The supervisory employee received an email from a City employee containing a mock advertisement for "Homeboy Nyte-Sytes." which states: "New 'Nyte-Sytes' are mounted on the side of the gun for easy aiming when holding the weapon 'gangster style.'" The email also contained a picture of a masked gunman holding a gun sideways.
- The supervisory employee received an email from a City employee in which the employee referred to another City employee as a "Hebrew."

OIG recommended that DWM discharge the supervisory employee and refer the employee for placement on the ineligible for rehire list maintained by the Department of Human Resources (DHR).

In response, DWM discharged the employee and placed the employee on the ineligible for rehire list. The employee subsequently appealed the discharge. The employee's appeal is pending.

b. Racist and Offensive Emails. Misuse of City Resources (OIG Case #17-0233)

An OIG investigation established that a DWM employee repeatedly used a City email account in an unprofessional manner over the course of several years, including receiving multiple emails that contained racist and offensive language. For example, the employee sent an email to another City employee stating, "I got picked for a jury, should be back Wednesday." The other City employee replied: "lynchem!" To which the employee responded: "You betcha!" The employee also used a disparaging nickname

PAGE 11

FIRST QUARTER REPORT

APRIL 15, 2018

for an African-American DWM supervisory employee on multiple occasions, and repeatedly engaged in sexual banter with another DWM employee, using a City email account.

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

In response, DWM reported that the employee had resigned in lieu of discharge and placed the employee on the ineligible for rehire list.

c. Racist and Offensive Emails (OIG Case #17-0456)

An OIG investigation established that a DWM supervisory employee failed to report numerous racist and offensive emails the employee received from multiple City employees over the course of several years. For example:

- The employee received an email from a City employee with the subject line "FW: Fwd: Obama Angry with Texas!!" The forwarded email states in part: "Obama will be making no more public speeches in Texas... He claims every time he gets up on stage to make a speech, some South Texas cotton farmers start bidding on him. God Bless San Antonio[,] God Bless Texas! God. I Love Texas."
- The employee and two other City employees received an email from a City employee with the subject line "FW: Fwd: Black NASCAR Drivers??" The body of the email lists ten reasons why there are no black NASCAR drivers, which include: "Pistol won't stay under front seat," "Engine noise drowns out the rap music," "They keep trying to carjack Dale Earnhardt Jr.," and "No passenger seat for the Ho."
- The employee and another City employee received an email from a City employee, which states in pertinent part: "I really need to get out in the woods again if not to just be with the critters, but also to eradicate all the BLM idiots and all the bull shit from the idiots and criminals that back these....I'll stop...."

The employee also received a sexually explicit photo transmitted from another City employee using a City email account and computer.

OIG recommended that DWM impose discipline against the employee, commensurate with the gravity of the employee's violations, past disciplinary record, and any other relevant considerations.

In response, DWM suspended the employee for five days.

2. Sexual Harassment (OIG Case #17-0339)

An OIG investigation established that a DWM construction laborer sexually harassed a security guard at a DWM worksite. The employee grabbed the security guard by the hips and made thrusting gestures. In so doing, the employee violated state and local laws, as well as City rules and policies.

PAGE 12

FIRST QUARTER REPORT

OIG recommended that DWM discharge the employee and refer the employee for placement on the ineligible for rehire list maintained by DHR. OIG also further recommended that DWM provide refresher training for supervisory staff on their responsibilities when confronted with allegations of sexual harassment by DWM employees.

In response, DWM discharged the employee and placed the employee on the ineligible for rehire list. DWM agreed to provide sexual harassment refresher training in 2018.

3. Sexual Harassment (OIG Case #17-0378)

An OIG investigation established that a Department of Cultural Affairs and Special Events (DCASE) director-level employee on two occasions engaged in aggravated battery of a security guard, and repeatedly sexually harassed the security guard and a second security guard in violation of the City's Personnel Rules. Many of these incidents occurred during work hours and on City property. Specifically, OIG found that the employee:

- displayed his penis to the security guard while grabbing the security guard's hand in November 2016;
- rubbed the security guard's leg without invitation in spring 2017;
- made inappropriate sexual advances and comments toward the security guard from approximately June 2016 to April 2017; and
- made inappropriate sexual comments directed at the second security guard from approximately October 2016 to October 2017.

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

In response, DCASE informed OIG that the Department agreed with the recommendation, and that the employee had resigned in lieu of discharge. DCASE placed the employee on the ineligible for rehire list.

A. Preferential Parking at Events (OIG Case #16-0192)

An OIG investigation established that a Chicago Police Department (CPD) deputy chief and a CPD lieutenant engaged in and supervised a preferential treatment scheme to reserve and provide free street parking for off-duty law enforcement officers and their friends and family attending events at the United Center. On numerous occasions, most notably during the Blackhawks 2016 Stanley Cup playoffs, OIG observed uniformed CPD officers allow off-duty law enforcement officers and their friends and family to park on the north and south sides of Monroe Street between Wood Street and Paulina Street. Signage on both sides of the street indicated that there was no parking allowed. Email reviews and interviews confirmed the parking arrangement. Further, in their interviews, both CPD employees offered several meritless defenses as to why the parking scheme existed. The investigation also established that preferential parking was happening at other

event venues throughout the City and that other City departments engaged in preferential parking schemes.

PAGE 13

FIRST QUARTER REPORT

APRIL 15, 2018

OIG recommended that CPD impose discipline against both CPD employees, commensurate with the gravity of their violations, past disciplinary record, and any other relevant considerations.

While the OIG report focused on the CPD scheme at the United Center, OIG further recommended that CPD take steps to ensure that all members of CPD are notified that, effective immediately, the practice of extending or using courtesy parking at events in any City location, whether for themselves, other City employees, family, and/or friends, is prohibited and that the use of official authority or resources to extend such courtesies will result in disciplinary action. To the extent there is an operational need for off-duty law enforcement officers and high-ranking government officials to park on streets surrounding event venues that are otherwise unavailable to the public, OIG recommended that CPD formally promulgate rules or special orders specifying the criteria, processes, and required approvals and documentation for such parking.

In response, CPD reprimanded the deputy chief. CPD declined to discipline the lieutenant because that lieutenant "followed the directions of the deputy chief in good faith." CPD's Bureau of Investigations (BIA) also reviewed whether CPD members, who OIG identified in its report as having received preferential parking, but who were not identified as subjects, should be disciplined. BIA's review did not establish that these CPD members believed the parking to be unauthorized or in violation of the law. Finally, CPD issued an administrative message to all CPD members on February 7, 2018, stating: "Members are reminded that arranging, providing, or utilizing 'courtesy' parking on the public way, whether for themselves or others (such as City employees, family members, or friends), is prohibited in the absence of exigent circumstances. Moreover, the use of official authority or resources to extend such 'courtesies' may result in disciplinary action."

5. False Statements by City Vendor Regarding City Employee's Ownership Interest (OIG Case #14-0345)

An OIG investigation established that a City vendor violated the City of Chicago Department of Procurement Services (DPS) Debarment Rules. Specifically, evidence showed that the vendor allowed a City of Chicago Fire Department Battalion Chief to hold an ownership interest in the company, in violation of the City's Municipal Code MCC § 2-156-110 (a). Further, the vendor submitted false Economic Disclosure Statements to DPS, which misrepresented: 1) that no City employee had a prohibited financial interest in the vendor, and 2) the vendor's ownership.

OIG recommended that DPS initiate debarment proceedings against the vendor.

In response, DPS sent a letter to the vendor, informing it that OIG had recommended debarment. The letter also informed the vendor that it had 30 days to respond in writing to the allegations contained in OIG's report, after which DPS would make a decision.

6. Residency Violation (OIG Case #18-0065)

An OIG investigation established that a DHR Associate Classification and Compensation Analyst resided in Riverdale, Illinois, in violation of the City's Municipal

PAGE 14

FIRST QUARTER REPORT

Code MCC § 2-152-050, requiring its employees to reside in the City. Additionally, the employee made false statements to OIG concerning the residence and lease during OIG's official investigation. The employee's purported City landlord denied the employee lived at the reported City address and had never seen or signed the lease for the City property the employee provided as proof of City residence.

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

In response, DHR discharged the employee and placed the employee on the ineligible for rehire list.

7. Residency Violation (OIG Case #16-0186)

An OIG investigation established that a Chicago Department of Transportation (CDOT) administrative assistant lived in Country Club Hills, Illinois, in violation of the City's Municipal Code MCC § 2-152-050, requiring its employees to reside in the City. In an interview with OIG, the employee admitted to having lived in Country Club Hills since 2015, and further admitted to having recently moved to a second address in Country Club Hills.

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

In response, CDOT reported that it had obtained the employee's resignation in lieu of discharge and placed the employee on the ineligible for rehire list.

8. Residency Violation (OIG Case #16-0171)

An OIG investigation established that a DWM Pool Motor Truck Driver lived in Elmwood Park, Illinois, in violation of the City's Municipal Code MCC § 2-152-050, requiring its employees to reside in the City, and submitted false employee residency affidavits in 2012 and 2014. In the course of the investigation, OIG gathered multiple documents and conducted five surveillances that all indicated the employee lived in Elmwood Park. In the employee's OIG interview, the employee denied currently living in Elmwood Park, claiming to regularly visit that address because the employee's spouse and two sons lived there. However, the employee acknowledged living in Elmwood Park from 2010 to 2013, while working for the City, and admitted to submitting a false residency affidavit in 2012.

The employee resigned from DWM shortly after the employee's OIG interview. Thus, OIG recommended that DWM find that the evidence establishes the foregoing violations, designate the employee as having resigned under inquiry, and place the OIG report and evidentiary file in the employee's personnel file in the event the individual applies for re-employment with the City.

In response, DWM concurred with OIG's findings, placed the report in the employee's personnel file, and designated the employee as having resigned under inquiry.

PAGE 15

FIRST QUARTER REPORT

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

Criminal investigations may uncover violations of local, state, or federal criminal laws, and may be prosecuted by the U.S. Attorney's Office, the Illinois Attorney General's Office, or the Cook County State's Attorney's Office, as appropriate. For the purposes of OIG quarterly summaries, criminal cases are considered concluded when the subject(s) of the case is publicly charged by complaint, information, or indictment.⁸

In administrative cases, a City employee may be entitled to appeal or grieve a departmental disciplinary action, depending on the type of corrective action taken and the employee's classification under the City's Personnel Rules and/or applicable collective bargaining agreements. OIG monitors the results of administrative appeals before the Human Resources Board (HRB) and grievance arbitrations concerning OIG's disciplinary recommendations.

A. SYNOPSES OF CRIMINAL CASES

1. State of Illinois v. John Balzano and Natalie Balzano, 18 CR 33210 (Cir. Ct. of Cook County)

On March 19, 2018, John Balzano and Natalie Balzano-the manager and president of a car wash that had contracted with the City of Chicago-were arraigned on criminal charges for stealing nearly \$1 million from the City through a contracting pass-through scheme. The charges stem from an investigation conducted by OIG, working in conjunction with the Illinois Attorney General.

The indictment alleges that the Balzanos defrauded the City by working with a Minority Business Enterprise (MBE) subcontractor, the owner of Oak Park-based PJ's Ace Hardware, who generated false invoices for car wash products that were sold and delivered by non-MBE suppliers. John Balzano placed the orders directly with the non-MBE suppliers, and PJ's Ace Hardware created new invoices, marked up by 15 to 20 percent, which Balzano paid to make it appear that J&J Car Wash was complying with the city's MBE contract goal to spend at least 16.9 percent of the total contract price with MBEs. J&J President Natalie Balzano then submitted bids to the city for car wash contracts.

The indictment charged the Balzanos with one Class X felony of theft of government property (720 ILCS 5/16-1(a)(2)), one Class 2 felony of fraudulently obtaining money reserved for disadvantaged business enterprises (720 ILCS 5/17-10.3(d)), and one Class 3 felony of wire fraud and mail fraud (720 ILCS 5/17-24(a)(b)). Natalie Balzano was also charged with two counts of Class 3 forgery (720 ILCS 5/17-3(a)(1)). The defendants are presumed innocent and are entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

⁸ OIG may issue summary reports of investigation recommending administrative action based on criminal conduct prior to, during, or after criminal prosecution

PAGE 16

FIRST QUARTER REPORT

Previously in connection with this investigation, Clyde Williams, the owner of PJ's Ace Hardware, and Kurt Koziol, the former owner of Koziol Car Wash (which had also been under contract with the City) pleaded guilty to one charge of Class 4 felony theft of government property (720 ILCS 5/16-1(a)(2)). State of Illinois v. Kurt Koziol, 18 CR 52 (Cir. Ct. of Cook County); State of Illinois v. Clyde Williams. 17 CR 17440 (Cir. Ct. of Cook County). Pursuant to plea agreements.

Williams agreed to pay the City restitution of \$22,280.51, and Koziol agreed to pay the City restitution of \$8,637.24. Williams and Koziol were also ordered permanently barred from doing business with the City of Chicago, and Williams was ordered permanently barred from receiving City MBE certification.

B. DEVELOPMENTS IN PRIOR CHARGED CRIMINAL CASES

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

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

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

1. Excessive Force, False or Inaccurate Reporting (OIG Case #17-0187)

As reported in the third quarter of 2017, three Chicago Department of Aviation (CDA) Aviation Security Officers (ASOs) and one CDA Aviation Security Sergeant violated City of Chicago Personnel Rules in response to a passenger disturbance aboard United Airlines Express Flight 3411 on April 9, 2017. Specifically, the first ASO violated the CDA Use of Force policy when that ASO forcefully removed a passenger from the aircraft. Accordingly, OIG recommended CDA impose discipline up to and including discharge against the ASO, commensurate with the gravity of the ASO's violations, past disciplinary record, and any other relevant considerations. OIG's investigation also established that the second and third ASOs made misleading statements and/or material omissions in reports regarding the first ASO's forceful removal of the passenger from the aircraft. Thus, OIG recommended CDA impose discipline against the second and third ASOs, commensurate with the gravity of their violations, past disciplinary record, and any other relevant considerations. Finally, OIG's investigation established that the sergeant deliberately removed material facts from a report and approved reports without all essential information. Thus, OIG recommended CDA impose discipline up to and including discharge against the sergeant, commensurate with the gravity of the sergeant's violations, past disciplinary record, and any other relevant considerations.

In response, CDA discharged the first ASO and the sergeant, and issued five-day suspensions to the second and third ASOs. Each employee grieved the discipline. The City agreed to reduce the second ASO's suspension to two days. The third ASO withdrew the grievance and resigned.

PAGE 17

FIRST QUARTER REPORT

In March 2018, after a two-day hearing, an arbitrator upheld the discharge of the first ASO. The arbitrator concluded that the City had just cause to discharge the ASO for the improper use of force. The arbitrator noted that while the ASO may not have intended the consequences, the ASO "displayed markedly poor judgment in escalating the situation on Flight 3411 for no apparent reason, initiating the use of force, bringing about a serious injury to a citizen, and creating a serious public perception problem for the Department." The sergeant's grievance remains pending.

2. Confidential Information Leak (OIG Case #17-0085)

As reported in the third quarter of 2017, an Independent Police Review Authority (IPRA) investigator accessed and disclosed, without authorization, personal information about a CPD officer to the investigator's boyfriend. The boyfriend

did not work for the City, had previously dated and filed several unfounded complaints with IPRA against the officer, and was previously accused by the officer of domestic violence, child custody violations, and stalking. Furthermore, the employee never disclosed the conflict of interest upon discovery that the boyfriend had an open complaint with IPRA against the same officer.

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

In response, IPRA discharged the employee. Subsequently, the employee's union filed a grievance. Ultimately, the Department settled the grievance by allowing the employee to resign in lieu of discharge in exchange for the withdrawal of the grievance. The employee has been placed on the ineligible for rehire list.

3. Misrepresentations to Governmental Agencies (OIG Case #15-0348)

As reported in the fourth quarter of 2017, a City contractor included a false, unauthorized endorsement from a supervisory City employee in three separate contract bid packages it submitted to out-of-state municipal entities.

OIG recommended that DPS initiate debarment proceedings for the purpose of determining appropriate remedial action against the contractor.

In February 2018, DPS entered into a settlement agreement with the contractor, in which the contractor agreed to be placed on administrative oversight by DPS's Chief Procurement Officer (CPO) for a period of two years. The contractor also agreed to appoint a contract compliance officer ("officer") who is to, among other tasks, oversee the contractor's compliance with written standards, policies, and procedures related to bid-proposal/qualification/information submittal practices; regularly interface with the contractor's proposal team to provide guidance regarding the accuracy of disclosures made in Request for Proposal (RFP) responses; and ensure that all the contractor's RFP responses are reviewed for accuracy before final submission, including that no procurement submittal contains an endorsement attributed to City of Chicago personnel or reference from City of Chicago personnel without explicit authorization. The contractor further agreed to have the officer, within one month of the date of the agreement, report to the CPO regarding the officer's initial review of the contractor's state of compliance with contracts with the City of Chicago and/or its sister agencies;

PAGE 18

FIRST QUARTER REPORT

accuracy/completeness of documents submitted to the City of Chicago and/or its sister agencies, and adherence to the requirement that no endorsements attributed to City of Chicago personnel or references from City of Chicago personnel be used in RFP responses or other procurement submittals without explicit authorization. Thereafter, on a biannual basis during the administrative oversight period, the officer is to certify the contractor's compliance with those same issues.

4. Financial Interest in City Contracts (OIG Case #14-0345)

As reported in the third quarter of 2017, an OIG investigation established that a City of Chicago Fire Department (CFD) Battalion Chief- EMT (Battalion Chief) had a financial interest in an entity doing business with the City in violation of the City of Chicago Governmental Ethics Ordinance. Specifically, the Battalion Chief held a financial interest in the name of the Battalion Chiefs spouse who, along with the Battalion Chiefs mother and brothers, was listed in City records as an owner of the entity. The Battalion Chief claimed not to have an ownership interest in the entity, but had signed mortgage documents and other legal paperwork as an owner of the entity both before and after the entity entered into its contract with the City. In order for a City employee's spouse to have an ownership interest in a City contract, the interest must be the spouse's "independent occupation, business or profession." The Battalion Chiefs actions established that the entity

was not the spouse's independent business. In addition, the Battalion Chief failed to report the financial interest on four Statements of Financial Interest (SFIs), in violation of the Ethics Ordinance. In addition, OIG determined the Battalion Chief was not truthful during the OIG interview. The Battalion Chief claimed not to remember many aspects regarding involvement with the entity, including signing some of the legal documents associated with the entity.

OIG recommended that, pursuant to its authority under MCC § 2-156-465, the Board of Ethics (BOE), find there is probable cause to believe that the Battalion Chief violated the Ethics Ordinance and impose appropriate sanctions. At BOE's September 2017 meeting, by a 3-1 vote, BOE found that there was probable cause the Battalion Chief violated the Ethics Ordinance.

During BOE's March 2018 board meeting, it voted 5-0 to dismiss the case, concluding that, while the Battalion Chief likely had a prohibited financial interest in the business, OIG had not completed its investigation within the two-year limit imposed by MCC § 2-56-050(b)(3) of OIG's ordinance and had not met the criteria outlined in the MCC to extend the length of the investigation. OIG had asserted that the two-year investigation limit had been extended by the Battalion Chiefs continued submission of false SFIs, which omitted his ownership interest and were an "affirmative action to conceal evidence." MCC § 2-56-050(b)(3). However, BOE agreed with the Battalion Chiefs ex parte assertion that he had not knowingly submitted false SFIs to BOE and, therefore, had not affirmatively concealed evidence, as required to extend the two-year investigation limit.⁹

⁹ To date, the disposition of all OIG investigations submitted to BOE have proceeded to disposition without any City official representing the interests and legal positions of the City as either prosecutor or legal counsel.

PACE 19

FIRST QUARTER REPORT

Prior to making its final determination, BOE had asked OIG to explain the length of the investigation. OIG noted that the Battalion Chiefs conduct was ongoing throughout the course of OIG's investigation. The Battalion Chief had continued to fail to identify ownership interest in subsequent annual SFI filings, which affirmatively concealed evidence, which per the plain language of § 2-56-050(b)(3) should not count toward the two-year period. (Indeed, throughout the investigation, the Battalion Chief was in active, ongoing violation of the Ethics Code.) BOE rejected OIG's position. As a result, OIG must now close investigations involving continuing misconduct that reach back beyond the two-year investigation window and re-open the same case proceeding only on that portion of the longer ongoing course of misconduct within the two-year time period.

Prior to making its final determination, BOE had asked OIG to weigh in on the length of the investigation. At that time, OIG noted that because the Battalion Chiefs conduct was ongoing throughout the course of OIG's investigation and the Battalion Chief annually failed to identify the ownership interest in SFIs, which affirmatively concealed evidence, per the plain language of § 2-56-050(b)(3), any time covered by the false SFIs should not count toward the two-year period. OIG asserted that to maintain otherwise would lead to the conclusion that OIG could close investigations into ongoing conduct, only to reopen the same case into the ongoing conduct to conclude the investigation within the two-year time period.

5. Violations of the Minority-Owned Business Enterprise Program and False Statements (OIG Case #13-0139)

An OIG investigation established that a purported MBE violated City policy. The investigation established that the City vendor did not meet MBE eligibility requirements because it operated solely as a broker between manufacturers and DWM, rather than delivering goods or services itself. The City paid the vendor more than \$20 million for the contract at

issue in OIG's investigation, and the vendor's sole service to the City was taking orders from DWM and passing them to manufacturers.

During the course of the investigation, DPS denied the vendor's application for re-certification as an MBE on grounds beyond those specifically found by OIG. Because DPS had already denied the vendor's application for recertification, OIG recommended that DPS note these additional grounds for denial of recertification in the vendor's file and consider them in the event the vendor applies for certification in the future. OIG recommended that DPS, as required by the City's Municipal Code MCC § 2-92-490(h), advise other area governmental agencies of its decision to deny the vendor's application for re-certification. Additionally, OIG recommended that DPS amend and restate its MBE figures and reports to account for the vendor's decertification.

OIG's investigation also revealed that the vendor made several statements to the City regarding its status as an exclusive distributor for certain goods. OIG found no evidence supporting those claims. The vendor's principal also made statements to OIG and DPS regarding the vendor's work and travel schedule related to business with the City. These statements were dubious and unsupported by evidence. As a result, OIG

PAGE 20

FIRST QUARTER REPORT

further recommended that DPS initiate debarment proceedings against the vendor and its principal.

In February 2014, DPS sent a redacted copy of OIG's report to the vendor and provided the vendor 30 days to respond. While the debarment proceedings were pending, the vendor filed a lawsuit against the City in state court and the City pleaded counterclaims.

In January 2018, after more than three years of litigation, the City and the vendor entered a settlement agreement resolving the lawsuit and the debarment proceedings. As part of that settlement agreement, the vendor agreed that for 18 months an individual other than the principal will manage any City contract bid or future City contract work. The vendor agreed to attend a City-conducted ethics and compliance training session and to retain a third-party compliance monitor who will produce two reports to the City certifying compliance with the terms of the agreement.

D. RECOVERIES

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

TABLE #7 - OVERVIEW OF COST RECOVERY ACTIONS

Case Number	Source	Amount
15-0589	Kurt Koziol (City Contractor)	\$8,637.24
15-0589	Clyde Williams (City Contractor)	\$22,280.51

PAGE 21

FIRST QUARTER REPORT

V. AUDITS AND REVIEWS

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

1. CDOT Management of Construction in the Public Way Audit (#16-0444)¹⁰

OIG conducted an audit to assess CDOT's management of construction projects in the public way, commonly known as street cuts. CDOT Division of Infrastructure Management (DOIM) is responsible for issuing permits and coordinating these projects to minimize their impact on the public way, as well as inspecting permittees' street cut restorations for compliance with its standards. OIG determined that CDOT's project coordination program has largely been a success, saving the City \$18.1 million in construction costs in 2016 alone, although opportunities exist to further improve coordination and capture even greater savings. However, CDOT's public way inspections program is lacking, with only a small fraction of the over 60,000 permitted cuts being inspected in any given year, due in part to CDOT's relatively small inspections staff and its reliance on paper-based records and citizen complaints to identify problem restorations.

OIG recommended that CDOT collect five-year capital improvement plans from all stakeholders, improve its coordination relationship with certain City agencies, remove infrastructure planning from the Aldermanic Menu Program, implement measures to better control emergency dig tickets and permits, record and track all public way inspections and citations electronically, and develop strategies to meet the City's Municipal Code requirement to inspect all street cuts or, at a minimum, develop processes for risk-based and random inspections. CDOT agreed with all of the audit's recommendations except for the recommendation to remove infrastructure planning from the Aldermanic Menu Program.

■° Published January 18, 2018. See <http://chicagopinspector.org/publications-and-press/cdot-managing-employment-of-construction-in-the-public-way-audit/>.

PAGE 22

FIRST QUARTER REPORT

VI. ADVISORIES AND DEPARTMENT NOTIFICATION LETTERS

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

1. Political Content on City or Ward Websites (#17-0431)

OIG notified the City Council Committee on Committees, Rules and Ethics about a concern regarding the practice of including political content on aldermanic websites that serve as City or ward sites.

The City of Chicago Ethics Ordinance prohibits the use of City resources for prohibited political activities, including: soliciting campaign contributions, working on a political campaign, or campaigning for office. See MCC § 2-156-135 et seq. In a 2015 published opinion, BOE advised that if a website includes "the City seal and other indicia of an official City or ward website," the content must be non-political, and the site must not have links to a political committee or for making campaign donations, even if the site is campaign-funded and includes any legally-mandated language about its funding. See BOE Case No. 15014.C. Including political content on such a website would violate MCC § 2-156-060 (prohibiting unauthorized use of City-owned property), and create the impression that the City supports the alderman politically, in violation of MCC § 2-156-135(b) (prohibiting use of City property or resources for any prohibited political activity). BOE determined that the inclusion of the donate button on such a website constituted a "minor" violation of the Ethics Ordinance, but that a repeated violation would be considered "non-minor."

OIG identified eight aldermanic websites that featured the City seal and/or presented other indicia of an official City or ward site, while also including links soliciting campaign donations and/or promoting political fundraising events. Some were listed on the Chicago City Clerk's website: <<https://chicago.legistar.com/People.aspx>>. Most of the websites included language stating they were funded by a political campaign. At the time OIG issued its notification, six of these aldermanic sites continued to include this impermissible political content.

OIG also notified the Committee that it has received numerous complaints alleging Ethics Ordinance violations committed by Council members and staff in the course of routine aldermanic operations. Further, OIG has observed that the lack of clear standards and rules governing how to perform core official functions-e.g., hiring and assigning staff, paying for expenses related to running an office, engaging with the public via social media, securing and utilizing office space, and helping constituents secure City services-has created an environment where aldermen and their staff may be in violation of the Ethics Ordinance and other laws on a regular basis, or at least be conducting themselves in ways that give rise to

the appearance of potential violations. The topic of the notification exemplified this point, in that several websites individually hosted, developed, and funded by aldermen contained content that directly violated a published BOE opinion.

PAGE 23

FIRST QUARTER REPORT

With respect to the websites, OIG recommended that the Committee take action sufficient to ensure that all aldermen were aware of BOE's 2015 determination in Case No. 15014.C, and remind aldermen that if they use campaign funds to pay for a website that is effectively a City or ward site, they must ensure that the website and associated activities comply with the City's Ethics Ordinance.

In response, in February 2018, the Chair of the Committee on Rules informed OIG that she forwarded OIG's notification via email to all 49 of her City Council colleagues. As of the time of this report, several aldermen have failed to fully adopt OIG's recommendation and continue to maintain donate buttons on their ward websites.

With respect to the broader issues relating to aldermanic operations, OIG recommended that City Council identify representatives to participate in a working group with OIG and BOE in a continuing effort to identify (1) areas where additional guidance may be needed, and (2) potential resources and support that would promote and facilitate compliance with the Ethics Ordinance and other applicable laws. Since the issuance of this notification, a working group comprised of aldermen, BOE, the Department of Law, OIG, and, as needed, representatives of other City departments, has met regularly to discuss operational challenges and enhancing compliance through additional tools and resources.

2. Non-Profit Organization Providing CFD Support Services (#16-0045)

OIG notified CFD and the Department of Law (DOL) about a concern regarding the City's relationship with a non-profit organization that supports CFD, through the provision of canteen services at emergency scenes and special events. The notification arose from a recent OIG investigation, which found that the non-profit provides services to first responders and the City provides certain benefits to the non-profit without any formalized written agreement, thereby potentially exposing the City to unnecessary risks and liabilities. Specifically:

- members of the non-profit, who are not subject to City background checks or otherwise regulated by the City, access emergency scenes using identification cards that include the CFD insignia and appear to bear the CFD commissioner's signature, thereby conveying actual or implied authority upon the holder;
- members of the non-profit have parking placards which also appear to bear the commissioner's signature and include language for accessing emergency scenes;
- the non-profit uses Office of Emergency Management and Communications radios and radio signatures to monitor and respond to requests for services;
- the non-profit uses vehicles outfitted to resemble CFD trucks, which could be confused for actual CFD trucks, and parks its vehicles at CFD fire stations;
the non-profit's vehicles have sirens that have reportedly been disabled, as well as red lights used for pulling up to emergency scenes and entering or exiting fire stations, in potential violation of the Illinois Vehicle Code, 625 ILCS 5/1 et seq., and Title 9 of the City of Chicago Municipal Code; and
- the non-profit has received 6,123.2 gallons of City fuel without charge from January 22, 2004, through September 18, 2017, based on a 2009 memorandum

PAGE 24

FIRST QUARTER REPORT

that authorized the City to provide fuel to some, but not all. of the non-profit's vehicles.

While OIG acknowledged the non-profit's long-standing relationship with CFD and the value of its support services, OIG recommended that CFD and DOL review the operations of the non-profit and its relationship to CFD, and take necessary steps to protect the interests of the City and the public at large, potentially through formalized agreements and written policies.

In its response, CFD noted the important role that the non-profit plays in providing health and safety benefits to firefighters and paramedics, including access to sustenance, hydration, and portable toilets at emergency scenes. CFD stated that providing fuel to the non-profit is a small price for the City to pay in exchange for the considerable benefit provided by the non-profit. CFD reported that the commissioner had authorized non-profit members to access cordoned areas in the vicinity of firefighting operations (known as "fire line passes") pursuant to MCC § 2-36-820, and the credentials are vetted by CFD's director of media affairs. CFD further stated that CFD lends the oldest model radios to the non-profit, which is not the only non-City entity that has been assigned City radios; this practice maintains technical integrity and allows communication between CFD and the non-profit at an active scene. CFD noted that the radios have always been used in a professional manner within CFD guidelines.

CFD agreed that the relationship between CFD and the non-profit should be formalized, and said the Department would work with DOL to develop a written agreement, which would include an assurance regarding insurance coverage. Finally, CFD said the Department would work to ensure that the relationship with the nonprofit was transparent, and would instruct CFD staff to implement practices that address the concerns raised in OIG's letter.

PAGE 25

FIRST QUARTER REPORT

VII. OTHER REPORTS AND ACTIVITIES

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

1. CPD Use-of-Force Reporting Inquiry (#17-0668)

In December 2017, OIG inquired about the status of CPD's public reporting on officer use-of-force incidents. OIG conducted this inquiry as a follow-up to its July 2016 advisory on IPRA's public reporting on the same topic. In response to the advisory, the Office of the Mayor had stated that "CPD is committed to issuing public reports on use of force" and would begin issuing quarterly public reports in January 2017.¹¹

In response to our December 2017 inquiry, CPD stated that it has not published any quarterly or annual reports regarding use-of-force incidents in 2016 or 2017. CPD said it was focused on reform efforts, which included revising its full set of use-of force policies, leading in-service trainings on the policy changes, and creating a Force Review Unit to "function [in] an after-action-review capacity for select use-of-force incidents." The Department committed to publishing an Annual Report in 2018, which will include analysis of 2017 use-of-force incidents. While CPD indicated that future reports would describe trends identified by the Force Review Unit, it did not specify how often it will issue the reports, or whether they will incorporate best practices such as reporting on all use-of-force categories defined by CPD directives, defining use-of-force categories, and providing contextual detail to allow accurate trend analysis.

¹¹ The 2016 Advisory report, as well as responses from the Office of the Mayor and IPRA, are available on the OIG website: <http://chicagojnspec.tp.rgene.ral.org/pMblicatio.ns;and:press/pig.-adyjsory-regarding-force-reporting/>.

VIII. HIRING OVERSIGHT

Under Chapter XII of the City of Chicago General Hiring Plan, Chapter XI of CPD Hiring Plan, and Chapter IX of the CFD Hiring Plan, OIG is required to review and audit various components of the hiring process and report on them quarterly¹². The City's Hiring Plans require both reviews and compliance audits. The Hiring Plans define reviews as a "check of all relevant documentation and data concerning a matter," and audits as a "check of a random sample or risk-based sample of the documentation and data concerning a hiring element."

A. HIRING PROCESS REVIEWS

1. Contacts by Hiring Departments

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

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

- An employee from the Department of Cultural Affairs and Special Events contacted DHR regarding an applicant that did not appear on the referral list for the covered position of Program Director.

2. Political Contacts

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

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

During the first quarter, OIG received notice of seven political contacts:

An alderman contacted DHR to inquire about various job applications submitted by an employee in the Department of Finance. The alderman

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 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."

PAGE 27

FIRST QUARTER REPORT

also inquired about the status of the employee's request for a reasonable accommodation.

- A United States district court judge contacted DOL to recommend a candidate for the covered position

of Assistant Corporation Counsel III.

- An alderman contacted CPD to suggest that an employee appointed to the Shakman Exempt position of commander should be assigned to a different district.
- A representative from the Office of the Mayor submitted an inquiry to DHR regarding the denial of a reclassification appeal affecting an employee in the Department of Streets and Sanitation.
- An alderman contacted DWM to inquire about the issuance of discipline to a department employee, as well as the department's obligation to accept disciplinary recommendations made by DHR and/or DOL.
- An alderman contacted a DHR employee to inquire about the status of a candidate's veteran's preference and placement on a referral list for the covered position of firefighter.
- An alderman contacted CPD to recommend a police officer for a merit-based promotion to the covered position of sergeant.

3. Exemptions

OIG tracks all reported or discovered Shakman Exempt appointments and modifications to the Exempt List on an ongoing basis. OIG received notification of 68 exempt appointments in the first quarter.

In addition to ongoing tracking, OIG conducts an annual review of the Exempt List to ensure that the City is complying with the Hiring Plan requirements and to determine DHR's maintenance of an accurate record of Shakman Exempt employees and titles. OIG completed its Exempt List review in the fourth quarter of 2017. As part of this audit, OIG also compared the DHR Shakman Exempt Database of exempt positions to a payroll report of all employees who had a Shakman Exempt status.¹³ OIG identified nine employees in Exempt positions that were not included in the DHR Exempt Database. DHR reviewed OIG's findings and agreed that the employees were not listed in the DHR Database. In response DHR stated they had corrected the entries and the employees were appropriately coded. However, OIG determined that two of the nine employees had not been corrected even after DHR's response. DHR has since corrected the records of the two improperly coded employees.

Chapter VIII, Section B of the Hiring Plan states, "The City may from time to time add or delete Positions from the list of Schedule G Positions on the Exempt List so long as the total number of Positions in any of the six categories within the Schedule G list (VIII-XIII) does not increase by more than 10% of the initial number of Positions in each category, as established in Exhibit II.G of the Accord." Overall, OIG found that the City was in compliance with the allotted number of Shakman Exempt positions. DHR provided OIG notice of two new Shakman Exempt titles on the Shakman Exempt List. The Office of the Mayor added a title of policy analyst and the Office of the City Treasurer added a portfolio manager.

¹³ OIG reviewed both the DHR Shakman Exempt Database and the payroll records from November 6, 2017.

PAGE 28

FIRST QUARTER REPORT

4. Written Rationale

When no consensus selection is reached during a Consensus Meeting, a Written Rationale must be provided to OIG for review.^{1*}

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

5. Emergency Appointments

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

The City reported no emergency appointments during the first quarter.

6. Review of Contracting Activity

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

Under the revised Contractor Policy,¹⁵ departments are no longer required to notify OIG of all contract or solicitation agreements or task orders. However, all contract and solicitation agreements that OIG receives notice of will be reviewed. In addition, OIG will request and review a risk-based sample of contract documents from departments. During the first quarter, OIG reviewed 26 Task Order Requests, 3 contracts, and 6 temporary service agreements.

In addition to contracts, pursuant to Chapter X of the Hiring Plan, OIG must receive notification of the procedures for using volunteer workers at least 30 days prior to implementation. OIG also receives additional notifications of new interns and/or volunteer workers for existing programs.¹⁶

The chart below details contracts and internship opportunities OIG received notice of in the first quarter.

TABLE #8 - CONTRACT AND INTERNSHIP OR VOLUNTEER OPPORTUNITY NOTIFICATIONS

: Contracting.Department	Contractor. Agency, Program; or Other Organization : ■	Duration of ; Contract/Agreement
Animal Care and Control	Heartland Alliance	Ongoing

^K 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.

¹⁵ Revised June 7, 2017.

¹⁶ Chapter X.B.6 of the General Hiring Plan

PAGE 29

FIRST QUARTER REPORT

Chicago Department of Aviation	Personal Services Contract	12 months
Civilian Office of Police Accountability	Summer 2018 Internship Program	3 months
Department of Law	Externship Program	Ongoing
Department of Law	Volunteer Program	Summer
Mayor's Office for People with Disabilities	Public Service Internship	3 months
Office of the Mayor	University of Chicago Policy Internship	2 months

B. HIRING PROCESS AUDITS

1. Modifications to Class Specifications,¹⁷ Minimum Qualifications, and Screening and Hiring Criteria

OIC reviews modifications to Class Specifications, minimum qualifications, and screening and hiring criteria. In the first quarter, OIC received notifications that DHR changed the minimum qualifications for seven titles within the following: CDA, CPD, and the Office of Emergency Management and Communications.

OIC reviewed each of the proposed changes to minimum qualifications and had an objection to one in CDA. In response, the assigned DHR recruiter worked with the Department to clarify their desired language. Although OIC objected to the revised language, the recruiter posted the job announcement with the incorrect language to DHR's online job site CAREERS. Upon notification of the posting, DHR management removed the job announcement. Afterward, the recruiter worked with the Department to modify the language to a more specific, measurable standard. OIC had no further objections to the changes and DHR reposted the vacancy with the new minimum qualifications.

2. Referral Lists

OIC 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;

¹⁷ "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.

PAGE 30

FIRST QUARTER REPORT

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 first quarter, OIC audited four referral lists, none of which contained errors.

3. Testing

The Hiring Plan requires that OIG conduct an audit of DHR test administrations and scoring each quarter. In the first quarter, OIC audited testing administration materials¹⁸ for 27 test administrations¹⁹ covering 10 City departments, which were completed during the fourth quarter of 2017.

OIC identified two errors affecting two test administrations and reported them to DHR. These errors did not affect any candidates' final placement on position eligibility lists or any final candidate selection decisions. The individual errors and DHR's response to each are detailed below.

a. Human Resources-Testing Administrator

The testing materials did not include a candidate's completed answer sheet for any part of the assessment. Upon request, DHR provided the missing answer sheets to OIG for review. Because the test materials were incomplete at the time of the audit, the missing documents are an error.

b. Office of Emergency Management and Communications -Lineman (Hourly)

OIC observed that the grading of a candidate's answer sheet did not conform to the answer key. DHR confirmed that the candidate should not have received credit for an incorrect response, and rescored the exam. The rescore did not affect the candidate's placement or position on an eligibility list, or the final selection decision.

4. Selected Hiring Sequences

Each quarter, the Hiring Plan requires OIG to audit at least 10% of in-process hiring sequences and at least 5% of completed hiring sequences conducted by the following departments or their successors: DWM, CDA, CDOT, Department of Streets and

¹⁸ "Testing administration materials" include (1) the test booklet (or booklets, if multiple versions of the test were administered); (2) the sign in/sign out sheets; (3) the answer key. (4) the final cut score(s)-the threshold score for passing the exam-and any documentation regarding the change of a cut score(s). (5) the individual test scores for each candidate for each test that was administered. (6) the finalized test results sent to the DHR Recruiter; (7) the answer sheets completed by the candidates; (8) the rating sheets completed by the interviewers as part of the Foreman Promotional Process. (9) any additional emails or notes identifying issues surrounding the test administration or scoring (e.g.. documentation identifying the individual test score changes for tests that are rescored. memos to file regarding non-scheduled candidates being allowed to test, etc); and (10) the Referral List

¹⁹ A "test administration" is complete when a test has been administered and the final candidate scores have been sent from the DHR Testing Division to the DHR Recruiting Division for candidate selection and processing.

PAGE 31

FIRST QUARTER REPORT

Sanitation, Department of Buildings, Fleet and Facilities Management, and six other City departments selected at the discretion of OIC.

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

In the first quarter, OIC completed an audit of hire packets for 50 hiring sequences completed during the fourth quarter of 2017. OIG selected these hiring sequences based on risk factors such as past errors, complaints, and historical issues with particular positions. These hiring sequences involved 15 departments. Of the 50 hire packets audited, OIG identified 5 errors, affecting 5 hiring sequences. The errors involved an expired bid referral list, an incorrect hire certification form, and incomplete documentation. In each sequence, OIG provided its findings to DHR. DHR took steps to correct the documentation errors by obtaining a completed form or providing appropriate justification. The documents were submitted by the hiring departments and placed with the corresponding hire packet. DHR also communicated the concerns with the respective recruiters and requested more attention to detail. On February 28, 2018, DHR addressed the concerns at a meeting with all departmental human resource liaisons, which OIG also attended.

5. Hiring Certifications

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

OIG reviewed 60 hire packets in the first quarter and one contained a Hire Certification error.

6. Selected CPD Assignment Sequences

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

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

In the first quarter, OIG completed an audit of seven non-bid duty assignment sequences and seven non-bid unit assignments completed during the fourth quarter of 2017. OIG will report on its findings and CPD's response in a future quarterly report.

PAGE 32

FIRST QUARTER REPORT

7. Selected CFD Assignment Sequences

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

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

8. Monitoring Hiring Sequences

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

OIG identifies the hiring sequences to be monitored based on risk factors such as past errors, complaints, and historical issues with particular positions. During the first quarter, OIG monitored 7 Intake Meetings. 2 tests. 14 sets of interviews, and 11 Consensus Meetings.

The table below shows the breakdown of monitoring activity by department.²⁰ **TABLE #9 - FIRST**

QUARTER 2018 OIG MONITORING ACTIVITIES

Department	Intake Meetings Monitored	Tests Monitored	Interview Sets Monitored	Consensus Meetings Monitored
Department of Business Affairs and Consumer Protection	1			
Chicago Department of Transportation			2	2
Chicago Fire Department			2	1
Chicago Police Department	3	2		1
Chicago Public Library			1	1
Civilian Office of Police Accountability	1			

²⁰ If a department is not included in this table, OIC did not monitor any elements of that department's hiring sequence(s).

PAGE 33

FIRST QUARTER REPORT

Department of Cultural Affairs and Events			1	
Department of Family and Support Services			1	
Department of Finance			2	1
Fleet and Facilities Management			3	3
Office of Emergency Management and Communications	2		2	2
Totals	7	2	14	11

9. Acting Up²¹

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

At the beginning of each calendar year (or within 14 days of a vacancy arising during the year), departments that intend to utilize Acting Up must create a relevant pool of all employees who have the present ability to perform the duties of the higher-graded title. Relevant pools and supporting documentation for each calendar year must be submitted to DHR by January 31.

Both CFD and CPD did not submit their respective relevant pools to DHR on or before the January 31 deadline. OIG has been in communication with both departments regarding their compliance with the Acting Up policy, and will report on the departments' actions in a future quarterly report.

OIG did not receive notice of any DHR-approved waiver requests to the City's 90-Day Acting Up limit in the first quarter.²²

10. Arbitrations and Potential Resolution of Grievances by Settlement

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

OIG received notice of four settlement agreements from DHR during the first quarter. The settlement agreements resulted in the addition of a candidate to an interview list, the conversion of a position to career service, the hiring of a candidate from a pre-qualified candidate list, and the hiring of a candidate from a Reduction in Force list.

²¹ "Acting Up" means an employee is directed or is held accountable to perform, and does perform, substantially all of the responsibilities of a higher position.

²² Pursuant to the Acting Up Policy, no employee may serve in an Acting Up assignment in excess of 90 days in any calendar year unless the department receives prior written approval from DHR. The department must submit a Waiver Request in writing signed by the Department Head at least 10 days prior to the employee reaching the 90-day limitation. If the department exceeds 90 days of Acting Up without receiving a granted Waiver Request from DHR, the department is in violation of the Policy.

PAGE 34

FIRST QUARTER REPORT

C. REPORTING OF OTHER OIG HIRING OVERSIGHT ACTIVITY

1. Escalations

Recruiters and analysts in DHR and CPD-HR must escalate concerns regarding improper hiring by notifying OIG. In response to these notifications, OIG may take one or more of the following actions: investigate the matter, conduct a review of the hiring sequence, refer the matter to the DHR commissioner or appropriate department head for resolution, or refer the matter to the OIG Investigations section.

In the first quarter, OIG received four escalations and concluded two. The details of the concluded escalations are reported below. Once resolved, the details of the other two escalations will be included in a future quarterly report.

a. Department of Finance

On January 19, 2018, DHR escalated a hiring sequence to OIG after the Department of Finance (DOF) failed to offer a phone interview to a referred candidate, in violation of the Hiring Plan and the DHR Decline to Interview Policy.²⁵ The candidate requested a phone interview, but the interviewers believed they could not administer the required written exercise during a phone or video conference interview.

Chapter V.B.2 of the Hiring Plan states, in part, "The hiring Department shall offer interviews to Candidates in the order they appear on the interview list." The DHR Decline to Interview policy states, in part, that if a test or writing sample is required at the time of the interview, such test or writing sample shall be administered remotely through email or other means. The hiring department may pass over a candidate that cannot appear for an in-person interview if the DHR testing team determines that a test cannot be administered remotely. In the event that the DHR testing team approves such action, the Hiring Department must notify OIG.

OIG confirmed with the DHR testing team that DOF did not contact them to confirm if the test could be administered remotely. Additionally, DOF did not notify OIG or their DHR recruiter of their decision not to offer an interview to the candidate.

OIG recommended that the DHR testing team review the test to determine whether the skills exercise was appropriate for remote administration. The DHR testing team decided that the test could be administered remotely. In response, OIG recommended that DOF offer the candidate an interview. Further, OIG recommended that DHR consider additional methods for educating departments about the Decline to Interview policy, including how to administer assessments remotely and when to consult with the DHR testing team, as appropriate.

b. Office of the City Treasurer

On January 25, 2018, DHR escalated a hiring sequence to OIG after noticing several discrepancies in the hire packet. Specifically, the DHR recruiter noted inconsistent dates on signature pages and various ink colors on candidate assessment forms.

²⁵ Effective April 6, 2016.

PAGE 35

FIRST QUARTER REPORT

Chapter V.B.10 of the Hiring Plan states, "Immediately following the interview, each interviewer shall independently and personally identify on the evaluation form whether or not the candidate shall be subject to further consideration in the hiring process... Interview evaluation forms shall not be altered or revised once completed."

OIG found that an employee of the Office of the City Treasurer ("Treasurer's Office") violated the Hiring Plan by altering the candidate assessment forms days after the conclusion of the interviews. OIG also found that several of the errors were the result of miscommunication between the employee and the DHR recruiter. OIG recommended that the employee attend human resources liaison training facilitated by DHR. OIG also recommended that DHR instruct recruiters to provide clear and concise guidance to departments and human resources liaisons regarding expectations for documenting and correcting hire packet errors.

The Treasurer's Office and DHR provided brief responses, agreeing with OIG's recommendation that the affected employee attend training. However, DHR did not address the additional recommendation regarding instructions for recruiters.

Additionally, OIG informed the DHR recruiter and DHR management that OIG intended to monitor the Consensus Meeting once rescheduled. The Treasurer's Office employee failed to provide the proper required notification of the rescheduled Consensus Meeting date and time. The DHR recruiter also failed to notify OIG of the rescheduled Consensus Meeting.

2. CFD Promotional Examinations

During the previous quarter, OIG received approximately half a dozen inquiries from current CFD uniformed members requesting the status of results from promotional examinations administered in 2016 and early 2017. Those firefighters reported an inability to get accurate information from CFD-HR or DHR and requested an investigation. OIG initially found that the City is still subject to the Albrecht consent decree, which requires CFD and the City of Chicago to present the Department of Justice (DOJ) with each fire suppression promotional list, the technical report(s) produced by the testing vendor, and other statistical information prior to offering any promotions. Under the consent decree, the DOJ has 60 days to request further information and/or file objections to CFD's intended promotional lists. As stated in the consent decree, "the contents of the list shall not be disclosed to any candidates thereon or otherwise made public by the defendants or any other party." To date, the City has compiled and provided the DOJ with the required information for the fire engineer

title. The City is currently finishing up the reports for the other titles to send to the DOJ for further review.

3. 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

PAGE 36

FIRST QUARTER REPORT

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

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

TABLE #10 - HIRING OVERSIGHT COMPLAINTS RECEIVED IN THE FIRST QUARTER OF 2018

<i>Status</i>	<i>Number of Complaints ..and/or Cases</i>
Cases Pending at the End of Fourth Quarter 2017	17
Complaints Received in First Quarter 2018	7
Complaints Pending at the End of First Quarter 2018	0
Cases Referred by OIG Investigations in First Quarter 2018	0
Total Cases Closed in First Quarter 2018	1
Closed by Referral to OIC Investigations	0
Closed by Referral to DHR/Department	0
Closed with Recommendations to Hiring Department and/or DHR	0
Cases Pending with OIG Hiring Oversight as of March 31, 2017	23

During the fourth quarter of 2017, OIG received an anonymous complaint that DWM was in violation of the Acting Up Policy by allowing one hoisting engineer to Act Up into the title of foreman of hoisting engineer without offering the Acting Up opportunity to more senior hoisting engineers who were eligible and available. OIG's review found that DWM had violated the Acting Up Policy and did not obtain the proper signatures for accepting or declining the Acting Up opportunity. OIG recommended that: (1) DWM immediately rotate the next Acting Up opportunity for foreman of hoisting engineers to the most senior eligible employee; (2) DWM obtain all required 2017 Acting Up documentation and submit it to OIG and DHR; (3) DWM and DHR ensure that all staff involved with Acting Up are fully trained on the policy and follow the proper Acting Up procedures for any future opportunities that arise; and (4) DWM complete and submit all required Acting Up documents prior to allowing any additional employees to Act Up in 2018.

In response, DWM denied that the Acting Up policy was violated and instead pointed out its accurate and timely monthly reporting of Acting Up. DWM believed that relevant pools are only submitted for long-term Acting Up. DWM agreed with OIG's recommendation that DHR should train DWM personnel on the Acting Up Policy.

PAGE 37

FIRST QUARTER REPORT

OIC did not dispute that DWM submitted its monthly Acting Up reporting in an accurate and timely fashion. However, the policy requires that all instances of Acting Up, regardless of whether incremental or long-term, must follow the annual and monthly procedures. DWM's response and misreading of the policy highlighted the need for training on proper implementation of the full Acting Up policy. DHR and DWM have scheduled the Acting Up training, which OIG plans to attend to reinforce the requirements of the policy.

PAGE 38