



# Office of the City Clerk

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## Legislation Text

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### **TO THE MAYOR, MEMBERS OF THE CITY COUNCIL, CITY CLERK, CITY TREASURER, AND 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 second quarter of 2020, filed with City Council pursuant to Section 2-56-120 of the Municipal Code of Chicago.

OIG, like many City departments, has maintained full operations since the onset of the COVID-19 crisis and the resulting restrictions on public, commercial, and government activities. The vast majority of OIG's activities can and have continued using remote, telework platforms. The greatest limitation on operations arose from the dedication of personnel and resources for COVID-19 assistance to the City's emergency response operations. Approximately 15 percent of OIG personnel were detailed to COVID-19 emergency operations that included the management of Hotel Julian, providing temporary respite to COVID-exposed police officers (and eventually other first responders), staffing support for COVID-related intake operations, and the standing up of contact tracing operations. In addition to emergency detail assignments, other OIG staff provided project-based assistance related to data systems and analysis for emergency food and equipment distribution, among other things. As legal and regulatory standards typically require OIG to conduct its work independent of the operation of the rest of the City, the organization is grateful for the opportunity to have worked with countless City employees and officials in service of the public during this unprecedented challenge.

The other noteworthy external challenge to operations during this quarter arose from the demonstrations and unrest that ensued nationwide following the killing of George Floyd in Minneapolis. OIG, generally, and its Public Safety section, particularly, have oriented significant resources and attention to an assessment of the handling of the demonstrations and civil unrest in Chicago.

Notwithstanding these challenges, the enclosed report reflects OIG's push to continue business as usual, in the pursuit of its legal mandate to improve effectiveness and efficiency of City operations through audit-based inquiries and investigations of a wide range of misconduct. Among other things, this report summarizes a Public Safety section review of the Chicago Police Department's

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records management and production of records systems and practices; an Audit and Program Review section performance audit relating to the Chicago Department of Transportation's management of traffic signals; and management notifications and recommendations respecting administration of the use of City volunteers and insurance documentation for City vehicles.

Finally, while OIG endeavors to turn its critical lens inward to improve our performance, sometimes the impetus for improvement comes from a City counterpart pointing out a shortcoming. Such an example is found in a new feature introduced in the enclosed quarterly report, which sets out the general nature of OIG investigations open for longer than a year. This was prompted by correspondence from the Office of the Mayor highlighting a reporting requirement in OIG's enabling ordinance that had not been acted on during the office's 30-plus-year history. As several of the cases over a year old were criminal in nature, we now also provide more detail about the status of charged criminal cases related to OIG-involved investigations in the criminal cases section of this report.

We welcome and encourage feedback respecting our work, especially related to our public-facing functions and features, including OIG's Information Portal, which hosts an expanded body of user-friendly visualizations of public data respecting the City budget, employment demographics, and CPD's operations and activities. The information and related visualizations are critical to our work. Your suggestions-for which there is a feedback icon on all dashboard pages-will help us identify new areas and ways to inform the public and our City partners in the service of transparency and accountability through civic engagement.

Peace and continued strength to all during these challenging times.

Joseph M. Ferguson Inspector General City of Chicago  
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Respectfully,

SECOND QUARTER REPORT

JULY 15, 2020

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## SECOND QUARTER 2020 HIGHLIGHTS

### COMPLAINTS RECEIVED

An OIG investigation established that the Chicago Police Department superintendent drove a City vehicle while under the influence of alcohol, consumed alcohol before using a City vehicle, committed various traffic violations, allowed a supervisee to use a City vehicle after consuming alcohol, and made false public statements and a material omission.

### MATTERS CONCLUDED

### DISALLOWED CAMPAIGN FINANCE CONTRIBUTIONS

OIG published three notifications regarding:

- Allegations of nepotism and violation of the Ethics Ordinance prohibition on City employees and officials supervising family members.
- The City's status as a self-insured entity and obligations to carry proof of insurance in City vehicles.
- The City's use of volunteers paid by outside entities, which could allow departments to circumvent hiring processes.

### PUBLISHED REPORTS

#### HIRING

#### SEQUENCES

#### AUDITED

OIG published three reports regarding:

- Chicago Department of Transportation Traffic Signal Planning
- Chicago Department of Transportation Commercial Driveway Billing
- Chicago Police Department Management and Production of Records

## SECOND QUARTER REPORT

This quarterly report provides an overview of the operations of the Office of Inspector General (OIG) during the period from April 1, 2020 through June 30, 2020. 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.<sup>1</sup> OIG accomplishes ■ its mission through investigations, audits, and other reviews. OIG issues summary reports of investigations to the appropriate authority, management officials, and/or the Mayor, 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 on the OIG website. OIG's department notifications are sent to the appropriate agency authority or management officials for attention and comment, and are summarized, along with any management response, in the ensuing quarterly report. Finally, OIG issues reports as required by the Hiring Plan and as otherwise necessary to carry out its hiring oversight functions. As of this quarter, these functions are now fulfilled by OIG's Diversity, Equity, Inclusion, and Compliance section.

<sup>1</sup> "City government" includes the City of Chicago and any sister agency which enters into an Intergovernmental Agreement with the City for the provision of oversight services by OIG.

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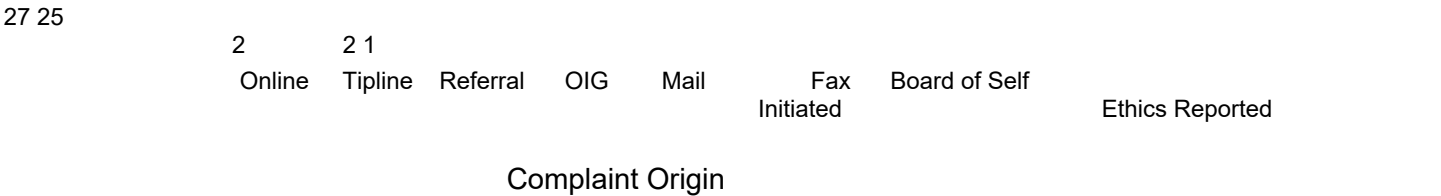
II. INVESTIGATIONS

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 527 complaints this quarter. The following chart breaks down the complaints OIG received during the past quarter by the method in which the complaint was reported.

CHART #1-COM PLAINTS BY REPORTING METHOD



Among other factors, OIG evaluates complaints to gauge the investigative viability and potential magnitude or significance of the allegations-both individually and programmatically.<sup>2</sup> The following table outlines the actions OIG has taken in response to these complaints.

<sup>2</sup> 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.

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### TABLE #1 - COMPLAINT ACTIONS

| Status                               | Number of Complaints |
|--------------------------------------|----------------------|
| Opened Investigation                 | 19                   |
| Pending                              | 160                  |
| Referred to Department/Sister Agency | 175                  |
| Declined                             | 173                  |
| Total                                | 527                  |

## B. PRIOR QUARTER COMPLAINTS

This quarter, OIG acted on 153 of the 162 complaints that were pending at the end of the prior quarter. Nine complaints are still pending further review. The following table provides details on the status and number of all prior pending complaints.

### TABLE #2-PRIOR PENDING COMPLAINTS

| Status ..                            | Number of Complaints |
|--------------------------------------|----------------------|
| Opened Investigation                 | 10                   |
| Pending                              | 9                    |
| Referred to Department/Sister Agency | 88                   |
| Referred to Hiring Oversight         | 1                    |
| Declined                             | 54                   |
| <b>Total</b>                         | <b>162</b>           |

## C. NEWLY OPENED MATTERS

This quarter, OIG opened 292 matters. The following table provides details on the subjects and number of investigations and referrals for newly opened matters.<sup>3</sup>

### TABLE #3 - SUBJECT OF INVESTIGATIONS AND REFERRALS

| Subject of Investigations and Referrals  | Number of Investigations and Referrals |
|--|--|
| Employees                                | 213                                    |
| Contractors, Subcontractors, and Persons | 7                                      |
| Seeking Contracts                        |  |
| Elected Officials                        | 6                                      |

|                     |            |
|---------------------|------------|
| Appointed Officials | 3          |
| Licensees           | 19         |
| Other               | 44         |
| <b>Total</b>        | <b>292</b> |

<sup>3</sup> More than one case may be opened on the same complaint, accounting for discrepancies between the total number of complaints opened as investigations and the total number of cases opened this quarter.

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### D. CASES CONCLUDED THIS QUARTER

This quarter, OIG concluded 326 opened matters. The following table provides details on the status and number of cases concluded.

TABLE #4 - CASES CONCLUDED THIS QUARTER

| Status                               | Number of Cases |
|--------------------------------------|-----------------|
| Referred to a City Department        | 226             |
| Referred to a Sister/External Agency | 39              |
| Sustained <sup>1</sup>               | 21              |
| Not Sustained <sup>5</sup>           | 23              |
| Closed Administratively <sup>6</sup> | 17              |
| <b>Total</b>                         | <b>326</b>      |

### E. PENDING MATTERS

At the close of this quarter, OIG had a total of 173 pending matters, including investigations opened during the quarter.

### 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. In May 2020, the Mayor's Office rightfully noted that our report on investigations not concluded within twelve months did not include "the general nature of the allegations giving rise to each such investigation" as required by the MCC. With this report, OIG has corrected that oversight. In this quarter's report, OIG includes the table for the first quarter of 2020, which was provided to the Mayor's Office on May 29, 2020. The first quarter table is then followed by the current table for the second quarter of 2020. The tables detail the investigations that remain active, including a general description of the nature of the allegations. Most cases remain pending due to being complex or resource intensive investigations that may involve difficult issues or multiple subjects (unless otherwise noted).

<sup>4</sup> 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.

<sup>5</sup> A case is not sustained when OIG concludes that the available evidence is insufficient to prove a violation under applicable burdens of proof.

<sup>5</sup> 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.

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### TABLE #5-INVESTIGATIONS NOT CONCLUDED IN OVER TWELVE MONTHS, FIRST QUARTER

| Case #               | General Nature of Allegations  |
|----------------------|--|
| 13-0270              | Federal criminal investigation. Delegate agency fraud.   |
| 14-0165              | Federal criminal investigation. City employee charged with federal crimes related to false statements in connection with a City program.                         |
| 14-0190              | Federal criminal investigation. Former city employee charged with federal drug crimes.   |
| 14-0411              | Long-running federal criminal investigation concluded without charges and resumed for administrative investigation into collusion/bid rigging.                   |
| 15-0419              | Pending federal criminal investigation. City contractor was indicted for WBE fraud.  |
| 16-0088              | Pending federal criminal investigation of false statements to the City.  |
| 16-0159              | Pending federal criminal investigation of alleged money laundering.  |
| 16-0369              | Pending federal criminal investigation of misuse of campaign and TIF funds.  |
| 16-0373              | Pending federal criminal investigation of campaign finance violations.   |
| 16-0526              | Pending federal criminal investigation of bribery.   |
| 17-0267              | Pending federal criminal investigation. City contractor was indicted for WBE fraud.  |
| 17-0321              | City employee receiving funds through a City contract.   |
| 17-0519              | Preferential treatment and improper gifts involving a City supplier and several City employees.  |
| 17-0594 <sup>7</sup> | Extortion of a business by a City employee.  |
| 17-0652              | Federal criminal investigation concluded without charges and resumed for administrative investigation of contractor fraud and local hiring ordinance violations. |
| 18-0163 <sup>8</sup> | Pending federal criminal investigation of bribery.   |
| 18-0166              | Criminal investigation concluded without charges and resumed for administrative investigation of theft of City property.   |
| 18-0193              | City contractor overbilling of City.   |
| 18-0229              | City employee provided false information to the Chicago Police Department related to a robbery investigation.  |
| 18-0277              | Theft of City supplies and equipment from a City facility.   |
| 18-0278              | Retaliation against a City employee for cooperating with an OIG investigation.   |

<sup>7</sup> Extended due to other higher-risk, time sensitive investigations

<sup>8</sup> On hold, in order not to interfere with another ongoing investigation

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- 18-0287<sup>9</sup> Unregistered lobbying.
- 18-0288<sup>10</sup> Criminal investigation of bribery of a City employee by a City supplier.
- 18-0414<sup>11</sup> MBE fraud.
- 18-0416 Time theft; unexcused absence from work.
- 18-0436<sup>12</sup> Damage to City property by a City subcontractor.
- 18-0508 Campaign finance violations.
- 18-0525 Criminal investigation of MBE fraud.
- 18-0527 Excessive force.
- 18-0579 City employee operating a business while on disability leave.
- 18-0646 City employee's false impersonation of a police officer and failure to properly document an incident by police officers.
- 18-0679<sup>13</sup> Criminal investigation of MBE fraud and false billing by a City contractor.
- 18-0680<sup>14</sup> False statements by a City vendor.
- 18-0715 Criminal investigation of MBE fraud.
- 18-0716 City employee submitted a false statement to U.S. government.
- 18-0717 City employee committed sexual harassment of a City contract employee.
- 18-0718 Failure to provide appropriate care.
- 18-0734 Contract steering and collusion.
- 18-0737 Harassment of a City employee by City supervisors.
- 18-0756 Criminal investigation of MBE fraud.
- 18-0787 Identity theft involving application for a City position fraudulently using the name of a different City employee.
- 18-0800<sup>15</sup> Preferential treatment and false statements submitted to the City by a City vendor.
- 18-0802 Residency violation.
- 18-0803<sup>16</sup> Residency violation.
- 18-0821<sup>17</sup> Residency violation.
- 18-0822 Mistreatment of a member of the public by a City employee.

<sup>9</sup> Extended due to other higher-risk, time sensitive investigations. <sup>10</sup>On hold, in order not to interfere with another ongoing investigation <sup>11</sup> Extended due to other higher-risk, time sensitive investigations. <sup>a</sup> Extended due to other higher-risk, time sensitive investigations. <sup>13</sup> Extended due to other higher-risk, time sensitive investigations <sup>1/1</sup> Extended due to other higher-risk, time sensitive investigations.

<sup>15</sup>Extended due to other higher-risk, time sensitive investigations

<sup>16</sup>Extended due to other higher-risk, time sensitive investigations

<sup>17</sup>Extended due to other higher-risk, time sensitive investigations.

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- 18-0873 Submission of false inspection reports and time falsification.
- 18-0874<sup>18</sup> Time falsification and failure to supervise.
- 18-0877 City employee solicited business from member of public and used position for personal gain.
- 18-0903<sup>19</sup> Prohibited political activity and unauthorized use of City property.

18-0904 Criminal investigation of bribery.  
18-0950 Damage to City property.  
19-0005 City employee commission of domestic battery.  
19-0006 Filing false reports with the City.  
19-0007 Conflicts of interest and undue influence.  
19-0019 Federal criminal investigation. Elected City official charged with bribery and other federal violations.  
19-0036<sup>20</sup> Unauthorized secondary employment and false statements submitted to the City by a City employee.  
19-0038 Retaliation against a City employee for filing a complaint with the FAA.  
19-0065 Criminal investigation of theft of City grant money.  
19-0082 Criminal investigation of MBE fraud case.  
19-0083 Criminal investigation of bribery.  
19-0114 Duty disability fraud.  
19-0118 Federal criminal investigation of bribery and theft.  
19-0120 Failure to disclose gifts on statements of financial interest.  
19-0150 Medical leave fraud.  
19-0178 Criminal investigation concluded without charging and resumed for administrative investigation of distribution of steroids to City employees.  
19-0179 Time falsification and submission of false reports.  
19-0180<sup>21</sup> False information submitted to a bank by a City employee.  
19-0181 Unfit for duty.  
19-0182 Criminal investigation concluded without charges and resumed for administrative investigation of sexual assault by a City employee.  
19-0183 Criminal investigation of bribery and theft.  
19-020P Violence in the workplace, sexual harassment, and discourteous treatment.

<sup>13</sup> Extended due to other higher-risk, time sensitive investigations. <sup>14</sup> Extended due to other higher-risk, time sensitive investigations. <sup>20</sup> Extended due to other higher-risk, time sensitive investigations.

<sup>21</sup> Extended due to other higher-risk, time sensitive investigations

<sup>22</sup> Extended due to other higher-risk, time sensitive investigations

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19-0202 Criminal investigation of theft of a City check.  
19-0206<sup>23</sup> Residency violation.  
19-0244 Federal criminal investigation of bribery.  
19-0270 Residency violation.  
19-0300 Criminal investigation of WBE fraud.  
19-0301 Improper political activity.  
19-0302<sup>24</sup> Residency violation.  
19-0303 False information submitted to the City.

TABLE #6-INVESTIGATIONS NOT CONCLUDED IN OVER TWELVE MONTHS, SECOND QUARTER

| Case #                | General Nature of Allegations  |
|-----------------------|--|
| 13-0270               | Federal criminal investigation. Delegate agency fraud.   |
| 14-0411               | Long-running federal criminal investigation concluded without charges and resumed for administrative investigation into collusion/bid rigging. |
| 16-0088               | Pending federal criminal investigation of false statements to the City.  |
| 16-0159               | Pending federal criminal investigation of alleged money laundering.  |
| 16-0369               | Pending federal criminal investigation of misuse of campaign/TIF funds.  |
| 16-0373               | Pending federal criminal investigation of campaign finance violations.   |
| 16-0526               | Pending federal criminal investigation of bribery.   |
| 17-0321               | City employee receiving funds through a City contract.   |
| 18-0163 <sup>25</sup> | Pending federal criminal investigation of bribery.   |
| 18-0277               | Theft of City supplies and equipment from a City facility.   |
| 18-0508               | Campaign finance violations.   |
| 18-0525               | Criminal investigation of MBE fraud.   |
| 18-0527               | Excessive force.   |
| 18-0646               | City employee's false impersonation of a police officer and failure to properly document an incident by police officers.                       |
| 18-0679 <sup>26</sup> | Criminal investigation of MBE fraud and false billing by a City contractor.  |
| 18-0680 <sup>27</sup> | False statements by a City vendor.   |
| 18-0715               | Criminal investigation of MBE fraud.   |

<sup>23</sup> Extended due to other higher-risk, time sensitive investigations. <sup>24</sup> Extended due to other higher-risk, time sensitive investigations

<sup>25</sup> On hold, in order not to interfere with another ongoing investigation.

<sup>26</sup> Extended due to other higher-risk, time sensitive investigations.

<sup>27</sup> Extended due to other higher-risk, time sensitive investigations

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|                       |  |
|-----------------------|--|
| 18-0734               | Contract steering and collusion.   |
| 18-0737               | Harassment of a City employee by City supervisors.   |
| 18-0756               | Criminal investigation of MBE fraud.   |
| 18-0802               | Residency violation.   |
| 18-0821 <sup>28</sup> | Residency violation.   |
| 18-0822               | Mistreatment of a member of the public by a City employee.   |
| 18-0873               | Submission of false inspection reports and time falsification.   |
| 18-0874 <sup>29</sup> | Time falsification and failure to supervise.   |
| 18-0877               | City employee solicited business from member of public and used position for personal gain.              |
| 18-0904               | Criminal investigation of bribery.   |
| 19-0006               | Filing false reports with the City.  |
| 19-0007               | Conflicts of interest and undue influence.   |
| 19-0019               | Federal criminal investigation. Elected City official charged with bribery and other federal violations. |

19-0036<sup>30</sup> Unauthorized secondary employment and false statements submitted to the City by a City employee.  
19-0065 Criminal investigation of theft of City grant money.  
19-0082 Criminal investigation of MBE fraud case.  
19-0083 Criminal investigation of bribery.  
19-0114 Duty disability fraud.  
19-0118 Federal criminal investigation of bribery and theft.  
19-0120 Failure to disclose gifts on statements of financial interest.  
19-0150 Medical leave fraud.  
19-0178 Criminal investigation concluded without charging and resumed for administrative investigation of distribution of steroids to City employees.  
19-0180<sup>31</sup> False information submitted to a bank by a City employee.  
19-0183 Criminal investigation of bribery and theft.  
19-0202 Criminal investigation of theft of a City check.  
19-0206<sup>32</sup> Residency violation.  
19-0244 Federal criminal investigation of bribery.

<sup>28</sup>Extended due to other higher-risk, time sensitive investigations.

<sup>29</sup>Extended due to other higher-risk, time sensitive investigations.

<sup>30</sup>Extended due to other higher-risk, time sensitive investigations

<sup>31</sup>Extended due to other higher-risk, time sensitive investigations

<sup>32</sup>Extended due to other higher-risk, time sensitive investigations.

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19-0300 Criminal investigation of WBE fraud.  
19-0303 False information submitted to the City.  
19-0313 Federal criminal investigation of bank fraud.  
19-0411 ' False information submitted to the City.  
19-0412 FMLA fraud.  
19-0413 Criminal investigation of contract steering and collusion.  
19-0448 Improper access and dissemination of police records.  
19-0470<sup>33</sup> Online harassment on City time.  
19-0487<sup>34</sup> Jury duty leave fraud.  
19-0488<sup>35</sup> Preferential treatment.  
19-0506<sup>36</sup> False information submitted to the City.  
19-0507 Incompetence and inattention to duty.  
19-0508 Conflicts of interest and undue influence.  
19-0515 Preferential treatment.  
19-0516 Unauthorized use of City equipment, time fraud, and submission of false documentation.  
19-0528 Failure to follow department rules in course of an investigation.  
19-0546 FMLA fraud.  
19-0605<sup>37</sup> Prohibited interest in City business.

- 19-0608<sup>38</sup> Improper access to a City facility.  
19-0609 False information submitted to the City.  
19-0610 Criminal investigation of money laundering.

## G. ETHICS ORDINANCE COMPLAINTS

This quarter, OIG received 18 Ethics Ordinance complaints. OIG declined 6 complaints because they lacked foundation and 12 are pending.

## H. PUBLIC BUILDING COMMISSION COMPLAINTS AND INVESTIGATIONS

This quarter, OIG received no complaints related to the Public Building Commission.

<sup>33</sup> Extended due to other higher-risk, time sensitive investigations.

<sup>34</sup> Extended due to other higher-risk, time sensitive investigations.

<sup>35</sup> Extended due to other higher-risk, time sensitive investigations

<sup>36</sup> Extended due to other higher-risk, time sensitive investigations

<sup>37</sup> Extended due to other higher-risk, time sensitive investigations.

<sup>33</sup> Extended due to other higher-risk, time sensitive investigations

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## 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 investigation<sup>39</sup>-a summary and analysis of the evidence and recommendations for disciplinary or other corrective action. OIG sends these reports to the appropriate authority, including 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 Municipal Code of Chicago (MCC) bans City vendors, lobbyists, and those seeking to do business with the City from contributing over \$1,500 annually to any elected City official's or candidate's political campaign. Potential violations of the cap are identified through complaints or independent OIG analysis of campaign finance data. Other rules and regulations such as Executive Order 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 entity 10 days to challenge the determination or cure the violation by returning the excess donation.<sup>40</sup> 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 resolved 10 campaign finance violation matters that involved \$12,500 in disallowed contributions. Details of the cases are provided in the table below.

TABLE #7-CAMPAIGN FINANCE ACTIVITY

| Case #  | Donation Amount<br>(Year) | Donation Source                      | Amount of Returned Funds |
|---------|---------------------------|--------------------------------------|--------------------------|
| 19-1066 | \$2,500 (2018)            | Company doing business with the City | \$1,000                  |
| 19-1068 | \$1,550 (2018)            | Company doing business with the City | \$50                     |

<sup>39</sup> Per MCC §2-56-060, "Upon conclusion of an investigation the inspector general shall issue a summary report thereon. The report shall be filed with the mayor, and may be filed with the head of each department or other agency affected by or involved in the investigation."

<sup>40</sup> If the donor and/or recipient was already aware that the excess donation was a violation at the time the donation was made, then they may not be entitled to notice and opportunity to cure the violation and avoid a fine.

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|         |                |                                      |         |
|---------|----------------|--------------------------------------|---------|
| 20-0335 | \$1,750 (2018) | Company doing business with the City | \$250   |
| 20-0337 | \$3,500 (2018) | Company doing business with the City | \$2,000 |
| 20-0337 | \$2,500 (2018) | Company doing business with the City | \$1,000 |
| 20-0337 | \$4,000 (2018) | Company doing business with the City | \$2,500 |
| 20-0337 | \$3,000 (2018) | Company doing business with the City | \$1,500 |
| 20-0339 | \$3,200 (2018) | Company doing business with the City | \$1,700 |
| 20-0340 | \$2,500 (2018) | Company doing business with the City | \$1,000 |
| 20-0343 | \$3,000 (2018) | Company doing business with the City | \$1,500 |

## B. SUSTAINED ADMINISTRATIVE INVESTIGATIONS

The following are brief synopses of administrative investigations completed and eligible to be reported as sustained investigative matters. A matter is not eligible for reporting until, pursuant to the MCC, the relevant City department has had 30 days (with the potential for an extension of an additional 30 days) to respond to OIG findings and recommendations<sup>41</sup> and inform OIG of what action the department intends to take.

Departments must follow strict protocols, set forth in the City's Personnel Rules, Procurement Rules, and/or applicable collective bargaining agreements, prior to imposing disciplinary or corrective action/-<sup>2</sup>

In addition to OIG's findings, each synopsis includes the action taken by the department in response to OIG's recommendations. 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.

TABLE #8 - OVERVIEW OF CASES COMPLETED AND REPORTED AS SUSTAINED MATTERS

| Case Number * | Department or Agency | oig . <sup>1</sup>   | Department or Agency Action |
|---------------|----------------------|--|-----------------------------|
| #19-1202      | Aviation             | Recommendation<br>Finding of probable cause by the Board of Ethics;<br>appropriate sanctions | Probable cause finding      |

<sup>41</sup> PBC has, 60 days to respond to a summary report of investigation by stating a description of any disciplinary or administrative action taken by the Commission. If PBC chooses not to take action or takes an action different from that recommended by OIG, PBC must describe that action and explain the reasons for that action.

<sup>42</sup> In some instances, OIG may defer the reporting of a matter against an individual until the conclusion of investigation of other individuals connected to the same misconduct, so as to preserve investigative equities and to assure that the administrative due process rights of those subject to the continuing investigation are protected.

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| Case Number | Department or Agency                     | OIG Recommendation                                     | Department or Agency Action   |
|-------------|--|--|---|
| #19-1129    | Police                                   | Discharge and designate as ineligible for rehire       | Removed from position; designated as ineligible for rehire after reverting to former rank and resigning |
| #19-0270    | Planning and Development                 | Discharge and designate as ineligible for rehire       | Resigned under inquiry; designated as ineligible for rehire   |
| #18-0738    | Aviation                                 | Discharge and designate as ineligible for rehire       | Retired under inquiry; designated as ineligible for rehire  |
| #18-0524    | Business Affairs and Consumer Protection | Discipline commensurate with the gravity of violations | 29-day suspension; one-on-one training session with the Board of Ethics                                 |
| #17-0597    | Emergency Management and Communications  | Discharge and designate as ineligible for rehire       | Discharged and designated as ineligible for rehire  |
| #14-0165    | City Contractor                          | Debarment  | Requested written response from the subject within 30 days  |

## 1. Fraudulent Statements of Financial Interest (#19-1202)

An OIG investigation established that a former Chicago Department of Aviation (CDA) deputy commissioner filed fraudulent statements of financial interest in violation of the City of Chicago Governmental Ethics Ordinance. Specifically, the former deputy commissioner failed to disclose ownership of a consulting company through which the former deputy commissioner derived income in excess of \$1,000 in both the 2017 and 2018 calendar years. OIG's investigation established that the former deputy commissioner incorporated the



consulting company in 2017, opened a checking account for the business, and deposited over \$48,000 in 2017 and over \$72,000 in 2018 to the account, reflecting payments from approximately five different client firms.

OIG requested that the City of Chicago Board of Ethics (BOE) issue a finding of probable cause to believe the former deputy commissioner violated the Ethics Ordinance and impose appropriate sanctions.-BOE, at its May 2020 board meeting, found there was probable cause to believe the former deputy commissioner violated the Ethics Ordinance. BOE sent notice of the probable cause finding, and underlying evidence, to the former deputy commissioner for a response.

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### 2. Driving While Impaired and False Statements (#19-1129)

An OIG investigation established that the Chicago Police Department (CPD) superintendent drove a City vehicle while under the influence of alcohol, consumed alcohol before using a City vehicle, committed various traffic violations, allowed a supervisee to use a City vehicle after consuming alcohol, and made false public statements and a material omission regarding an incident that occurred during the evening of Wednesday, October 16, 2019, and into the early morning hours of October 17, 2019. During this time, CPD units responded to the area of West 34th Place and South Aberdeen Street pursuant to a 911 call from a member of the public and found the superintendent asleep at the wheel of a CPD vehicle in a lane of traffic.

In its investigation, OIG obtained video footage from a downtown restaurant showing that on the evening of October 16, 2019, the superintendent and a CPD police officer, who worked as the superintendent's driver and security detail, each consumed several large servings of rum. Private security video footage captures the superintendent and his driver leaving the downtown restaurant, getting into the superintendent's City vehicle and driving away with the superintendent at the wheel. City video shows the superintendent dropping off his driver at CPD Headquarters at approximately 10:30 p.m. and allowing the officer to drive away in their assigned city vehicle. Private security camera footage shows the superintendent arrive in the area of 34th and Aberdeen in his vehicle at approximately 10:39 p.m. The superintendent remained there, parked illegally with his vehicle running, until a member of the public called 911 and reported seeing a man asleep in his vehicle. CPD officers arrived in the area at approximately 12:33 a.m.

Footage from the sole body-worn camera activated at the scene of the incident shows two officers get out of their vehicle and approach the superintendent's vehicle. The superintendent is asleep in his vehicle until one of the officers knocks on the driver's side window and asks, "Sir, you alright?" The superintendent responds, but what he says is unclear. The officer then asks the superintendent, "You good? Do you have your ID?"

At that point, a fire truck arrives on scene, and a CFD member approaches the officer standing on the superintendent's driver's side window, and asks, "Hey, what's going on?" The officer does not respond, and the CFD member stops abruptly, and walks away from the superintendent's vehicle toward the fire truck.

The body-worn camera footage then shows the superintendent placing what appears to be an ID consistent in appearance with CPD credentials against the window, which is rolled down approximately two inches, for the officer to see. The officer asks the superintendent, "Wanna go umm, you just sitting here, or do you wanna go home?" The superintendent says, "I'm good," and the officer replies, "You good? Alright sir,

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have a good night." The officer then deactivates their body-worn camera. No chemical tests or field sobriety tests are performed.

Private security video footage shows that shortly after the officer deactivates his body-worn camera, two additional CPD vehicles arrive in the area of 34th and Aberdeen, at 12:38 p.m. At approximately 12:39 a.m., over the radio, one of the officers asks the Office of Emergency Management and Communications (OEMC) dispatch, "Can I get a supervisor to 34th and Aberdeen?" At 12:40 a.m., private security video footage shows the fire truck reverse south on S. Aberdeen and leave the area.

At 12:43 a.m., an unmarked CPD vehicle is captured on video as arriving on South Aberdeen Street, at which time a supervising officer gets out of the vehicle and walks toward the officers already on scene. A few seconds later, the subordinate officers get into their CPD vehicles and leave the intersection. At 12:46 a.m., dashcam video shows the superintendent departs the intersection, first turning right and proceeding east on 34th, in the opposite direction of his residence. The supervising officer who arrived last on scene follows behind the superintendent's vehicle. OEMC records show that at 12:47 a.m., an officer cleared the stop and coded it D/19P, which means no police action was needed.

After the stop was cleared, CPD units remained in the general vicinity. At 12:48 a.m., dashcam video footage shows the superintendent's vehicle driving westbound on 34th toward his residence, followed by two other CPD vehicles. The footage also shows that the superintendent's vehicle fails to stop at a stop sign. At approximately 12:49 a.m., dashcam footage shows the superintendent traveling westbound on 34th. The superintendent makes a slow, wide right turn into the wrong lane, moves into the correct lane, and proceeds northbound on South Racine Avenue. According to CPS records, two CPD vehicles, which were both involved in the initial call, traveled to the area of the superintendent's residence at approximately 12:51 a.m.

In addition to driving while impaired, the superintendent made two false statements to the public during a press conference on October 17, 2019. First, falsely stating that he was, on October 16, 2019, "out with a group of friends for dinner," when, in fact, the superintendent was with a CPD police officer who worked as his driver and security detail. The superintendent also falsely stated that he "ordered the Bureau of Internal Affairs to conduct an internal investigation," when, in fact, he did not. Furthermore, the superintendent omitted a critical detail—that he had consumed alcohol before driving his CPD vehicle on the evening of October 16, 2019—resulting in a materially inaccurate portrayal of the incident in remarks he made while in uniform and speaking in an official capacity. More specifically, in the press conference, the superintendent described the incident as

a "medical episode" resulting from a mix-up in his medication and made no mention of consuming alcohol.

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The evidence also showed that the superintendent spoke to the Mayor and her chief of staff in a phone call and an in-person meeting in the days immediately following the incident, and although he admitted in passing to having a couple of drinks with dinner, he explained that he pulled over because he felt ill and referenced an issue with his medication earlier in the week. He similarly stated that he had instructed responding officers to initiate a complaint against him.

While the superintendent eventually complied with an initial formal written request for information from OIG, he subsequently responded to OIG's requests for an interview claiming he was unable to attend on the dates proposed due to a preplanned vacation. He similarly declined a request for interview after his removal as superintendent but before his eventual retirement.

OIG recommended that the Mayor discharge the superintendent and refer him for placement on the ineligible for rehire list maintained by the Department of Human Resources (DHR). Furthermore, OIG recommended that, if the superintendent were to retire in lieu of discharge, he be found not in good standing and not be issued Illinois Retired Officer Concealed Carry credentials.

In response, the Mayor removed the superintendent from his position on December 2, 2019. Accordingly, the superintendent reverted to his former rank of lieutenant and subsequently resigned from CPD on December 4, 2019. The superintendent was also added to DHR's ineligible for rehire list.

On May 29, 2020, OIG provided CPD with two additional Summary Reports of Investigation regarding the call involving the former superintendent, one which addresses the conduct of the CPD officer who served as the former superintendent's driver and security detail, and another which addresses the CPD member response to the call involving the former superintendent.

Pursuant to MCC § 2-56-065, CPD was required to provide a written response to the reports or request a 30-day extension by June 28, 2020. On June 23, 2020, CPD requested a 30-day extension, which OIG granted. Accordingly, CPD's response is due on July 28, 2020. OIG will summarize the findings and recommendations of those reports, as well as any action taken by CPD with respect to other involved members, in a future quarterly report.

### 3. Residency Violation (#19-0270)

An OIG investigation established that a Department of Planning and Development (DPD) financial planning analyst lived in Evanston, Illinois (the "Evanston property") in violation of MCC § 2-152-050, requiring its employees to reside in Chicago. DPD had been unable to locate the financial planning analyst's proof of residency and asked

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the analyst to provide documentation. DPD also determined that the financial analyst's personnel file contained a copy of a direct deposit check with the address whited out. The financial planning analyst proceeded to provide DPD with a temporary Illinois driver's license that was issued the same day as DPD's request, which DPD found to be suspicious. Between April and November 2019, OIG conducted multiple surveillances on the Evanston property and observed the financial planning analyst at the property on each occasion.

OIG recommended that DPD discharge the financial planning analyst and refer the analyst for placement on the ineligible for rehire list maintained by DHR.

In response, DPD agreed that the evidence established the violations and initiated the disciplinary process. DHR designated the financial planning analyst as having resigned under inquiry and referred the employee for placement on the ineligible for rehire list.

#### 4. Falsification of Airfield Conditions and False Statements (#18-0738)

An OIG investigation established that a CDA deputy commissioner at Midway International Airport (MDW), disregarded crucial federal safety protocols and the City's Personnel Rules. Specifically, the deputy commissioner ordered a CDA airport operations supervisor (AOS) under the deputy commissioner's supervision to change the reported airfield conditions at M DW from "wet" to "dry," despite the fact that assessing and reporting airfield conditions are the AOS' duties and those reports may only be overridden on the basis of personal observation. In this instance, the deputy commissioner was at home, off-duty, and failed to verify the actual airfield conditions personally or otherwise. The investigation established that prior to ordering the AOS to change the conditions, the deputy commissioner received a call at home from an employee of a private airline requesting that the airfield conditions be changed. During an interview with OIG, the deputy commissioner acknowledged that the airline official had a financial motivation for requesting the change in status, because the airline could not include as many passengers on planes landing on a wet airfield at MDW as are permitted for dry conditions, and the airline would therefore lose money if the airfield conditions were not altered.

Further, during the investigation into this incident, the deputy commissioner lied to OIG by falsely claiming to have verified the airfield conditions by contacting a different AOS. However, phone records and recorded phone calls at CDA revealed that the deputy commissioner did not speak with a different AOS prior to ordering the AOS to change the conditions. The Federal Aviation Administration conducted a parallel federal safety investigation arising from the same incident.

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

The deputy commissioner subsequently retired after CDA received OIG's report. In response, CDA referred the deputy commissioner for placement on the ineligible for rehire list.

5. Conflict of Interest and Preferential Treatment (#18-0524)

An OIG investigation established that a Business Affairs and Consumer Protection (BACP) business compliance investigator called an employee of a Chicago business to alert them to an impending inspection and participated in the inspection, in spite of a conflict of interest. The business compliance investigator runs a nonprofit organization that received annual food donations from the business he inspected. In addition, the business compliance investigator told a fellow investigator to "go easy" on the business, because the business had donated to the nonprofit. The business compliance investigator also gave preferential treatment to another business because he had eaten at their restaurant on multiple occasions. The business compliance investigator's conduct violated City of Chicago Personnel Rules and BACP's Conflict of Interest Policy.

OIG recommended that BACP impose discipline against the business compliance investigator commensurate with the gravity of the violations, past disciplinary record, and any other relevant considerations.

In response, BACP agreed with OIG's recommendations and suspended the business compliance investigator for 29 days. BACP required that the business compliance investigator agree not to solicit donations from Chicago businesses on behalf of any charitable organizations and complete a one-on-one training session with BOE. BACP also scheduled ethics training sessions for the rest of its staff for March and April 2020, but the sessions were postponed due to Governor Pritzker's shelter-in-place order. BACP reported that the trainings would be rescheduled.

6. FMLA and Paid Sick Leave Abuse (#17-0597)

An OIG investigation established that an OEMC police communications operator II fraudulently used paid sick leave and Family Medical Leave Act (FMLA) leave. In July 2017, the employee misused one and a half days of paid sick leave to cover a portion of a personal vacation in Puerto Rico. In October 2017, the employee fraudulently used FMLA leave while on vacation in southern California.

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

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

7. City Contractor Fraudulent Payment Documentation (#14-0165)

An OIG investigation established that a City contractor, through its president, knowingly made false statements and submitted false claims when it submitted final payment documentation to DPD in February 2014, for seven porch construction projects that had not been completed at the time of submission. More specifically, the contractor's president, working with a former DPD rehabilitation construction specialist (RCS), presented seven false, sworn affidavits as well as seven fraudulent paying agent forms, containing the forged signatures of the homeowners, attesting that the work on all seven porch projects was 100% complete when, in reality, work was not complete on any of the projects and had not even begun on five of the seven projects. Based upon the contractor's submission of the false and fraudulent documents to DPD, as well as the misconduct by the former RCS, the City paid the contractor over \$118,000 in March 2014 for work that had not been completed.

OIG recommended that the Department of Procurement Services (DPS) debar the contractor.

In response, DPS sent a letter to the contractor and provided the contractor with-30 days to respond to OIG's investigation. DPS is awaiting the contractor's response.

OIG delayed the reporting of this investigation to DPS to avoid interfering with the federal criminal investigation into the former RCS' conduct related to the porch projects. On July 16, 2019, the U.S. District Court for the Northern District of Illinois unsealed a criminal indictment returned against the former RCS by a federal grand jury in March 2019. The two-count indictment charges the former RCS with wire fraud (18 U.S.C. § 1343) and making false statements to special agents of the Federal Bureau of Investigation (18 U.S.C. § 1001). On July 16, 2019, the former RCS was arraigned on those charges and the federal charges are currently pending.

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## **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.<sup>43</sup>

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

## **A. SYNOPSES AND DEVELOPMENTS IN CHARGED CRIMINAL CASES**

The following chart summarizes ongoing criminal cases that relate to closed OIG cases and provides the current status, of the criminal proceedings. In the first quarter after a case is indicted, a detailed summary will appear in this section. Please note that charges in an indictment are not evidence of guilt. The defendant is presumed innocent and entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

TABLE #9- DEVELOPMENTS IN PRIOR CHARGED CRIMINAL CASES

| OIG Case # | Criminal Case Cite                        | Charged   | Summary   | Status                               |
|------------|---|-----------|---|--------------------------------------|
| 14-0165    | USA v. Joseph Garcia, 19 CR 270 (N.D. IL) | 3/21/2019 | Garcia, a former Department of Housing inspector, was indicted for wire fraud and lying to the FBI, as a result of his submission of false reports representing that he had inspected construction and repair work that had not been completed, so that | 7/15/2020: Telephonic status hearing |

<sup>43</sup>OIG may issue summary reports of investigation recommending administrative action based on criminal conduct prior to, during, or after criminal prosecution.

the contractor would receive payment from the City.

|                    |  |           |   |  |
|--------------------|--|-----------|---|--|
| 14-0190            | USA v. Ramon Vargas, 19 CR 677 (N.D. IL)     | 8/27/2019 | Vargas, a former Department of Buildings electrical inspector, was charged with conspiracy, possession with intent to distribute, and distribution of one kilogram or more of heroin.   | 6/18/2020: Vargas pleaded guilty to one count of the indictment.<br>8/27/2020: Government's sentencing memorandum due<br>9/3/2020: Defendant's sentencing memorandum due |
| 15-0419<br>17-0267 | USA v. John McClendon, 19 CR100 (N.D. IL)    | 2/5/2019  | McClendon, owner and president of McClendon Holdings LLC, was indicted on federal criminal charges, including four charges of wire fraud for defrauding the City of Chicago, by falsifying price increases in two City contracts that were secured in 2014 and 2015.  | 8/14/2020: Status hearing  |
| 16-0334            | State v. Alyssa Cornejo, 18 CR 291201 (Cook) | 3/16/2018 | Cornejo, a bank employee and an associate of the former director of a City Special Service Area administrative agency, was charged with multiple counts of theft, misappropriation, and financial crimes related to her withdrawal of funds from the administrative agency's account using forged withdrawal slips. | 7/23/2020: Status hearing  |

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|                               |   |          |   |                           |
|-------------------------------|---|----------|---|---------------------------|
| 17-0519<br>18-0738<br>18-0952 | USA v. William Helm, 20 CR 0519 (N.D. IL) | 3/5/2020 | Helm, a former Chicago Department of Aviation deputy commissioner, was indicted for bribery related to a federal program, based on his offer to pay Illinois State Senator and Chairman of the Senate Transportation Committee Martin Sandoval, in order to influence the Illinois Department of Transportation's award of work to a particular contractor. | 8/17/2020: Status hearing |
|-------------------------------|---|----------|---|---------------------------|



|         |                               |           |   |   |
|---------|-------------------------------|-----------|---|---|
| 19-0019 | USA v. Edwards et al, 19CR324 | 4/11/2019 | Burke, an alderman and former chairman of the City Council Committee on Finance, was indicted on multiple counts of bribery, extortion, and interference with commerce by threat, along with Peter Andrews, an employee of Burke's ward office, and Charles Cui, a managing member of an LLC that owned property in the City. The charges against Burke stem from various incidents in which he used or threatened to use his authority as a City elected official to secure business for his private law firm. | 9/1/2020: Status hearing. Court is holding May, June, and July 2021 for trial. Trial date will be set by next status hearing. |
|---------|-------------------------------|-----------|---|---|

## **B. SYNOPSES AND RESULTS OF ADMINISTRATIVE APPEALS, GRIEVANCES, OR OTHER ACTIONS**

OIG has been notified of two updates regarding appeals to HRB or an arbitrator, or other actions this quarter regarding discipline imposed or other actions resulting from OIG investigations.

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#### **1. Attempted Fraud by a City Contractor (#18-0437)**

As reported in the third quarter of 2019, an OIG investigation established that the president of a former City contractor attempted to perpetrate fraud on the City while the contractor's City contract was still active. More specifically, the contractor's president asked a subcontractor to falsely represent to the City that the contractor had made a \$168,285.25 payment to the subcontractor that it had not actually made, in order to prevent the City's termination of the contractor's contract. As corroborative evidence of the purported payment, the contractor's president provided the subcontractor with a copy of a false check from the contractor to the subcontractor in that amount and asked the subcontractor to present it to the City, which the subcontractor declined to do. The contractor and the contractor's president also refused to cooperate with OIG's investigation of the attempted fraud.

OIG recommended that the Department of Procurement Services (DPS) permanently debar the contractor and the contractor's president.

In response, DPS sent a letter to the contractor and the contractor's president, stating that they each had 30 days to respond to the allegations contained in OIG's report. The contractor's president subsequently responded that he would assert his Fifth Amendment right to remain silent and would not respond to DPS' request for a response. In January 2020, DPS sent the contractor a notice of proposed debarment, stating that

failure to respond to the specific allegations would be deemed as an admission. The contractor again declined to respond, and accordingly, in May 2020, DPS permanently debarred the contractor and the contractor's president, prohibiting them from any future contracting with the City as a prime, subcontractor, or supplier.

## 2. False Statements by a Police Officer (#13-0475)

As previously reported in the second quarter of 2019, an OIG investigation, which concluded in August 2017, established that a Chicago Police Department (CPD) officer made numerous false written statements as well as false statements in an official investigation into false claims the officer submitted in the context of secondary employment. In 2012 and 2013, the officer worked a second job with a private security firm providing security to Chicago Housing Authority (CHA) buildings. During this time, the officer falsified numerous security firm timesheets submitted to CHA and on which the officer was paid, indicating that the officer was working for the security firm at CHA at times when the officer was, in fact, on duty for CPD. The officer further provided false statements during a CHA Office of Inspector General investigation.

OIG's analysis of the officer's work records showed that in 2013 alone, the officer reported working more than 2,343 hours for the private security firm in addition to a full-time, 40-hour per week position with CPD. OIG's analysis of timesheets from 2012

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and 2013 uncovered over 500 hours when the officer reported being on the clock for CPD and the private security firm at the same time. The officer's arrest reports and field contact cards for the same period show 1 day in 2012 and 58 days in 2013 during which the officer either performed an arrest or investigatory stop during a time when the officer reported working for the private security firm. Court records reflect that the officer later provided sworn testimony regarding one of those arrests. In an interview with OIG, the officer asserted that the timesheets were correct and that the overlap was due, in part, to CPD supervisors releasing officers as much as two hours early, inaccuracies in CPD reports, or human error.

OIG recommended that CPD discharge the officer and refer the officer for placement on the ineligible for rehire list maintained by the Department of Human Resources.

In response, CPD referred the matter to its Bureau of Internal Affairs for additional investigation and sought OIG's assistance in conducting additional interviews of the officer's CPD supervisors during the relevant period. OIG completed additional interviews and produced additional evidence to CPD in November 2017.

In June 2019, following this additional investigation, CPD filed charges with the Chicago Police Board, seeking the officer's discharge on the basis of three false timesheets submitted to the private security firm and for violation of the Department's rules regarding secondary employment.

The Chicago Police Board held a three-day evidentiary hearing in February 2020. On June 18, 2020, the Police Board unanimously found that the officer had not violated CPD's Rule 14 prohibiting false statements

because, while the officer knew the times listed on the private security firm's timesheets were false, the times were not material to whether the officer would be paid, so long as the officer worked the total number of required hours. The Board determined that it was not impossible for the officer to work two full-time jobs, and there was little evidence to show the officer had not in fact worked all the hours declared on the timesheets.

The Board did find the officer guilty of violating the Department's policies on secondary employment by appearing in CPD uniform, while on duty for CPD, at a meeting for the private security firm. The Board noted that the officer allowed the secondary employment to infringe upon the officer's sworn duties and emphasized that, "Chicago police officers must fully commit to the faithful and dedicated performance of his or her assigned duty." For this violation, the Board imposed a suspension of 120 days.

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# V. AUDITS AND FOLLOW-UPS

In addition to confidential disciplinary investigations, OIG's Audit and Program Review (APR) section 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 two reports APR released this quarter.

1. Chicago Department of Transportation Commercial Driveway Billing Follow-Up Inquiry (#20-0194)<sup>44</sup>

OIG completed a follow-up to its July 2019 audit of the Chicago Department of Transportation's (CDOT) billing process for commercial driveway permit annual fees. The purpose of the 2019 audit was to determine whether CDOT accurately and completely billed commercial property owners for driveways that use the public way. Our audit found that the Department either did not bill, or inaccurately billed, an estimated 6,713 permitholders, had no confidence that all relevant driveways were recorded in its driveway permit system, and did not actively pursue payment for driveway permit fees that were past due.

OIG recommended several steps that CDOT should take to correct data problems hampering its billing operations and to prevent such problems in the future. Furthermore, we recommended that CDOT collaborate with other departments to include driveway permit fees in the City's standardized debt collection process.

In February 2020, OIG inquired about the status of corrective actions taken by CDOT. Based on CDOT's follow-up response, OIG concludes that CDOT partially implemented corrective actions. Specifically, CDOT created procedures to correct inaccurate driveway records and prevent future inaccuracies, developed and initiated a process to migrate data to the new Infor Public Sector (IPS) system, and documented standardized

driveway permitting and billing procedures to share with relevant employees.

To fully implement the corrective actions recommended in the audit, the Department should identify inaccurate driveway permit records or undocumented driveways, credit and reimburse overbilled accounts, develop monitoring tools for permits at risk for inaccurate billing or non-billing, and migrate to IPS as planned.

<sup>A4</sup> Published April 21, 2020 See <https://iqchicago.org/wp-content/uploads/2020/04/Driveway-Billing-Follow-Up.pdf>.

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### 2. Chicago Department of Transportation Traffic Signal Planning Audit (#19-0766)<sup>AS</sup>

OIG evaluated whether CDOT's traffic signal planning meets industry best practices as defined by the Federal Highway Administration (FHWA). FHWA recommends that agencies adopt written traffic signal management plans with defined goals, objectives, and performance measures. OIG concluded that CDOT does not have a traffic signal management plan and has not established program objectives or performance measures connecting traffic signal planning, operations, and maintenance activities to broader Department and City goals related to traffic safety, equity, and mobility.

In addition, OIG found that rather than proactively maintaining and retiming traffic signals, CDOT conducts most of its work in response to 311 complaints, aldermanic requests, and major construction projects. This approach to maintenance limits CDOT's ability to address problems early or to ensure that signals are timed optimally for changing traffic conditions.

In response to our audit findings and recommendations, CDOT agreed to develop a traffic signal management plan, create performance measures to track progress toward its goals, and analyze staffing levels in relation to FHWA guidance.

<sup>45</sup> Published June 17, 2020 See <https://iachicaaooora/wp-content/uploads/2020/06/CDOT-Traffic-Signal-Planning-Audit.pdf>

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# VI. ADVISORIES AND DEPARTMENT NOTIFICATION LETTERS

Advisories and department notification letters describe management problems observed by OIG in the course of other activities including audits and investigations. These are problems that OIG believes it should apprise the City of in an official manner. OIG completed three notifications this quarter.

### 1. Notification Concerning Allegations of Nepotism at CPD (#20-0352)

OIG received a complaint alleging three situations where officers at the Chicago Police Department (CPD) serve under the direct supervision of members of their families. OIG did not undertake further investigation into the specific allegations; instead, we sent CPD a letter of notification highlighting the strict prohibitions the City's Governmental Ethics Ordinance imposes on City employees and officials supervising their family members.

In particular, the relevant section of the Ethics Ordinance-the "anti-nepotism rule"- provides, in pertinent part: "No official or employee shall employ or advocate for employment, in any city agency in which said official or employee serves or over which he exercises authority, supervision, or control, any person ... who is a relative or

domestic partner of said official or employee " MCC § 2-156-130(a). The term

"relative" means a "spouse or... any of the following, whether by blood or by adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister, half-brother or half-sister." MCC § 2-156-010(w).

In its opinions interpreting the anti-nepotism rule, the Board of Ethics (BOE) has consistently held that "the term 'employ'... refers not only to the act of hiring but also the ongoing supervision of an employee by a relative." E.g., BOE Case No. 910881.1. The Board instructs that "ongoing supervision encompasses assigning, directing, inspecting/overseeing work performance, signing documents regarding an employee (evaluations, promotions, salary increases, time sheets), and exercising the authority to make decision or recommendations affecting an employee." BOE Case No. 141269.Q (citing BOE Case Nos. 95059.1, 98045.A, 91088.1, and 89094.A). Each City department is responsible for implementing procedures to avoid violating the anti-nepotism rule. See BOE Case No. 97054.A. Where one relative is in the supervisory chain of another constituting an indirect report-where there is one or more "layers" of supervisory personnel between

the two relatives-the situation itself is not an automatic violation of the Ethics Ordinance, but the supervising relative and their

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department need to set up an ethical screen to assure that they do not perform any administrative/supervisory duties with respect to their relatives. See id.

In response, CPD stated it had investigated the specific situations that prompted OIG's notification and concluded that the complaints of nepotism were unfounded. The Department expressed its gratitude to OIG for bringing the potential issue to its attention.

### 2. Notification Regarding City Vehicles and Proof of Responsibility (#20-0142)

OIG notified the Department of Assets, Information and Services (AIS) that a media report about an accident involving a City-owned vehicle had exposed public confusion and lack of information regarding the City's status as a self-insured entity and its obligations to carry proof of insurance or other similar documentation.

A February 2020 media report described an incident in which a City employee, driving a City-owned vehicle, rear-ended another motorist in August of 2019. The motorist recounted that the City employee did not provide proof of insurance and simply said, "it's covered." The motorist expressed reluctance to take the City employee's "word for it" and further expressed frustration that privately owned vehicles are mandated to carry proof of insurance, while City-owned vehicles are not. Indeed, the Illinois Vehicle Code, 625 ILCS 5/7-601 (b) (4), specifically exempts municipally owned vehicles from the state's mandatory insurance requirements. Rather than submitting a claim with a third-party insurance company, individuals who seek reimbursement for damages caused by the City must file a claim with the Office of the City Clerk, which is then investigated by the City Council Committee on Finance. MCC § 2-12-060.

An AIS senior employee responsible for fleet management confirmed that City-owned vehicles do not typically carry any documentation to reflect the City's self-insured status. The AIS employee reported anecdotally that City employees driving City vehicles have received additional questioning by law enforcement officers when the employees were unable to produce proof of insurance. That same AIS employee has provided City departments-upon request-a memorandum of self-insurance on Department of Fleet and Facilities Management letterhead stating that, "per Illinois Vehicle Code, 625 ILCS 5/7-601 (b)(4), the City of Chicago is exempt from the liability insurance policy requirement, and is self-insured with regards to City-owned vehicles and equipment." The memorandum further provided, "If additional information is . required, the City of Chicago's Risk Management Office can be reached at (312) 747-7830." The memorandum provided no information about how to file a claim for damages.

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OIG's review of other large, self-insured municipalities revealed that other cities, including New York City and Philadelphia, require all city-owned vehicles to carry documentation available for an employee to provide in case of an accident, stating that the city is self-insured and providing directions on how to file a claim.

OIG concluded that maintaining such documentation in all City of Chicago vehicles would likely promote greater clarity for all parties at the time of an accident, when drivers may be particularly stressed and upset, if not injured. Therefore, OIG recommended that AIS, in consultation with the Department of Finance's (DOF) Office of Risk Management and the Department of Law (DOL), consider requiring all City-owned vehicles to carry documentation for use in the event of an accident, to show that the City is self-insured and to provide instructions for how to file a claim for damages.

In response, AIS reported that it had worked with DOF and DOL to update the existing memorandum of self-insurance, which provides reference to the applicable section of the Illinois Vehicle Code regarding self-insurance (625 ILCS 5/7-601), and now lists contact information for both the City's Claims and Risk Management divisions, with physical and electronic addresses. AIS stated it plans to take the following steps to disseminate this information:

- incorporating the memorandum into the City's Vehicle Policy;
- requiring this information to be placed in each vehicle, and to be produced on demand in the case of an accident;
- emailing the memorandum to all department vehicle coordinators, along with instructions to place a copy in the glove box of each City-owned vehicle in the department's fleet; and
- working with the AIS Graphic Services Division to create a decal summarizing the self-insurance information, which would be affixed to each new vehicle at intake and onto existing vehicles during scheduled service appointments.

### 3. Notification Regarding City Hiring Plan's Volunteer Policy (#19-0716)

A recent OIG investigation highlighted a gap in the City's Hiring Plan regarding the use of volunteers paid by outside entities. During an investigation involving an individual who was paid a full-time salary by a nonprofit organization to volunteer with the Office of the Mayor, OIG found that the procedures for onboarding and documenting the work of City volunteers outlined in the Hiring Plan are insufficient and could allow departments to circumvent hiring processes designed to promote fairness in City hiring, as well as certain requirements for employees, including City residency. Such arrangements further raise concerns that well-resourced organizations could use their means to obtain outsized influence on City policy by detailing their employees to volunteer for the City.

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Notably, in its current form, the Hiring Plan does not require the Department of Human Resources (DHR) or other departments to collect information about the expected duration of a volunteer project or whether volunteers will be receiving payment from a third party for their volunteer work. As a result of the broad definition of "volunteer" in the Hiring Plan and the limited documentation required for volunteers when they are onboarded, departments could seek to circumvent the City's hiring and residency requirements typically required for City employees by onboarding an individual as a full-time volunteer while the volunteer is paid by a third party.

The Office of the Mayor onboarded a full-time volunteer who worked from May 2019 until resigning in December 2019. The individual, who lived outside the City, started with the Office of the Mayor as a volunteer but was paid a full-time salary by a nonprofit funded, in part, by City grant money. The nonprofit hired the individual for the sole purpose of working in the Office of the Mayor. Since the individual was never paid by the City, the individual could technically be classified as a volunteer under the Hiring Plan, which meant the individual was not subject to the City's residency requirement. The individual worked in the Office of the Mayor and did not do any work for the nonprofit aside from their work with the Office of the Mayor. Additionally, the individual represented themselves as a senior advisor to the Mayor and stopped working for the nonprofit soon after resigning from the Office of the Mayor. OIG's understanding is that the Office of the Mayor continues to engage volunteers who are paid by outside agencies.

In addition to providing an avenue for departments to evade the City's hiring and residency requirements, the insufficient protocols governing volunteers create concern that well-resourced organizations could use their means to obtain outsized influence on City policy. By detailing employees to volunteer with the City while the organization continues to pay them, organizations could essentially buy access to decision-makers.

To mitigate these risks and allow departments to continue to benefit from the resources and experience that volunteers provide to the City while maintaining transparency and accountability, OIG recommended that DHR develop a volunteer policy that requires written documentation of the terms of any volunteer position that is funded by an outside entity, documenting the expected duration of the volunteer position, the terms of the funding, and the purpose of the arrangement.

In response, DHR acknowledged the concerns raised by OIG and created two new forms, which are now required when a department creates a volunteer program or onboards a volunteer. The forms require that departments provide information regarding whether a volunteer is receiving funding from a third party for their work,

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and if so, the department must provide a written agreement detailing the terms of the funding and the purpose of the arrangement. Furthermore, the new form requires that volunteers submit a signed acknowledgement of the City's Equal Employment Opportunity policy, Ethics Ordinance, and Code of Conduct.



## **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. During this quarter, there were no additional reports.

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## **VIII. DIVERSITY, EQUITY, INCLUSION, AND COMPLIANCE**

Effective April 29, 2020, OIG's Hiring Oversight functions were merged into a new Diversity, Equity, Inclusion, and Compliance (DEIC) section that encompasses the legacy responsibilities of the Hiring Oversight Unit with expanded responsibilities encompassing the new Diversity, Equity, and Inclusion function introduced last year, as required by law. DEIC advises all OIG sections on issues of equity, inclusion, and diversity as applied to OIG operations and products, as well assuring the consideration and inclusion of community voices and experiences directly in all of the Office's work. DEIC uses quantitative and qualitative data and information correlated to internal culture, operations, and impact of service provision to monitor trends and patterns across City departments-to identify equity and inclusion deficiencies and provide recommendations, with specific authority to review the actions of the Chicago Police Department for potential bias, including racial bias. DEIC also issues guidance, training, and program recommendations to City departments on a broad and complex array of employment-related actions; monitors human resources activities which include hiring and promotion; performs legally-mandated and discretionary audits; reviews the City's hiring and employment practices to ensure compliance with the various City Employment Plans; and publicly report findings an analysis on diversity and inclusion issues.

Under Chapter XII, of the City of Chicago General Hiring Plan, Chapter XI of CPD Hiring Plan, and Chapter IX of the CFD Hiring Plan, OIG is required to review and audit various components of the hiring process and report on them quarterly.<sup>46</sup> 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

<sup>46</sup>On June 24, 2011, the City of Chicago filed the 2011 City of Chicago Hiring Plan (General Hiring Plan). The General Hiring Plan, which was agreed to by the parties and approved by the Court on June 29, 2011, replaced the 2007 City of Chicago Hiring Plan, which was previously in effect. This Hiring Plan was refiled, though not amended, on May 15, 2014. The City of Chicago also filed an amended Chicago Police Department Hiring Plan for Sworn Titles (CPD Hiring Plan) and an amended Chicago Fire Department Hiring Plan for Uniformed Positions (CFD Hiring Plan) on May 15, 2014, which were approved by the Court on June 16, 2014. Collectively, the General Hiring Plan, the CPD Hiring Plan, and the CFD Hiring Plan will be referred to as the "City's Hiring Plans."

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applicants or bidders for covered positions or to request that specific individuals be added to any referral or eligibility list.

During this quarter, OIG received two reports of direct contacts.

## 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 this quarter, OIG received notice of four political contacts:

- An elected official contacted the Department of Law to provide the resume of a candidate.
- An elected official contacted DHR to inquire about a former City employee's placement on the ineligible for rehire list.
- A Mayor's Office employee contacted DHR to inquire about the status of a candidate for the covered position of general superintendent in Department of Streets and Sanitation (DSS).
- A Mayor's Office employee contacted DHR to inquire about the status of candidates for the covered positions of plumber and iron worker in the Department of Water Management (DWM) and the Chicago Department of Transportation (CDOT).

## 3. Exemptions

OIG tracks all reported or discovered Shakman Exempt appointments and modifications to the Exempt List on an ongoing basis.

During this quarter, OIG received notification of 35 exempt appointments.

## 4. Senior Manager Hires

OIG reviews hires pursuant to Chapter VI covering the Senior Manager Hiring Process. Due to the ongoing COVID-19 pandemic, OIG has suspended its in-process reviews of senior manager hires.

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## 5. Written Rationale

When no consensus selection is reached during a consensus meeting, a written rationale must be provided to OIG for review.<sup>47</sup>

During this quarter, OIG did not receive any written rationales for review.

## 6. Emergency Appointments

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

During this quarter, the City reported no emergency appointments.

## 7. 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, 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 Contractor Policy, departments are not 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.

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.<sup>48</sup>

The table below details contracts and internship opportunities OIG reviewed this quarter.

<sup>47</sup> A "consensus meeting" is a discussion that is led by the DHR recruiter at the conclusion of the interview process. During the consensus meeting, the interviewers and the hiring manager review their respective interview results and any other relevant information to arrive at a hiring recommendation. ~<sup>3</sup>Chapter X.B6 of the General Hiring Plan.

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#### TABLE #10-CONTRACT AND INTERNSHIP OR VOLUNTEER OPPORTUNITY NOTIFICATIONS

| Contracting Department           | Contractor, Agency, Program, or Other Organization | Duration of Contract/Agreement |
|----------------------------------|--|--------------------------------|
| Assets, Information and Services | Task order request for real estate services        | 3 weeks                        |
| City Clerk                       | Public service intern                              | Unspecified                    |
| City Treasurer                   | Personal services contractor                       | 7 months                       |

|   |  |   |
|---|--|---|
| Citywide                                    | Volunteers to assist with damage assessment and clean-up efforts   | Unspecified                                 |
| Emergency Management and Communications     | Amendment to the Sunbelt temporary contract                        | Unspecified                                 |
| Finance .                                   | Task order request for audit and attestation services              | Through 12/31/20, with the option to extend |
| Fire  | Volunteer medical personnel  | 90 days                                     |
| Inspector General                           | Legal intern   | 8 weeks                                     |
| Law   | Volunteers   | Ongoing                                     |
| Mayor's Office                              | Interns/volunteers   | Ongoing                                     |
| Mayor's Office for People with Disabilities | Sunbelt temporary services position (project manager)              | 12 months (fiscal year)                     |
| Public Health                               | COVID-19: expedited medical personnel request                      | 5/16/20-11/15/20                            |
| Public Health                               | COVID-19: expedited medical personnel request                      | 5/16/20-5^5/21                              |
| Public Health                               | Temporary request - epidemiologist III                             | 180 days                                    |
| Public Health                               | Temporary services extension request - behavioral health assistant | 15 weeks                                    |
| Public Health                               | Volunteers with Project Hope                                       | Unspecified                                 |

## **B. HIRING PROCESS AUDITS**

### **1. Modifications to Class Specifications,<sup>49</sup> Minimum Qualifications, and Screening and Hiring Criteria**

<sup>49</sup> "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

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OIG reviews modifications to Class Specifications, minimum qualifications, and screening and hiring criteria. This quarter, OIG received notification that DHR changed the minimum qualifications for 10 titles within the following departments: Aviation, Family and Support Services, Public Health, and Water Management.

OIG reviewed each of the proposed changes to minimum qualifications and had no objections.

### **2. Referral Lists**

OIG audits lists of applicants/bidders who meet the predetermined minimum qualifications generated by DHR for City positions. OIG examines a sample of referral lists and notifies DHR when potential issues are identified.

This quarter, OIG audited no referral lists.

### 3. Testing

The Hiring Plan requires that OIG conduct an audit of DHR test administrations and scoring each quarter.

Due to the ongoing COVID-19 pandemic, OIG has suspended its quarterly audit of testing sequences.

### 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: AIS, CDA, CDOT, DOB, DSS, DWM, and six other City departments selected at the discretion of OIG.

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

This quarter, OIG completed an audit of hire packets for 28 hiring sequences completed across 15 departments during the first quarter of 2020. OIG identified only one documentation error affecting one sequence. OIG provided its recommendation and DHR agreed that moving forward the master referral list will be included in the

minimum qualifications of the position. Class Specifications shall include sufficient detail so as to accurately reflect the job duties

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employee specific hiring packets for universal, citywide postings. OIG did not request additional action.

### 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.

Due to the ongoing COVID-19 pandemic, OIG has suspended its quarterly audit of hiring certifications.

### 6. Selected Department of Law Hiring Sequences

Pursuant to Section B.7 of the Department of Law (DOL) Hiring Process, OIG has the authority to audit DOL hiring files. Hiring files include assessment forms, notes, documents, written justifications, and hire certification

forms. In 2018, DOL became the repository for all documentation related to the hiring sequences for the titles covered by the DOL Hiring Process. OIG will conduct an audit of DOL hire packets on a biannual basis.

In the first quarter of 2020, OIG concluded an audit of DOL hiring and promotional sequences completed between August 1, 2019, and January 31, 2020. OIG reviewed hire packets from nine hire sequences covering the following divisions: Aviation, Environmental, Regulatory, and Contracts; Building and License Enforcement; Employment Litigation; Finance; Federal Civil Rights Litigation; and Legal Information, Investigation, and Prosecutions.

OIG also requested the files for eight promotions to assistant corporation counsel senior, for which a DOL Promotions Committee convened and discussed recommendations. The reviewed promotion files covered the following divisions: Appeals; Aviation, Environmental, Regulatory, and Contracts; Building and License Enforcement; Collections, Ownership, and Administrative Litigation; Finance; and Torts.

OIG identified the following violations of the DOL Promotions Policy and DOL Hiring Process:

- Assistant corporation counsel senior (all divisions):
  - No written recommendations from any of the DOL Promotions Committee members

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- No signed hire certification forms from any DOL employees involved in the promotional sequence • Assistant corporation counsel III (ELIT):
  - Screening forms not completed for four interviewed candidates

OIG provided DOL an opportunity to provide the missing documentation. DOL could not locate the required documents for the promotions to assistant corporation counsel senior and noted that the promotions were handled by the prior DOL administration. All but one of the employees responsible for coordinating that process have since left City employment. DOL was also unable to locate the missing documents for assistant corporation counsel III (ELIT). DOL advised that a former employee had incorrectly informed an employee responsible for screening candidates that they did not need to complete the screening forms for this hiring sequence.

OIG recommended that DOL take the following steps: (1) develop and implement stronger protocols for collecting and retaining documentation required by the DOL Hiring Process and Promotions Policy, with clear guidance regarding roles and responsibilities for each step of the process; (2) ensure all Department staff involved in hiring and promotions receive training/guidance regarding their obligations with respect to the completion and retention of required documentation under DOL's policies; (3) ensure that any recordkeeping and compliance functions performed by the former director of attorney recruitment be assigned to other staff that have been trained on DOL's hiring and promotional processes.

In response to OIG's recommendation to develop and implement stronger protocols, DOL stated generally that each hire sequence will be reviewed at each stage of the hiring process for all required documentation. DOL also stated that a hire would not advance to the next stage if documentation was missing. DOL did not believe that the documentation error in the assistant corporation counsel III hiring sequence revealed a significant lapse in its protocols because it was an error or oversight attributable to a former employee. The Department could not explain why the documents from the promotional sequences were not forwarded to DOL's Administrative Services Division for inclusion in its files.

DOL stated that it annually trains attorneys on its hiring process. The Department's former director of attorney recruitment and professional development reviewed the hiring process with the relevant staff at each step in the process; the administrative deputy or a designee will perform this function until a new director is hired. The functions of the former director of attorney recruitment and professional development are temporarily being performed by the administrative deputy, who has reviewed the requirements of the Hiring Plan. In addition, another DOL employee

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routinely reviews the files from each hire sequence and other components of the hire process (e.g. Taleo postings) to ensure they contain the required documentation.

### 7. Selected Chicago Police Department 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 that are not covered by a collective bargaining unit and which are 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 and 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 candidates have begun their assignments.

Due to the ongoing COVID-19 pandemic, OIG has suspended its quarterly audit of CPD assignment sequences.

### 8. Selected Chicago Fire Department Assignment Sequences

Pursuant to Chapter X of the CFD Hiring Plan for Uniformed Positions, OIG 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. OIG 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.

Due to the ongoing COVID-19 pandemic, OIG has suspended its quarterly audit of CFD assignment sequences.

## 9. 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 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. This quarter, OIG

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virtually monitored four intake meetings, four sets of interviews, and three consensus meetings. The table below shows the breakdown of monitoring activity by department.<sup>50</sup>

TABLE #11 -OIG MONITORING ACTIVITIES THIS'QUARTER

| Department     | Intake Meetings Monitored | Tests Monitored | Interview Sets Monitored | Consensus Meetings Monitored |
|----------------|---------------------------|-----------------|--------------------------|------------------------------|
| Aviation       | 1                         |                 | 1                        | 1                            |
| Finance        | 3                         |                 |                          |                              |
| Fire           |                           |                 | 1                        | 1                            |
| Police         |                           |                 | 1                        | 1                            |
| Transportation |                           |                 | 1                        |                              |

## 10. Acting Up<sup>51</sup>

OIG audits the City's compliance with Chapter XI of the General Hiring Plan and the Acting Up Policy. OIG received notice of one DHR-approved waiver request to the City's 90-Day Acting Up limit this quarter.<sup>52</sup>

TABLE #12-ACTING UP WAIVERS THIS QUARTER

| : Department                     | ' Acting Position     | -Number of "Employees | ' Date of Response | ; Expiration of Waiver   |
|----------------------------------|-----------------------|-----------------------|--------------------|--------------------------|
| Assets, Information and Services | Foreman of machinists | 1                     | 4/6/2020           | Until position is filled |

## 11. Arbitrations and Potential Resolution of Grievances by Settlement

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

This quarter, OIG did not receive notice of any settlement agreements which resulted in employment actions from DHR.

<sup>50</sup> If a department is not included in this table, OIG did not monitor any elements of that department's hiring sequence(s).

<sup>51</sup> "Acting Up" means an employee is directed or is held accountable to perform, and does perform, substantially all the responsibilities of a higher position

<sup>Si</sup> 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.

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# REPORTING OF OTHER OIG DEIC ACTIVITY

## Escalations

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

This quarter, OIG received no notice of new escalations and has no escalations pending.

## 2. Compliance Review

During the second quarter, OIG completed a review of select administrative law judge and hearing officer retention agreements. OIG requested information from the four City departments that contract these positions: Administrative Hearings, Business Affairs and Consumer Protection, Human Resources, and the Police Board. All the departments surveyed reported having retention agreements, except for DHR. OIG therefore recommended that DHR execute retention agreements with all current administrative law judges and hearing officers and provide the executed agreements to OIG.

In its response, DHR noted that it conducted a search for the agreements and was unable to locate them. DHR also stated that its hearing officers recalled signing agreements when the City retained their services. DHR agreed with OIG's recommendation and stated that it would execute new agreements with current hearing officers.

## 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 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

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could benefit from a more comprehensive audit, OIG may consider a formal audit or program review.

This quarter, OIG received two complaints and had three pending complaint from the prior quarter related to the City's hiring practices. The table below summarizes the disposition of these complaints, as well as those pending from the previous quarter.

**TABLE #13 - HIRING COMPLAINTS RECEIVED THIS QUARTER**

| Complaint Status                        | Number of Complaints |
|---|----------------------|
| Pending from Previous Quarter           | 3                    |
| Received This Quarter                   | 2                    |
| Opened Investigation                    | 1                    |
| Declined                                | 2                    |
| Referred to Department                  | 0                    |
| Complaints Pending as of End of Quarter | 2                    |

**TABLE #14- HIRING CASES THIS QUARTER**

| Case Status                          | Number of Cases |
|--------------------------------------|-----------------|
| Pending from Previous Quarter        | 17              |
| Opened This Quarter                  | 0               |
| Cases Referred                       | 0               |
| Closed Not Sustained <sup>53</sup>   | 1               |
| Closed Sustained with Recommendation | 1               |
| Closed Administratively              | 0               |
| Cases Pending as of End of Quarter   | 15              |

<sup>63</sup> The case closed not sustained with recommendation is currently pending a response from the relevant department. OIG will report on the recommendation and the department's response in a future quarterly report.

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# IX. PUBLIC SAFETY

The Public Safety section supports the larger OIG mission of promoting economy, efficiency, effectiveness, and integrity by conducting independent, objective evaluations and reviews of the Chicago Police Department (CPD), the Civilian Office of Police Accountability (COPA), the Police Board, and inspections of closed disciplinary investigations conducted by COPA and CPD's Bureau of Internal Affairs (BIA). In May 2020, the Public Safety section released its 2019 Annual Report, detailing the section's public reporting, accomplishments, and data analysis.<sup>54</sup>

## EVALUATIONS UNIT

The Public Safety section's Evaluations Unit conducts program and systems-focused evaluations and reviews of CPD, COPA, and the Police Board. Based on these audit-based inquiries, OIG makes recommendations to improve the policies, procedures, and practices of those entities.

### Review of the Chicago Police Department's Management and Production of Records (#18-0148)<sup>55</sup>

OIG completed a review of CPD's producing its records for criminal prosecution and civil litigation. The purpose of this review was to determine whether CPD's processes are adequate to meet its constitutional and other legal obligations to disclose evidence in its possession during litigation. CPD's obligations stem from legal authorities including, but not limited to, the Supreme Court cases *Brady v. Maryland* and *Ciglio v. United States*, Illinois state law, and Court-promulgated rules of civil procedure.

OIG found that CPD's processes are not adequate to ensure that the Department can meet its legal obligations. CPD lacks the means to determine what records may exist for a given case or incident, and therefore cannot ensure that it has produced all responsive records; members of CPD's Subpoena Unit are not systematic in their searches for records; and members of CPD's Subpoena Unit and other units do not systematically track the production of records.

OIG recommended that CPD develop Department-wide records management and production policies,

procedures, and trainings, and develop and implement a records management system that allows for the effective and efficient identification of records across CPD's various units, systems, and physical locations. OIG further

<sup>54</sup> Published May 19, 2020 See <https://iachicaaoora/wp-content/uploads/2020/05/Public-Safety-Annual-Report-2019.pdf>

<sup>55</sup> Published June 10, 2020 See <https://iachicaaoora/wp-content/uploads/2020/06/OIG-Review-of-CPDs-Management-and-Production-of-Records.pdf>.

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recommended improved communication, coordination, and transparency with stakeholders in criminal and civil litigation.

CPD agreed with most of OIG's recommendations, and has taken some steps toward implementing them. CPD has been proactive with the development of an upcoming records production directive and standard operation procedures within its units. CPD also agreed to audit its production processes and to capture those processes in its ongoing Department-wide staffing analysis. CPD declined to implement certain recommendations, citing concerns over staffing and resource scarcity, but noted that it is currently undergoing a staffing assessment and analysis for the entire Department. Additionally, CPD committed to conducting an internal audit of its records production processes, taking into account recommendations from OIG's report.

## B. INSPECTIONS UNIT

The Public Safety section's Inspections Unit reviews individual closed disciplinary investigations conducted by COPA and BIA. OIG may make recommendations to inform and improve future investigations, and, if it finds that a specific investigation was deficient such that its outcome was materially affected, may recommend that it be reopened. Closed investigations are selected for in-depth review based on several criteria, including but not limited to the nature and circumstances of the alleged misconduct, and its impact on the quality of police-community relationships; the apparent integrity of the investigation; and the frequency of an occurrence or allegation. The closed investigations are then reviewed in a process guided by the standards for peer review of closed cases developed by the Council of Inspectors General on Integrity and Efficiency. OIG assesses sufficiency across several categories, including timeliness, professional standard of care, interviews, evidence collection and analysis, internal oversight, and case disposition.

This quarter, the Inspections Unit examined 102 closed disciplinary cases and opened 4 for in-depth review \*

TABLE #15-DISCIPLINARY CASES REVIEWED

| Agency       | Cases Screened | Cases Opened |
|--------------|----------------|--------------|
| BIA          | 52             | 1            |
| COPA         | 50             | 3            |
| <b>Total</b> | 102            | 4            |

OIG found that one COPA investigation contained deficiencies which materially affected its outcome and recommended that it be reopened. As of this writing, COPA has not responded to OIG's recommendation.

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1. Recommendations to Inform and Improve COPA Disciplinary Investigations (#20-0722)<sup>56</sup>

To ensure transparency and consistency in COPA's operations and outcomes, it is imperative that the agency's investigative records are thorough and well-documented. To that end, OIG recommended that COPA undertake the following:

- properly document the origin of a complaint;
- maintain detailed investigative logs;
- exercise caution and discretion when documenting allegations;
- include credibility assessments in investigative files; and
- ensure meaningful supervisory review of completed investigations and properly document a supervisor's decision to refer an investigation back for further work.

In response to OIG's recommendations, COPA committed to the following process and policy enhancements:

- examining the modification of its Summary Report of Investigation to ensure uniformity and completeness;
- creating and revising policies and training;
- continuing to build out a new case management system (CMS); and
- continuing to provide training to its staff.

2. Recommendations to Improve BIA and COPA Investigations: Database Searches (#20-0721)<sup>57</sup>

In the course of its regular review of closed disciplinary investigations, OIG identified recurring errors and inaccuracies in data warehouse queries and records searches, including but not limited to misspelled names; incorrect addresses, dates, times, and date ranges; unduly narrow time, date, and address ranges; omission of key search terms, and incomplete records searches. These errors were observed in multiple investigations conducted by both BIA and COPA, and may result in significant adverse consequences, preventing disciplinary investigations from reaching appropriate and fair outcomes.

<sup>56</sup> Published June 30, 2020. See <https://iqchicago.org/2020/06/30/recommendations-to-inform-and-improve-disciplinary-investigations-conducted-by-the-civilian-office-of-police-accountability/>.

<sup>57</sup> Published June 30, 2020. See <https://iqchicago.org/2020/06/30/recommendations-to-inform-and-improve-disciplinary-investigations-conducted-by-copa-and-cpds-bureau-of-internal-affairs-data->

searches/.

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To foster trust and confidence in Chicago's police accountability system, it is imperative that COPA and BIA's investigations are thorough and well-documented in order to ensure transparency and consistency. To that end, OIG recommended that COPA and BIA improve internal guidance and training on conducting data warehouse and records searches and improve mechanisms for supervisors to effectively review investigators' work.

CPD agreed that improved training and protocols will help minimize the errors identified by OIG and confirmed that BIA is in the process of revising its training to incorporate OIG's training recommendations. CPD stated it would consider OIG's recommendation that investigators record the specific details of their searches.

COPA maintained that the use of expansive search terms is already COPA policy, but assured OIG that it would refresh its training on this issue. COPA also indicated it would explore options for a technology-based application to allow the creation and reproduction of search lists for the purpose of supervisory review.

