

CHICAGO PARK DISTRICT OFFICE OF INSPECTOR GENERAL

ALISON R. PERONA, INTERIM INSPECTOR GENERAL



OIG FIRST QUARTER 2023 REPORT

Table of Contents

Office Overview, p.1

Investigations, p.3

Audits and Reviews, p.8

Hiring Compliance Monitoring Activity, p.10

Quarterly Statistical Information, p.15

Office Overview

Mission

Pursuant to Chapter 2, Section D of the Chicago Park District Code, the OIG is charged with:

- Investigating allegations of fraud, waste, and abuse or misconduct by Chicago Park District employees, members of the Board of Commissioners, contractors, agents, and volunteers; and
- Monitoring the Park District's compliance with the Employment Plan's rules governing hiring and other employment actions.
- Conducting District-wide internal audits to assess integrity of financial reporting systems, the effectiveness of internal controls, and the efficiency of established procedures.

While working to fulfill its legal mandate, the OIG partners with law-enforcement agencies, when appropriate, to ensure that serious criminal misconduct that is uncovered during the OIG's administrative investigations is investigated and prosecuted.

Budget

In FY 2022, the OIG's adopted combined budget is \$954,719.

Personnel

In the first quarter of 2023, the OIG was staffed as follows: an Interim Inspector General, Interim Deputy Inspector General, Director of Audit, Assistant Compliance Officer, one full-time Auditor, one part-time investigator, two part-time contractual investigators and an Administrative Assistant. The OIG also receives regular support from law enforcement personnel.

The approved 2023 budget will enable the OIG to add two full-time investigators and an auditor to the staff.

Training and Investigation Standards

Each employee of the OIG is a member of the Association of Inspectors General (AIG), a national organization of state, local, and federal Inspectors General and their staff. Participation in the AIG offers employees continuing training in best practices related to the performance of the Inspector General Mission. The AIG collaborates with Inspector General offices from other state and local agencies to train all staff in a variety of areas related to investigations and audits. The OIG conducts its investigations in accordance with the AIG's Principles and Standards for Offices of Inspector General.

The OIG also abides by generally accepted principles, quality standards, and best practices applicable to federal, state, and local offices of Inspectors General. In addition, the OIG, at all times, exercises due professional care and independent, impartial judgment when conducting its investigations and issuing its reports and recommendations.

Report Abuse, Fraud, and Waste

Submit a report to the OIG through one of the following options:

- Online: [Click here to submit online complaint](https://ChicagoParkDistrict.i-Sight.com/External/Case/New) or visit:
<https://ChicagoParkDistrict.i-Sight.com/External/Case/New>
- By telephone: (312) 742-3333 (Confidential Hotline)
- In writing:

Chicago Park District
Office of Inspector General
740 North Sedgwick Street
Suite #300
Chicago, IL 60654
- By fax: (312) 742-9505

Investigations

A PARK ADVISORY COUNCIL OFFICER BULLIED AND HARASSED EMPLOYEES

The OIG received complaints from employees that a Park Advisory Council (PAC) officer had engaged in a pattern of bullying and harassing behavior dating back several years. It was further alleged that several Park District supervisors had been informed of the PAC officer's behavior, but had taken no corrective action. Due to the nature of some of the allegations, the PAC officer was suspended during the course of the investigation.

The OIG determined that the PAC officer had repeatedly pressured employees about, and attempted to interfere with, Park District decisions in instances where the PAC officer felt the decisions adversely affected the personal lives or professional ventures of other PAC members. The PAC officer was openly disrespectful of the employees, used inappropriate language, and threatened the job of one of the complainants on several occasions. The OIG also found that the PAC officer made sexually harassing comments and used inappropriate body language towards one of the employees.

When interviewed by the OIG, the PAC officer refused to answer any questions about the alleged sexual harassment. Regarding the allegations that he bullied employees and attempted to interfere with Park District decisions, he stated that he did not recall the events, except for a 2022 incident in which he claimed he was attempting to facilitate a resolution.

The OIG recommended that Management take appropriate administrative action against the PAC officer.

The OIG also found that two supervisors had been aware of the sexual harassment allegation and had failed to report it as per policy.

The OIG recommended that Management take appropriate disciplinary or administrative action against these individuals. The recommendations are currently under review.

PAYCHECK PROTECTION PROGRAM FRAUD

The OIG received an anonymous complaint on the Hotline that some employees had wrongfully applied for and received loans in 2020 and 2021 under the U.S. government's Paycheck Protection Program (PPP). During the pandemic, the PPP program was established to provide small businesses with financial resources to maintain their payroll, hire back employees who may have been laid off, and cover applicable overhead.

None of the Park District employees who received these federal loans cited Park District business as their bases for the loans. The loans obtained by these employees were for purported secondary, private businesses (livery, beauty salons, mobile catering, etc.).

Although the taking of the loans occurred outside of employment, the act of filing fraudulent documentation in which the employees attested (under penalty of law) that the businesses existed and met the criteria for the loans calls into question the employees' character, honesty, and fitness to serve as Park District employees. Employees are expected to be trustworthy, act as guardians of public property, and act in the best interests of the District, the patrons, and the City of Chicago.

In addition to finding that some employees violated Park District rules and standards pertaining to character and fitness, the OIG found violations of other code and rule provisions, including failure to obtain approval for secondary employment, failure to file annual Statements of Financial Interest, failure to cooperate with the OIG, and a residency violation.

In the First Quarter, the OIG reported that 26 current or seasonal employees had received PPP loans:

- Two employees resigned after they were interviewed by the OIG. Both admitted filing for and obtaining PPP loans. Neither employee provided the OIG with documentation to validate their loans or businesses. The OIG recommended that Management designate them as "Do Not Rehire." Management agreed and designated both employees as "Do Not Rehire."
- Four employees resigned after being served with Notices to Appear. They failed to cooperate with the OIG's investigation. The OIG recommended that the four employees be designated as "Do Not Rehire." Management agreed and designated all four as "Do Not Rehire."

PAYCHECK PROTECTION PROGRAM FRAUD--CONTINUED

- Four employees acknowledged that they filed for and received PPP loans and admitted that they did not own or operate any outside businesses.

It was also discovered that one of these employees who admitted receiving the loan without having a secondary business was also in violation of the Park District's residency requirement (was permanently living in a suburb).

The OIG recommended that Management take appropriate disciplinary action against these four individuals.

Disciplinary hearings are scheduled for the four employees.

- Nine seasonal (former) employees were sent Notices to Appear and did not respond. The OIG has asked that their personnel files be coded as "Review"--which will indicate that further investigation is warranted in the event that they apply for reemployment.

Management has coded all nine employees as "Review" and made a notation to refer the matter to the OIG if the employees apply for reemployment.

- The OIG was able to validate the existence of secondary businesses for six employees who applied for PPP loans. However, none of them had applied or received approval for secondary employment, as required by Park District Code. In these cases, the OIG recommended that Management take appropriate disciplinary action.

The employees were issued reprimands and were required to submit requests for approval of secondary employment.

PAYCHECK PROTECTION PROGRAM FRAUD--CONTINUED

- One employee was interviewed and denied that she received a PPP loan. She admitted that she received federal money in 2021, but characterized it as a "grant." She indicated that she was going to use the money to start up a business, but that she had not yet done so. The OIG was unable to find any evidence that the employee had a private business (no City, State or County licenses, etc.) The employee did not respond to the OIG's requests that she provide documentation to validate her loan/grant or business and took a leave of absence after the OIG sent her a third request for documentation.

Under state law and the Park District's Code, this employee was required to annually file Statements of Financial Interest with Cook County. The OIG discovered that she had not filed her statements for 2020 and 2021. After her interview with the OIG in January 2023, she filed (late) statements with the County that indicated she had no outside income or businesses in 2020 or 2021.

The OIG found that there was no evidence to validate the PPP loan. The OIG also found that this employee failed to cooperate with an OIG investigation and failed to file timely Statements of Financial Interest, as required by Park District Code.

The OIG recommended that Management take appropriate disciplinary action.

A disciplinary hearing for this employee has been scheduled.

The OIG is continuing its investigation of employees who received PPP loans. The results of additional concluded investigations will be reported in the the OIG's Second Quarter Report.

AN EMPLOYEE WAS LIVING OUTSIDE THE CITY, IN VIOLATION OF THE RESIDENCY REQUIREMENT

An outside agency referred information to the OIG indicating that an employee was living in a suburb, rather than in the City of Chicago, as required by Park District Code.

The OIG conducted surveillances over a three-month period and determined that the employee was residing in the suburb. When questioned by OIG investigators, the employee admitted living in the suburb.

The OIG recommended that Management take appropriate disciplinary action.

The employee resigned and was designated as "Do Not Rehire."

AN EMPLOYEE WAS SUSPECTED OF ON-DUTY MISCONDUCT AND A SUPERVISOR FAILED TO REPORT IT

In 2022, an employee-complainant reported to the OIG that, in 2018, a teenage patron reported to him that he observed another employee commit an act of misconduct. The employee-complainant immediately reported the incident to his supervisor. The complainant also informed the OIG that he reported other potential misconduct to the same supervisor that year and that nothing had been done about it.

The supervisor was interviewed about the allegations. He admitted that he had been told about the act of misconduct and that he had not reported it (as required by policy). He denied having any knowledge about the second set of allegations.

The employee who was alleged to have committed the misconduct denied the allegations. The OIG was unable to locate the patron who had reported the misconduct or any other witnesses who could corroborate the events.

The allegations of misconduct against the employee were not sustained due to lack of direct evidence.

Prior to the conclusion of the investigation and after being interviewed by the OIG, the supervisor retired. The OIG recommended that the former employee be designated as "Do Not Rehire." Management agreed to this recommendation.

Audits and Reviews

SUMMER CAMP FOOD PROGRAM RECORDS REVIEW

The Chicago Park District provides meals and snacks to children attending summer camp programs in parks throughout the city. The meals program is funded by the U.S. Department of Agriculture (USDA) and administered by the Illinois State Board of Education. The Park District is required to maintain records of meals and snacks served to participants in order to receive reimbursement of costs from the USDA. Failure to maintain accurate records could negatively affect funding for the meals program.

The audit was conducted to help provide assurance that the Park District's recordkeeping at the reviewed parks was accurate and complete, and to provide management with recommendations to improve compliance with USDA records requirements.

The audit found that, overall, the Chicago Park District was compliant with the USDA records requirements.

Recommendations were made to improve staffing to monitor the programs operations, record keeping, and reporting. Recommendations were also made to improve staff training and establish firm guidelines for record maintenance and record retention.

Management agreed with the recommendations and is taking steps to improve staffing and monitoring of the program's operations. Training and new procedures are being implemented for the operations, record maintenance, and record retention.

NOT FOR PROFIT FEE DISCOUNTS

The Chicago Park District issues permits for events that take place on Park District property. The event host is required to pay an event fee for using the property. Not-for-Profit (NFP) entities can qualify for a discount on event fees.

In order to qualify for a discount, a NFP must be hosting the event and 100% of the net proceeds must solely benefit the NFP.

Discounts are based on the annual income level of the NFP:

- Greater than \$5 million – 25%
- Between \$1 and \$5 million – 50%
- Less than \$1 million – 75%

Audit completed a review of selected applications for permit fee discounts for NFP organizations from 2021. The purpose of the review was to confirm the non-profit status of the organization and other requirements required to qualify for a permit fee discount.

The audit confirmed that all of the selected applications reviewed were all legal nonprofit organizations and that each applicant received the correct percentage level available for the permit fee discount.

The selected applicants were also asked to provide documentation demonstrating that 100% of the net proceeds from the event went to the benefit of the NFP organization. Audit identified four organizations that were non-compliant with this requirement.

Recommendations were made to put an immediate hold on the four non-compliant organizations for any future fee discounts until the requested documentation is received.

Additional recommendations were made to consider adjusting the discount for NFP organizations in the future.

Management agreed with these recommendations to put an immediate hold on the four non-compliant organizations for any future fee discounts until requested documentation is received.

Management also agreed that the Budget Department will be advised of the recommendation options to consider adjusting the discount for fees for NFP organizations.

Hiring Compliance Monitoring Activity

The OIG reviews and monitors the Park District's hiring and assignment determinations from the quarter to ensure that the actions comply with the Employment Plan. The OIG reports on its compliance-monitoring activities in each of its quarterly reports.

Review of Exempt List Modifications

The OIG reviews the Park District's adherence to exemption requirements and modifications to the list of job titles and number of positions that are exempt from the Employment Plan procedures. The following modifications to the Exempt List were approved in the First Quarter of 2023:

- Positions added to the Exempt List (9)
 - (2) Investigator - Office of Protection and Accountability (two positions)
 - (1) Case Intake Specialist - Office of Prevention and Accountability
 - (1) Chief of Strategy and Engagement
 - (1) Research and Policy Advisor
 - (1) Diversity, Equity and Inclusion Officer
 - (1) Senior Project Manager (Office of Superintendent)
 - (1) Human Resources Manager (one position added, bringing the number from six to seven)
 - (1) Deputy Chief Program Officer
- Positions removed from the Exempt List (9)
 - (5) Area Manager – deleted five vacancies in this title
 - (1) Deputy Director of Program Services/Special Events
 - (1) Chief Diversity Officer
 - (1) Executive Secretary to the Chief Operating Officer
 - (1) Deputy Director of Legislative and Community Affairs

Review of Emergency Appointments

The OIG reviews circumstances and written justifications for any emergency hires made pursuant to the Personnel Rules of the Park District Code.

HR reported no emergency appointments during the first quarter of 2023.

Review of Exempt Management Hires

Human Resources reported nine exempt hires during the first quarter of 2023:

- Director of Audit
- Deputy Director of Revenue
- Deputy Director of Information Technology
- Research and Policy Advisor
- Senior Investigator–Office of Prevention and Accountability
- Investigators (2)–Office of Prevention and Accountability
- Case Intake Specialist
- Senior Project Manager

Random audits were performed to ensure that the hirees met the minimum qualifications for the position.

Monitoring Contacts by Hiring Departments

The OIG reviews all reported or discovered instances where hiring departments contacted Human Resources to lobby for, or advocate on behalf of, actual or potential applicants or bidders for positions that are covered by the Employment Plan, or to request that specific individuals be added to any referral or eligibility list for upcoming jobs at the Park District.

Human Resources did not report any improper contacts by hiring departments for the first quarter of 2023.

Review of “Acting Up” Activity

The OIG reviews each circumstance when an employee “acts up” (performing all or substantially all of the duties of an employee in a higher-paid classification). Activity in the first quarter of 2023 showed that, in nine instances, employees had “acted up,” and four instances where an employee who had been in “acting up” status was placed back in his/her position or promoted.

Review of Written Rationales

The OIG reviews written rationales when no consensus selection (no one from the approved candidate pool was selected) was reached during a consensus meeting. Human Resources did not submit any “no consensus” letters during the first quarter of 2023.

Arbitrations and Grievances

The OIG audits arbitrations and grievances involving hiring, promotions, transfers, or allegations of unlawful political discrimination. The OIG received a notification from Human Resources that two grievances were filed during the first quarter of 2023. The OIG learned that there had been no arbitrations during this period. The OIG will review these matters during the second quarter.

Hiring Sequence Audits

The OIG audited a sample of Park District hires in the first quarter of 2023 for compliance with the Employment Plan.

The following hiring sequences from Q1 2023 were audited:

Sequence #: 2201113

Title: Special Project Assistant--Revenue

·Applicants: 23

·Qualified candidates: 5

·Candidates interviewed: 3

Sequence #: 2201103

Title: Natural Areas Worker

·Applicants: 61

·Qualified candidates: 13

·Candidates interviewed: 12

·Note: 3 candidates hired

Sequence #: 2200901

Title: Permits Coordinator

·Applicants: 26

·Qualified candidates: 9

·Candidates interviewed: 9

Hiring Sequence Audits

Sequence #: 2200831

Title: Program and Event Facilitator—Nature Play

·Applicants: 15

·Qualified candidates: 12

·Candidates interviewed: 8

Sequence #: 2200949

Title: Program Specialist

·Applicants: 43

·Qualified candidates: 9

·Candidates interviewed: 6

Sequence #: 2300007

Title: Administrative Secretary I

·Applicants: 54

·Qualified candidates: 8

·Candidates interviewed: 7

*The audits continue to show that the Park District's transition to a new database, along with staffing changes, has, in some cases, resulted in the unavailability of relevant hiring information. The OIG will continue to work with the Park District to improve these issues and report on the progress.

Hiring Compliance Advisories

As part of the duties and responsibilities under the Park District's Employment Plan, the Hiring Compliance Officer (HCO) is required to perform oversight activities of the hiring process and to participate in "the development, recommendation and implementation of necessary policy and operating changes." (See Section XI, A of the Employment Plan) In the first quarter, the HCO was consulted on five matters and rendered advisory opinions on issues that arose pertaining to implementation or interpretation of the Employment Plan.

Hiring Compliance Investigation

ALLEGATION THAT A NEW EMPLOYEE LACKED THE MINIMUM QUALIFICATIONS FOR THE JOB

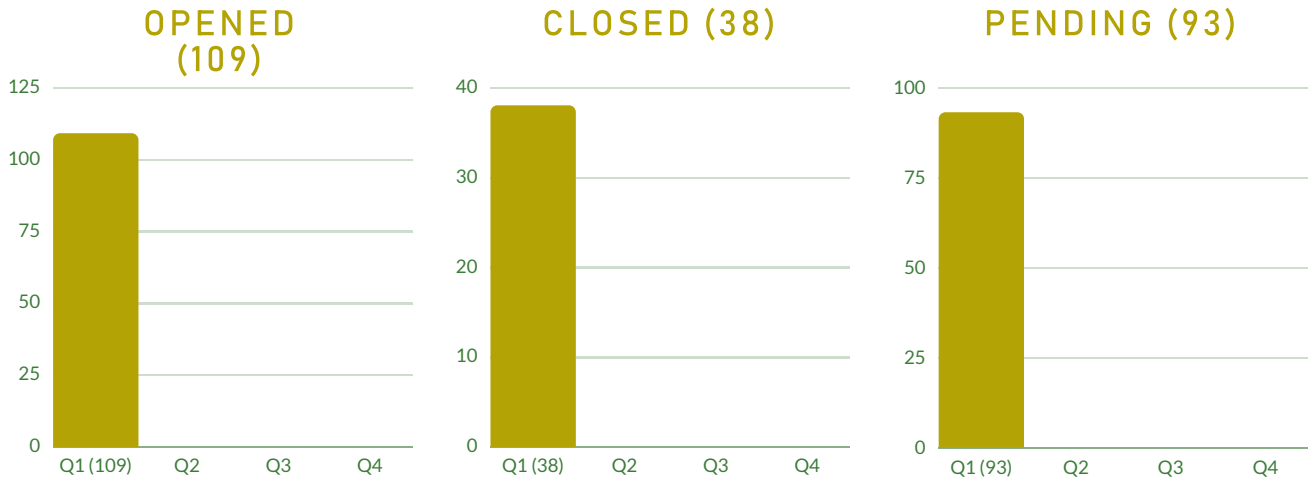
The OIG received an anonymous complaint that a new hire lacked the minimum educational qualifications for the position. The OIG determined that the position did not require a degree or diploma but mandated that the position-holders have previous work experience in that field.

The OIG checked the new employee's background and ascertained that the hiree had the requisite experience and that HR had checked the candidate's qualifications at the time of employment.

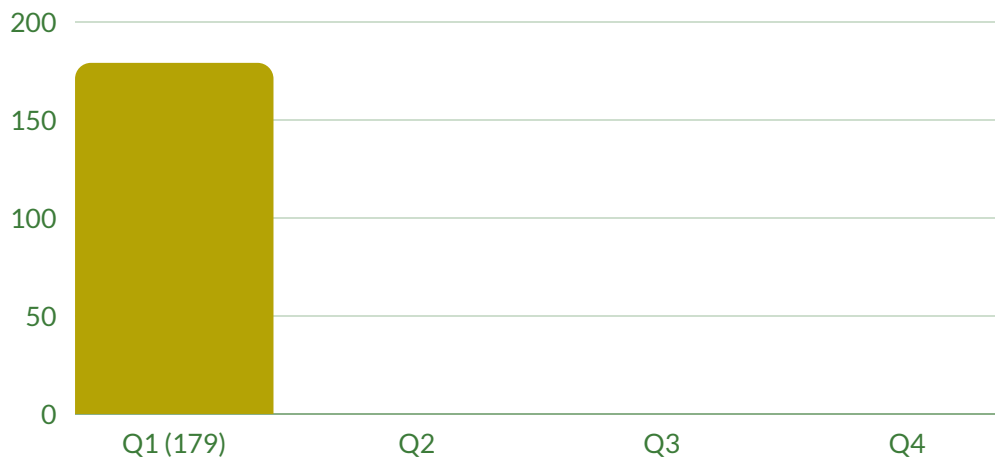
The OIG deemed the complaint unfounded.

Quarterly Information

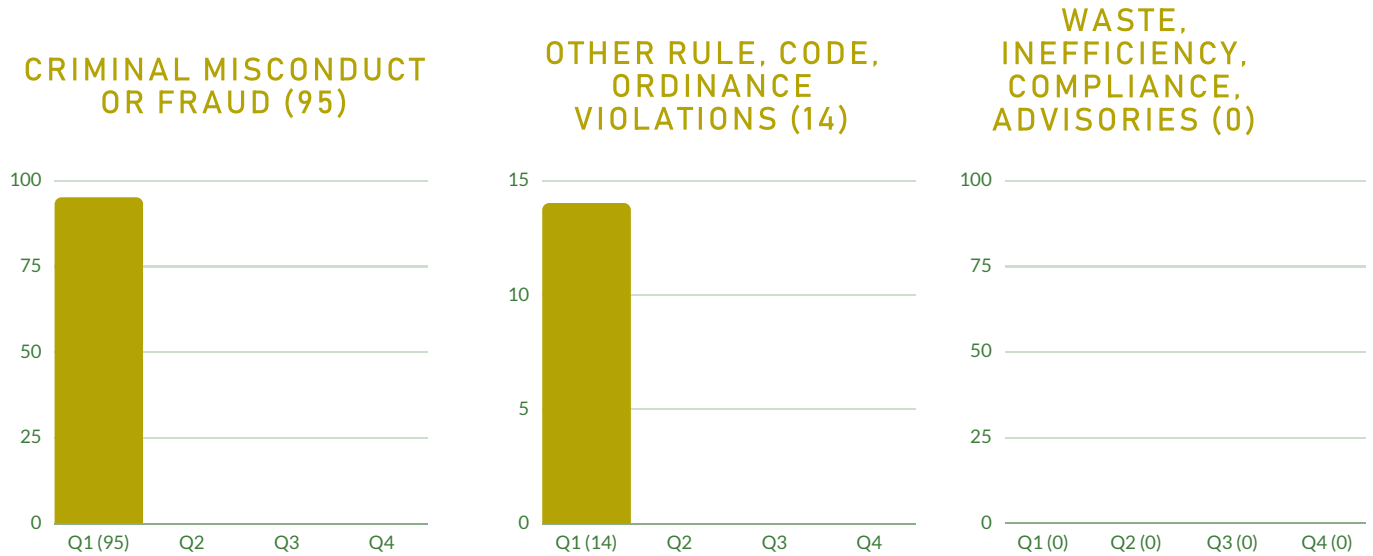
INVESTIGATIONS



CONTACTS/COMPLAINTS RECEIVED



TYPES OF INVESTIGATIONS AND REVIEWS

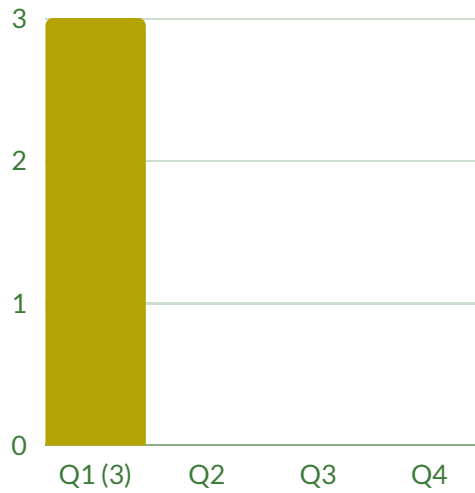


INVESTIGATED AND REVIEWED PARTIES

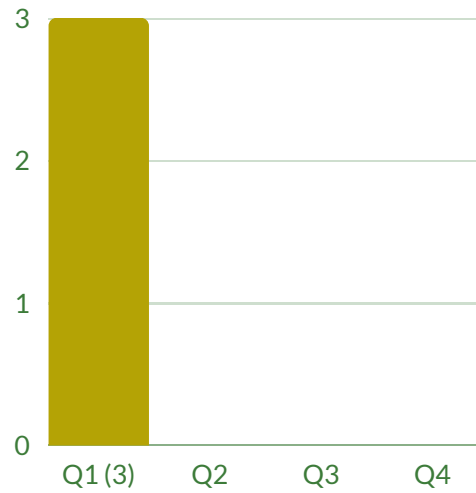


*The term "other" includes patrons, agents, concessionaires, contractors, partners and unknown parties.

INTERNAL ASSIST



EXTERNAL ASSIST

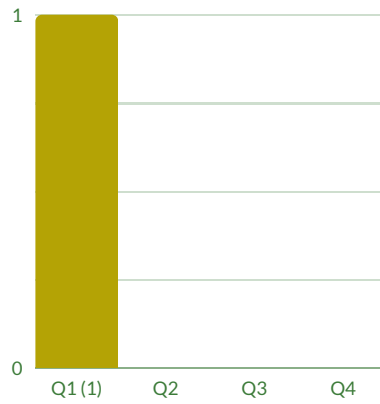


Internal Assists are OIG actions in response to department requests for information, analysis, and/or other assistance.

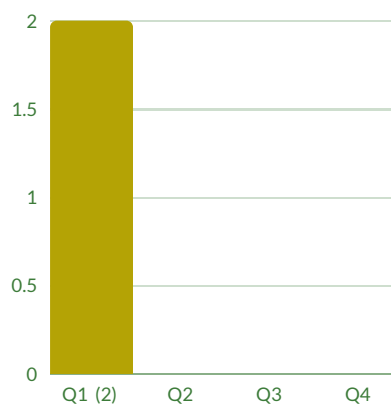
External Assists are OIG actions in response to requests from outside of the Park District (e.g., law enforcement agencies) for information, analysis, and/or other assistance.

AUDITS AND REVIEWS

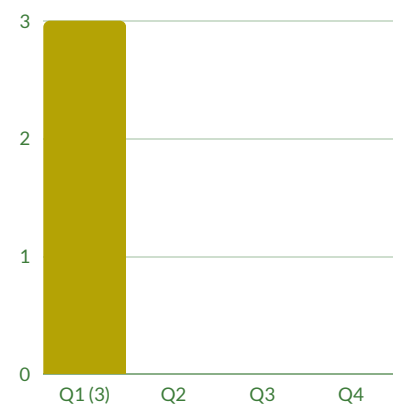
OPENED (1)



CLOSED (2)

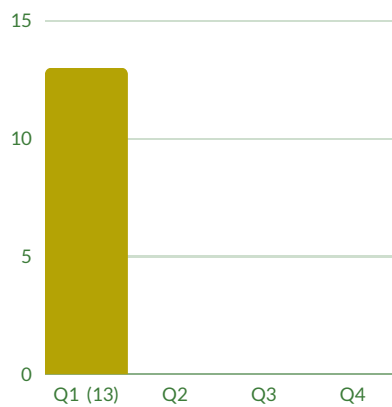


PENDING (3)

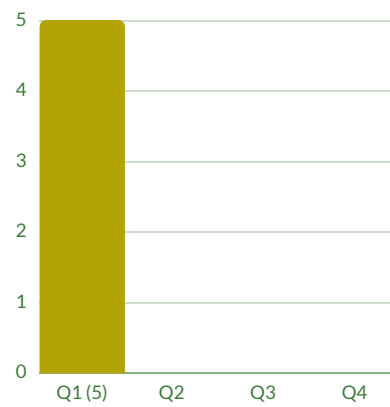


HIRING COMPLIANCE

AUDITS & REVIEWS (13)



ADVISORY OPINIONS (5)



MATTERS PENDING OVER SIX MONTHS

Chapter 2, Subsection D (9) of the Chicago Park District Code states that the OIG's quarterly reports "shall identify any investigation, audit or review which has not been completed within six months, and shall state the reasons for failure to complete the investigation, audit or review within six months." The pending matters, as well as the reasons for the continuing pending status, are listed below.

CASE NUMBER	MATTER TYPE	NATURE OF ALLEGATION	REASON
22Q30159	INVESTIGATION	CRIMINAL CONDUCT	COMPLEX INVESTIGATION
22Q30162	INVESTIGATION	CRIMINAL CONDUCT	COMPLEX INVESTIGATION
22Q30191	INVESTIGATION	CRIMINAL CONDUCT	COMPLEX INVESTIGATION

HELP FIGHT

FRAUD. WASTE. ABUSE.



Call the **Park District Inspector General Hotline** to report any information regarding misconduct, unlawful activity, or prohibited behavior occurring within the **Chicago Park District**.

All calls and emails are confidential.

Thank you!



Call **312.742.3333**

or email us at:

InspectorGeneral@chicagoparkdistrict.com



City of Chicago, Lori E. Lightfoot, Mayor
Chicago Park District Board of Commissioners
Rosa Escareño, General Superintendent & CEO

For more information about your Chicago Park District
visit www.chicagoparkdistrict.com
or call 312.742.7529 or 312.747.2001 (TTY)

STAY CONNECTED.

