

2017 THIRD QUARTER REPORT

I. OIG AND PURCHASING COORDINATE TO ENHANCE REVIEW OF POTENTIAL VENDORS

Before each monthly Park District Board of Commissioners meeting, OIG reviews prospective vendors, contractors and their principals to ensure that the firms comply with municipal laws and are in good standing with the City of Chicago and its sister agencies. OIG also attempts to determine that the firms are in good financial health and capable of performing the work for which they have bid.

In the past, OIG has learned of issues with the bidding firms (e.g., tax liens, levies, past due fines and other indebtedness) within just a few days of the Board meetings, which has prompted last-minute changes to the meeting agendas and delays for the purchase approvals of goods and services needed by user departments.

OIG and the Department of Purchasing have worked together to spot potential problems with prospective firms earlier in the procurement process. Specifically, OIG now has better access to what procurement matters are in the pipeline for Board approval. In addition, OIG has conducted training sessions of Purchasing staff on how to review potential red flag issues with the companies that seek Park District business. As a result, Purchasing and OIG have real-time discussions about issues as they are detected and determinations about whether to recommend certain firms for Board approval are made more deliberately and in a timelier manner.

II. INVESTIGATIONS

A. PARK DISTRICT EMPLOYEE INVOLVED IN PUBLIC HOUSING FRAUD IN IOWA

An OIG investigation established that a Special Recreation Leader committed federal fraud to obtain public housing assistance in the state of Iowa. The individual received federal housing assistance for an apartment in northwest Iowa at the same time that she was a Park District employee. The employee under-stated her income to the Iowa housing authority by not disclosing her Park District income.

The employee was also subject to two opposing residency requirements: the individual was required to live in the Iowa apartment to qualify for the housing subsidy but also required to live in Chicago to work for the Park District. Not

surprisingly, the employee gave OIG inconsistent and incoherent statements that tried to explain how he/she lived in both places at the same time.

The Iowa housing authority determined that the employee fraudulently obtained federal housing benefits by making false statements and moved to terminate the subsidy. Based on that finding, OIG recommended the employee's termination. The Park District followed the recommendation.

B. CRIMINAL MISCONDUCT: ATTENDANT CONVICTED OF MAIL FRAUD

A Park District Attendant pled guilty to one count of federal mail fraud (18 U.S.C. 1341) and sentenced to 68 months in federal prison. OIG determined that the employee's criminal misconduct did not involve the Park District. The Park District formally terminated the employee.

C. CRIMINAL MISCONDUCT: PATRON'S INAPPROPRIATE CONTACT WITH CHILDREN PROMPTED ARREST

A parent of a child in a Park District summer program was arrested after he was seen tickling other children and dousing water on them. The parent was immediately arrested and is prohibited from coming to the park.

D. NON-CITY BOAT OWNERS PAYING CITY RESIDENT HARBOR FEES

An OIG investigation at two Chicago harbors revealed the widespread practice of non-City residents submitting false, deceptive or out-of-date paperwork and identification to obtain the Chicago resident discount for mooring fees. OIG forwarded the names to its third-party harbor manager for collection of the non-resident fee. OIG learned that the manager collected non-resident payments in just a handful of cases.

II. 2017 CASELOAD INFORMATION

Investigations by Quarter					
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	2017 Total
Opened	22	93	85		
Closed	140	63	60		
Pending	151♦	181	206		

♦ Includes carry-over from previous quarter.

Reviews by Quarter

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	2017 Total
Opened	4	0	5		
Closed	1	3	6		
Pending	4♦	1	0		

♦ Includes carry-over from previous quarter.

Nature of Investigations and Reviews Initiated by Quarter

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	2017 Total
Criminal Misconduct or Fraud	4	4	3		
Waste and Inefficiency	2	3	5		
Other Rule, Code, Ordinance Violations	18	86	82		

Audits by Quarter

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	2017 Total
Opened	3	6	2		
Closed	2	6	3		
Pending	3♦	3	2		

♦ Includes carry-over from previous quarter.

Investigated Parties

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	2017 Total
Officers	0	0	0		
Employees	3	7	3		

Investigated Parties

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	2017 Total
Other (Agents, concessionaires, contractors, other parties, unknown)	19	86	82		

Cases Pending Over Six Months

[5]

Reason

Complex investigation. Generally involve difficult issues or multiple subjects: [5]

III. COMPLIANCE MONITORING ACTIVITY — THIRD QUARTER 2017

Under the Chicago Park District Employment Plan, OIG reviews and monitors the Park District’s hiring and assignment determinations to ensure that impermissible political factors have not played a role. OIG reports on its compliance monitoring activities in each its quarterly reports.

A. MONITORING CONTACTS BY HIRING DEPARTMENTS

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 contacts by hiring departments for the third quarter of 2017.

1. Review of Exempt List Modifications

OIG reviews the Park District’s adherence to exemption requirements and modifications to the list of positions that are Exempt from the Employment Plan procedures. There were no such modifications made during the third quarter of 2017.

2. Review of Exempt Management Hires

The Park District reported no Exempt hires made during the third quarter of 2017.

1. Review of Written Rationales

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 third quarter of 2017.

2. Review of Emergency Appointments

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

Human Resources reported no emergency appointments in the third quarter of 2017.

3. Review of “Acting Up” Activity

OIG reviews all circumstances where employees are “acting up” (performing all or substantially all of the duties of an employee in a higher-paid classification).

Human Resources reported that a Physical Instructor was acting up as Park Supervisor during the third quarter of 2017.

B. COMPLIANCE HIRING MONITORING AND AUDITS OF PREVIOUS QTR. (2Q 2017)

OIG conducts audit sampling of the Park District’s hiring activity from the previous quarter.

1. Review of Notices of Job Opportunities

OIG audits modifications to minimum requirements and screening and hiring criteria and modifications of class specifications, minimum requirements, or screening and hiring criteria. OIG found no compliance issues with the minimum requirements and other criteria related to posting of Notices and Job Opportunities during 2Q ‘17.

2. Review of Qualified Applicants/Bidders Lists

OIG audits the lists of applicants/bidders who meet the predetermined minimum qualifications for the position (as generated by Human Resources). For 2Q ‘17, OIG’s review of the lists of applicants/bidders for positions revealed no significant issues.

3. Review of Candidate Testing

OIG found no issues related to testing of Park District job candidates in 2Q ‘17.

C. ARBITRATIONS AND GRIEVANCES

OIG audits all arbitration and grievances involving hiring, promotions, transfers or involving allegations of unlawful political discrimination. Human Resources did not report any arbitrations or grievances in the third quarter of 2017.

D. EMPLOYMENT AND EDUCATIONAL VERIFICATIONS REVEALED NO ISSUES

As an extension of its compliance audits, OIG confirms the previous employment and educational backgrounds of selected new employees. During the third quarter of 2017, OIG confirmed the employment and educational backgrounds for three new hires.