

Office of Inspector General
Chicago Park District
Will Fletcher, Inspector General

2015 ANNUAL REPORT

Greetings,

I am pleased to report that 2015 marked a period of success and significant transition for the OIG and left it poised to continue serving the Park District, its patrons, and the residents of Chicago in its critical investigative and compliance oversight functions. Attached is a summary of significant reports and investigations made by the OIG in 2015.

In a major positive development, the U.S. District Court released the Park District from the *Shakman* consent decrees in December 2015. For nearly thirty years, the Park District has voluntarily complied with the *Shakman* decrees, which prohibit the consideration of political factors or affiliation in employment decisions. While other local and county government agencies have been party to the *Shakman* decrees, the Park District was the only entity that proactively instituted procedures and oversight without the assistance of a third-party to monitor its compliance with the decrees. The Park District's self-monitoring not only spared Chicago's residents the cost of an outside monitor, but created within the Park District a culture of compliance with the spirit of fair and transparent hiring practices. Upon dismissing the Park District from the *Shakman* litigation, the Court specifically noted that the Park District has established a robust and effective hiring oversight function. The OIG is charged with the Park District's continued hiring oversight duties under the terms of its Employment Plan.

The OIG reflects the conviction that the Board of Directors and Park District management have in the OIG's mission of oversight and the promotion of efficiency and transparency at the Park District. Most significantly, however, the OIG's success to date is attributable to the tireless work of Alison Perona, the Park District's first inspector general, who left the office in May 2015. I wish to personally thank Alison for establishing an inspector general's office with strong investigative and oversight capacities that also enjoys the great advantage of working collaboratively with Park District management. Finally, I wish to thank former Board President Bryan Traubert who last July nominated me to succeed Alison as inspector general.

Sincerely,

Will Fletcher
Inspector General

I. INVESTIGATION OF A MAJOR PARK DISTRICT CONCESSION AWARD

A. EVALUATION COMMITTEE PULLED ITS ORIGINAL RECOMMENDATION TO THE PARK DISTRICT BOARD TO ACCEPT AN OFFER THAT WAS SUBMITTED AFTER THE DEADLINE AND THAT WAS ALSO INCOMPLETE

An OIG investigation found errors and other concerning issues with the Park District's administration of a 2015 concession opportunity and evaluation process. After a Park District evaluation committee unanimously selected Candidate A to win a major concession award, its recommendation to the Board was pulled from an upcoming Board meeting agenda. The following month, the second-place candidate for the concession, Candidate B, submitted an apparently unsolicited new bid that leapfrogged the financial terms of Candidate A's offer (under the Park District's rules, the financial terms of concession bids are not publicly unsealed prior to the concession award). Although the deadline for the finalists to submit their "best and final" offers had passed, the evaluation committee re-opened the bidding to the finalists and recommended that the Board accept Candidate B's new offer. The Board's vote on the recommendation was tabled pending the outcome of the OIG's investigation.

The investigation also found that Candidate B's application for the concession was incomplete and not fully responsive to the Park District's evaluation criteria. For example, the Park District's application screening controls did not detect that Candidate B failed to submit a required economic disclosure statement, which made its application defective. Compounding the error, the Park District inadvertently reported in a letter to the Board that Candidate B had submitted the statement.

B. CANDIDATE B'S PRIOR EXPERIENCE AS A CONCESSIONAIRE WAS RELEVANT BUT NOT CONSIDERED BY THE EVALUATION COMMITTEE

In 2011 and 2012, Candidate B ran a smaller-scale concession at the same site as the 2015 concession opportunity. Park District employees and the Park District's third-party concession manager described Candidate B's performance as substandard and unacceptable in nearly all phases of its operation. Representatives from the third-party management company stated that they "fired" Candidate B from operating a concession at the site. However, the fact that Candidate B was previously a concessionaire at the site was not communicated to the full evaluation committee when it was considering applicants for the major concession award in 2014-15.

**C. A PRIOR PARK DISTRICT MANAGEMENT TEAM ATTEMPTED TO IMPROPERLY
AWARD CANDIDATE B A 20-YEAR DEAL IN 2011.**

The investigation also found that, in early 2011, two former senior Park District managers and personal acquaintances of Candidate B, gave Candidate B a 20-year concession agreement at the site without obtaining the required approval of the Park District Board. Park District rules specify that concession agreements with a term of five years or longer may be approved only by a vote of the Board. A new Park District leadership team terminated the agreement before it took effect.

D. FINDINGS AND RECOMMENDATIONS

1. Recommendations for the Concession Opportunity

The investigation was completed in the fourth quarter of 2015. The OIG recommended that the Park District consider taking one of the following three actions with respect to the concession opportunity (in no order of preference): 1. Post a new notice of concession availability; 2. Award the concession to Candidate A, the original selection of the evaluation committee; or 3. Direct the evaluation committee to re-evaluate the finalists' applications in light of their respective performances as Park District concessionaires and a side-by-side comparison of the financial terms of their offers.

- Management's Response: The Park District published a new concession opportunity for the site that was open to all interested bidders.

2. Institute Specific Rules for "Best and Final" Concession Award Offers

The investigation uncovered no evidence that any Park District employees involved with the 2015 concession award intentionally gamed the concession award process to favor Candidate B. Rather, the evaluation committee pulled its recommendation for Candidate A and later submitted a recommendation for Candidate B because its members believed the financial terms of the late offer were more advantageous to the Park District. The decision to accept Candidate B's offer after the deadline for "best and final" offers, however, raised obvious concerns about the reliability of the concession award process from the perspective of would-be concessionaires.

- Management's Response: The Park District will re-evaluate its "best and final" guidelines for concession opportunities. Revisions to the guidelines may or may not be formally adopted into the Chicago Park District Code.

3. *Maintain Accurate Controls*

The OIG recommended that the Park District establish and maintain controls that ensure for the accurate tracking of responses and materials from concession applicants.

- Management's Response: the Park District will institute any necessary changes to ensure that adequate controls are in place.

4. *Appropriate Discipline*

One of the two managers responsible for giving Candidate B a 20-year contract in 2011 without Board approval is still a Park District employee. The OIG recommended appropriate discipline.

- Management's Response: The Park District gave the employee a verbal warning.

II. OTHER INVESTIGATIONS

The following summaries address investigations that concluded in the fourth quarter of 2015 as well as updates to previously-reported investigations.

A. FOURTH QUARTER 2015

1. *Time Falsification Investigation – Seasonal Lifeguard*

An OIG investigation established that a Seasonal Lifeguard, who was also an employee at the City Colleges of Chicago, falsified times records to claim that he was on duty at the Park District when he was at his other job.

The OIG recommended that the employee be designated “do not rehire” by the Park District. Management's response is pending.

2. *Resignation Under Inquiry – Lifeguard*

A Park District Lifeguard resigned while under investigation for failure to come to work. The Lifeguard stated that he was unable to return to work until a domestic issue was resolved. The Park District's Human Resources department made several attempts to contact the Lifeguard with no success. The Lifeguard finally e-mailed his resignation, effective immediately.

The Lifeguard alluded to the nature of the domestic issue which prompted the OIG to conduct a criminal background check of the Lifeguard. The background check revealed only minor traffic violations.

The OIG recommended that the Lifeguard's resignation be characterized as "resigned under inquiry." Management's response is pending.

3. Residency Investigation – Gymnastics Instructor

An OIG investigation established that a Gymnastics Instructor violated the Park District's requirement that its employees must live in Chicago. The documentary evidence and multiple surveillances established that the Gymnastics Instructor lived in the suburbs in a house that he/she purchased in 2003.

Multiple surveillances related to the residency investigation also revealed that the Gymnastics Instructor falsified his/her time.

The OIG recommended that the Park District terminate the Gymnastic Instructor. The Park District terminated the employee.

B. UPDATES TO PREVIOUSLY-REPORTED INVESTIGATIONS

1. Theft of \$150 by a CPD Attendant

A patron gave \$150 cash to a CPD employee as a deposit for a room rental. The employee had the patron sign a document for the deposit. The CPD employee also signed the document.

The patron's \$150 was never entered in CPD's database. The patron gave the OIG a copy of the room rental form with the signatures on it. The rental form stated that the patron paid a \$150 deposit.

In his first OIG interview, the CPD employee denied that he received any money from the patron. The employee stated that the rental form was just informational (not a receipt) and he denied that he signed it.

During a second interview, however, the OIG confronted the employee with the rental form and another document bearing his signature (for comparison). At that point, the employee retracted his denial and said that he "possibly could have signed" the rental form.

The OIG recommended appropriate discipline for the employee. The employee received a three-day suspension.

2. Theft of \$300 by a Physical Instructor

A CPD Physical Instructor took \$300 in cash from a patron during open gym registration but did not issue a receipt to the patron. Further, the Physical Instructor never recorded the transaction in CPD's payment database.

The Physical Instructor admitted taking the money from the patron without recording it or issuing a receipt. The Physical Instructor claimed, however, that he/she put the money in the envelope and kept it in his/her desk. The Physical Instructor said that the patron never returned to the park or made contact after dropping off the money.

The OIG, however, obtained text messages between the Physical Instructor and the patron discussing the \$300. The Physical Instructor never mentioned in those communications that the money was placed in his/her desk. Rather, the Physical Instructor wrote the patron that he/she was “trying to get it all back,” “I’m working on it,” and the “city drags” on returning the money. There was no envelope containing money in the Physical Instructor’s desk on the date of his/her OIG interview.

The investigation also revealed that the Physical Instructor overcharged the patron by \$10 for each participant’s open gym registration.

The OIG recommended appropriate disciplinary measures. The Park District terminated the employee.

3. Misuse of Paid Leave Time — Engineer

An OIG investigation revealed that an Engineer took paid sick time for the purpose of going to court and pleading guilty to a misdemeanor charge of Resisting a Peace Officer. The Park District’s policy states that sick leave can be used only for “illness, disability or injury.”

The OIG recommended appropriate discipline. The Park District suspended the Engineer for three days.

4. Unauthorized Use of a Park District Vehicle — Engineer

An OIG investigation found that an Engineer used a Park District front loader to remove snow from the area near his/her residence. The Engineer admitted to the OIG that he/she used the Park District equipment to remove the snow. The Engineer said that he/she used the front loader to assist neighbors. The investigation did not establish that the Engineer was compensated for removing snow from his/her neighbors’ property.

The OIG recommended appropriate discipline. The Park District has initiated suspension proceedings.

5. Residency Investigation — Lifeguard

The OIG initiated a residency investigation of a Park District Lifeguard whose Chicago address of record was discovered to be an abandoned gas station. The Lifeguard told the OIG that he/she made a clerical error when reporting his Chicago address to the Park District. A follow-up inquiry by the OIG found that the Lifeguard never updated his/her address after being directed to do so twice.

The OIG recommended appropriate discipline for failing to cooperate and for a possible residency violation. The Park District terminated the Lifeguard and placed his/her name on the District’s “do not rehire” list.

III. 2015 INVESTIGATIONS INFORMATION

Investigations Caseload by Quarter

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	2015 Total
Cases Initiated	40	30	15	21	106
Investigations Completed	51	11	14	20	96
Cases Pending [◇]	17	36	37	38	38

[◇] Includes carry-over from previous quarter.

Nature of Allegations

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	2015 Total
Misconduct	21	15	9	13	58
Abuse (e.g., preferential treatment, misuse of position for personal gain)	4	1	1	5	11
Other (assists, verifications)	15	14	5	3	37

Method of Contact for Investigations Initiated

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	2015 Total
Hotline telephone	3	5	4	11	23
Hotline email	2	2	2	0	6
Walk-in	31	19	6	6	62
Other (referrals, OIG-initiated)	4	4	3	4	15

Investigated Parties

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	2015 Total
Officers/Managers	0	0	0	1	1
Agents/Contractors	0	2	1	0	3
Employees	25	26	11	20	82
Other◊	15	0	2	0	17
Unknown	0	2	1	0	3

◊ Process reviews (as distinct from investigations of individuals)

Cases Pending Over Six Months

Five

IV. HOTLINE STATISTICS

Nature of Allegations

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Misconduct	3	13	23	14
Abuse ((e.g., preferential treatment, misuse of position for personal gain)	2	2	2	1
Management Issues (referred)	98	157	117	34

Nature of Allegations

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Referral to Outside Agcy.	—	25	0	0
Information Request	—	18	14	5
Other	55	13	33	6

Affiliation of Contacting Party

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Manager/Employee	3	10	12	2
Patron	87	153	117	29
Citizen	49	52	72	23
Law Enforcement	1	0	2	0
Other/Unknown	18	8	4	3

V. COMPLIANCE MONITORING ACTIVITY — FOURTH QUARTER 2015

In 2013, the OIG began monitoring CPD activity related to hiring, promotion and other personnel actions to ensure that those activities were not based on political reasons or factors. The scope of the OIG’s activity expanded in 2014 due (in part) to an agreement between CPD and the plaintiff’s attorneys in the *Shakman* litigation. While some activities such as interview monitoring and file review were conducted in 2014, other activities (e.g., reviewing appointments, acting up appointments, and bidder’s lists) started in the first quarter of 2015.

The OIG reports on its compliance monitoring activities in each its quarterly reports.

A. HIRING OVERSIGHT INVESTIGATIONS

The OIG initiated one hiring oversight investigation during the fourth quarter of 2015:

- 15 CM 008: A candidate for an administrative position alleged a violation of the Park District’s Employment Plan occurred during the interview phase of hiring. Specifically, the candidate asserted that the interviewers may have been overheard disparaging the candidate’s performance during the job interview. The candidate raised the issue of whether such a discussion

between interviewers was a violation of the Employment Plan. The candidate also made additional allegations not directly related to the hiring round.

The OIG determined that the candidate's allegations did not amount to a violation of the Employment Plan.

B. MONITORING CONTACTS BY HIRING DEPARTMENTS

The OIG is required to review 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 fourth quarter of 2015.

1. Review of Exempt List Modifications

The OIG is to review CPD's adherence to exemption requirements and modifications to the list of positions that are Exempt from the Employment Plan procedures:

There was a modification to the Exempt list in the fourth quarter of 2015 to add a newly-created position, Chief Technology Officer.

2. Review of Exempt Management Hires

The Park District made two new hires to Exempt positions during the fourth quarter of 2015:

- Chief Technology Officer (newly-created position)
- Director of Planning and Development (replacement hire)

3. 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.

The OIG did not receive any "no consensus" letters during the fourth quarter of 2015.

4. Review of Emergency Appointments

The OIG is to review circumstances and written justifications for any emergency hires made pursuant to the Personnel Rules of the CPD Code.

There were no emergency appointments in the fourth quarter of 2015.

5. Review of “Acting Up” Activity

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

CPD reported the following instances of employees “acting up” through the end of the fourth quarter of 2015:

- Two employees started “acting up” as Labor Foremen in the fourth quarter of 2015.

C. COMPLIANCE MONITORING — AUDITS

1. Review of Notices of Job Opportunities

The OIG audits modifications to minimum requirements and screening and hiring criteria and modifications of class specifications, minimum requirements, or screening and hiring criteria.

During the fourth quarter of 2015, the OIG noted no compliance issues with the minimum requirements and other criteria related to posting of Notices and Job Opportunities.

2. Review of Qualified Applicants/Bidders Lists

The OIG audits the lists of applicants/bidders who meet the predetermined minimum qualifications for the position (as generated by HR). For the fourth quarter of 2015, the OIG’s review of the lists of applicants/bidders for positions revealed no significant issues.

3. Review of Candidate Testing

No activity in the fourth quarter of 2015.

4. Review and Monitoring of Hiring Sequences

The OIG randomly monitored several hiring sequences in the fourth quarter of 2015 for the following positions:

- Arts Instructor
- Attendant
- Facilities Manager
- Physical Instructor
- Playground Supervisor

The OIG's monitoring revealed no significant issues in the candidate selection and interview processes.

5. Review of Hiring Certifications

The OIG audits certifications wherein interviewers attest that no political reasons or factors were taken into account.

The OIG detected no issues for the certifications that it reviewed in the fourth quarter of 2015.

6. Arbitrations and Grievances

The OIG audits all arbitration and grievances involving hiring, promotions, transfers or involving allegations of unlawful political discrimination.

CPD did not report any of these circumstances in the fourth quarter of 2015.