2019 Fourth Quarter and Annual Report

To the Chicago Park District Board of Commissioners, Park District employees and Residents of the City of Chicago,

I am very honored to present the Chicago Park District Office of Inspector General’s 2019 Annual Report.

I also wish to express my gratitude to the Park District’s administration and Board of Commissioners for appointing me to a second four-year term as inspector general. Over the last four years, the office has succeeded in applying its work and expertise to areas of the Park District’s operations where oversight had been lacking. For this accomplishment, I am very grateful to OIG’s staff members for their hard work, willingness to adapt and enthusiasm for the mission of our office.

OIG’s investigations in 2019 found fraud and misconduct at different levels of the Park District’s organizational hierarchy. Of note was an investigation that revealed that a senior executive had steered a multimillion-dollar contract to a company that was a longtime business partner. Another case showed that dozens of Park District employees accepted more than $60,000 in cash payments from the sale of Park District scrap metal that disappeared. Our findings prompted a Chicago Tribune editorial in June 2019 that underscored the importance of oversight in the Park District, noting that OIG’s investigations demonstrated that “taxpayer money, when not carefully tended by employees at all levels, may scamper off to the wrong places.”

Thanks in part to a long overdue investment in technology, OIG handled more complaints and requests in 2019 than ever before. In doing so, OIG improved the efficiency of its case management and became much better situated to serve as a resource for the Park District and Chicago’s residents.
As previously noted, substantial investment is required to equip OIG with the necessary resources to perform its statutory oversight function. Most acutely, OIG needs additional investigators with a variety of skillsets. The Park District’s annual budget is nearly $500 million. Contract awards with outside vendors and firms approach $100 million annually. And the Park District’s public venues generate millions of dollars in revenue not just for the agency but also for third-party concessionaires, vendors and permit holders. Therefore, the access, management and use of revenue-generating opportunities at Park District venues warrant robust oversight. Meeting these demands requires an investment of resources in OIG that is commensurate with the OIGs of the other City of Chicago agencies.

I am very pleased that, working in collaboration with the administration, internal oversight at the Park District has achieved a higher standard over the last four years. This achievement is distinguished by fair and thorough work that is salient, informed and supported by the evidence. While it’s critical that the Park District not descend from this new standard, it is equally important that it prioritizes elevating OIG to the level of its peer oversight agencies through the investment of additional, needed resources.

Sincerely,

Will Fletcher

Will Fletcher
Inspector General
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Pending Responses from Previously Reported Cases

In its Fourth Quarter 2018 and Annual Report, OIG made several findings related to the operations of a nonprofit organization, an advisory council and Person 1, who was the leader of both organizations.

Recommendations:

a) Permanently enjoin Person 1 from membership in all advisory councils;

b) Demand that the nonprofit organization cease and desist fundraising in the name of the Chicago Park District or the park with which it associated. Update: The organization has apparently continued fundraising in 2019 in a similar manner.

c) Reject all permit or partnership applications from the nonprofit organization (the Park District agreed to follow this recommendation on a temporary basis while the investigation was ongoing but has not indicated whether it will do so on a permanent basis);

d) Conduct periodic audits to confirm that designated nonprofits actually receive the required share of festival proceeds when special even permits are discounted.

e) Enact procedures to verify that designated nonprofit organizations are in good standing. Update: Park District has enacted procedures to determine the status of nonprofit organizations.

f) Consider a referral of the nonprofit organization’s operations to the Internal Revenue Service for its review; and

g) Consider a referral to the City of Chicago, Cook County and State of Illinois taxing authorities for review of whether the festivals and events affiliated with the nonprofit organization were subject to the collections of sales tax.
Investigations and Reviews

Senior Park District Official Leveraged a Conflict of Interest by Steering a Multi-Million Dollar Tech Contract to a Large Tech Firm that Had Paid Hundreds of Thousands of Dollars to a Subcontracting Company that the Official Owned

An OIG investigation found that a Park District Senior Official (CPD Official) had steered a Park District contract worth up to $7.2 million to a multinational technology services corporation (Tech Firm) which had paid hundreds of thousands of dollars to a small subcontracting company that CPD Official owned.

Hired for a newly created position at the Park District, it was not apparent that CPD Official had experience directing the information-technology program of a large public agency. However, before joining the Park District, CPD Official had been successful in the politically-charged arena of winning subcontractor projects on state and local government technology contracts, assisted by a well-connected network. At one time, CPD Official’s company employed a former Park District CEO to find new contracts with the City of Chicago. Internal Tech Firm correspondence related to its decision to partner with CPD Official’s company noted that Tech Firm’s lobbyist supported the partnership based on CPD Official’s “relationships with the city.”

While pushing for Tech Firm to win the Park District contract, CPD Official never disclosed that his/her company had partnered with Tech Firm for many years on government contracts. Tech Firm paid CPD Official more than $320,000 for subcontracting work, approximately $145,000 of that amount coming after CPD Official started working at the Park District in a position of trust and authority over lucrative IT contracts.

CPD Official resigned from the Park District following OIG’s investigation and, in December 2019, the Park District replaced Tech Firm with a new IT services vendor.

Tech Firm’s two-year tenure as the Park District’s IT services provider included hundreds of thousands of dollars in change orders. The evidence showed that the unexpected charges at least partially resulted from concealments and misrepresentations about the contract made by CPD Official and one of Tech Firm’s sales managers (Sales Manager).

CPD Official’s actions obviously benefited Tech Firm with a multimillion dollar contract. But CPD Official’s misconduct also rewarded Sales Manager in particular. Sales Manager was recognized within Tech Firm as the sales executive who landed the Park District contract. The evidence
also suggested that CPD Official’s push for the Tech Firm contract was borne of personal indebtedness to Sales Manager. The two had known each other professionally for several years. And when the future of CPD Official’s company was in a crisis directly related to his/her Park District employment, Sales Manager protected CPD Official’s relationship with Tech Firm by covering up the issue.

Together, CPD Official and Sales Manager concealed from Tech Firm that the subcontracting company CPD Official owned had lost its certification as a minority-owned business enterprise (MBE). Tech Firm would have discontinued its partnership with CPD Official’s company had it learned of the decertification. The cover-up required Sales Manager to conceal information from his/her employer, at great personal risk. The cover-up included several convoluted maneuvers, like CPD Official establishing a corporate entity that existed only on paper. Part of the concealment also included using an MBE-certified company in good standing to serve as a pass-through for CPD Official’s subcontracting company in order to get paid by Tech Firm.

Thanks to Sales Manager’s assistance, Tech Firm never learned about the decertification issue, and CPD Official’s company continued earning hundreds of thousands of dollars as a subcontractor.

At the same time that Sales Manager was helping CPD Official’s company to protect its lucrative Tech Firm partnership, CPD Official chaired a committee to find a vendor for a new IT-services contract at the Park District. Under CPD Official’s leadership, the competitive bidding process was abruptly terminated under very suspicious circumstances, and without any of the customary cost negotiations. Killing the bidding process cleared the way for CPD Official to steer the contract directly to Tech Firm without it having to compete with other firms. And at no point did CPD Official disclose his company’s longstanding partnership with Tech Firm.

For its part, the Park District missed red flags before awarding Tech Firm the contract. Most significantly, the scope of the contract the Park District executed with Tech Firm was for something completely different than what it wanted. To bypass the competitive process, the Park District adopted the City of Chicago’s existing contract with Tech Firm. However, the City’s contract was for the purchase of Tech Firm’s computer equipment and related devices. The Park District, however, was seeking to retain the services of IT consultants to staff the help desk and maintain the organization’s IT infrastructure. The services that the Park District wanted were not even priced into the City of Chicago’s contract with Tech Firm.

After the Park District awarded the contract to Tech Firm, the negotiations between the parties were, to a large measure, left to CPD Official and Sales Manager. Neither person disclosed their longstanding and active business relationship. During negotiations, rumors of CPD Official’s
business ties with Tech Firm reached the Park District administration. CPD Official repeatedly
denied having any active relationship with the company and the Park District apparently looked
into the matter no further.

The Park District’s misplaced trust in CPD Official, in part, led to the substantial change orders
when Tech Firm eventually started work as the Park District’s IT services provider. Soon after the
contract was in place, modifications to the contract resulted in an additional $421,300 in Tech
Firm’s hourly fees. A single change order from December 2017 increased the Park District’s
monthly expenditures by $25,000 more than what was anticipated. And in the second half of
2018, the Park District’s rate of spending in connection to the contract was 47% higher than
what had been estimated. The significant revisions to the agreement likely resulted from the
mismatch between the City’s contract with Tech Firm and the consultant services that the Park
District needed.

Two weeks after Tech Firm won the Park District contract, the company notified CPD Official that
it was terminating its partnership with his/her subcontracting company. Although Tech Firm did
not provide OIG with a specific reason for the termination, the company did acknowledge that an
internal conflict-of-interest investigation of CPD Official had informed Tech Firm’s decision to
terminate the partnership.

When asked about the questionable timing of ending its relationship with CPD Official’s
company, Tech Firm insisted that it did not intentionally wait until after it had won the Park
District contract to ensure that it would reap the reward. Tech Firm further explained that it had
not disclosed to the Park District that it had an active business relationship with CPD Official
throughout negotiations of the contract because, with the exception of Sales Manager, no one at
Tech Firm was aware of all the relevant facts to make an appropriate disclosure. That is, Tech
Firm depicted Sales Manager was a rogue employee, and claimed that none of its other
employees knew that CPD Official also owned a company that partnered with Tech Firm.

Based on the investigation’s findings, OIG recommended that the Park District administration
terminate CPD Official’s employment. CPD Official, however, resigned after OIG issued its report.

OIG also recommended that the administration replace Tech Firm because (1) it had not bid to
provide technology consulting services through a competitive process that had been
administered by either the Park District or the City of Chicago; (2) the terms of the Park District’s
contract with Tech Firm were not negotiated at arms-length; and (3) the contract’s terms were
based on a contract with a different scope of services. In December 2019, the Park District did
not renew its contract with Tech Firm and entered into a contract with a new IT managed-
services vendor.
The OIG further recommended that the Board of Commissioners request a full history of change orders involving Tech Firm’s contract; in response, the administration agreed to provide OIG with a summary of the Park District’s expenditures related to the Tech Firm contract.

OIG recommended that the Board of Commissioners assume a larger role in the review and approval of major contracts. OIG has not received a response to the recommendation. However, the Park District revised a conflict-of-interest statement for all contract-evaluation committee members that required them (1) to affirm they will not take future employment or anything else of value from any of the entities that submitted a bid that they had evaluated; and (2) to acknowledge that the conflicts obligations set forth in the statement are continuing.

Finally, and consistent with OIG’s recommendations, the Park District has undertaken additional measures to strengthen the integrity of purchasing process, including (1) requiring contract-evaluation committee’s unanimous consent before cancelling any active competitive bidding process for a Park District contract, including individual members’ written rationales for the cancellation; (2) strengthening the review process of proposed agreements; and (3) requiring the Park District’s IT staff to complete training on the Park District’s procurement procedures as well as ethics training. (See timeline of investigation here)

**Supervisor Abused His/Her Park District Employment for Financial Gain on Several Occasions**

An OIG investigation established that a Park District Supervisor used his/her employment for personal benefit on several occasions.

**Supervisor Paid for His/Her Child’s Summer Camp Using Funds that Were Donated to the Employee’s Park for the Purpose of Assisting Children Unable to Pay Program Fees**

Supervisor had been given the responsibility of distributing a $500 donation to his/her park intended to assist in paying the program fees of children who are unable to pay them. The investigation showed that, shortly after receipting the funds in spring 2019, Supervisor used $150 of the donation on the personal expense of his/her own child’s summer camp enrollment at another park.

When OIG asked about the purpose of the donation, Supervisor replied that the funds were intended to assist families with program fees at his/her park. Supervisor stated, however, that the donation was “not necessarily” intended for hardship enrollments and that it was left to his/her discretion how the funds were distributed. Supervisor stated that his/her discretion over
the donated funds included spending part of the donation on his/her child’s summer camp enrollment at another park.

**Park District Records Also Showed Supervisor’s Unauthorized Use of an Internet Code to Waive Child’s Summer Camp Fees in a Previous Year**

The investigation established that Supervisor used a restricted code on the Park District’s online registration platform to waive the fees for his/her child’s summer camp enrollment in 2018. Only two Park District Finance department employees were authorized to use the code. Supervisor denied knowing how the code was applied on his/her child’s account. Supervisor also told investigators that the code was widely known outside of the Finance department.

**Supervisor Illegally Evaded Sales Tax on More than $3,300 in Purchases of Personal Items at Menards using the Park District’s Illinois Sales Tax Exempt Certificate**

Supervisor opened a Menards store account that was linked to the Park District’s tax-exempt status. In opening the account, Supervisor acknowledged that tax-free purchases must be made on behalf of the Park District. During a 17-month period between 2017 and 2019, however, Supervisor bought personal items worth more than $3,300 in 37 separate transactions.

Supervisor’s immediate manager told OIG that donations to Supervisor’s park, which is located in a community with a substantial need for financial assistance, are intended to assist children who cannot afford program fees. Another manager stated, however, that there was a lot of “gray area” on how donations can be used. This Manager told OIG that he/she would need to examine how donations were managed by other supervisors before making a determination of whether Supervisor should have used donated funds on his/her child’s camp fees.

OIG recommended that:

a) The Park District terminate Supervisor’s employment.

Response: Instead of termination, the Park District negotiated a 29-day unpaid suspension with Supervisor and the forfeiture of vacation hours above a certain threshold that were accrued in 2019.

b) That the Park District determine which employees need a tax-exempt customer card at Menards and request that all other accounts be terminated.

Response: The Park District has not yet responded to this recommendation.
c) That the Park District restrict use of the tax-exempt letter to employee positions it determines should use them, institute rules and appropriate training about use of the letter and making tax-exempt purchases on the Park District’s behalf.

Response: The recommendation is still under consideration.

SNAP Benefits Fraud: Two Employees Exchanged Cash for Food Stamps; Used Benefits to Buy Items for an Unauthorized Candy Store in the Park

An OIG investigation revealed that two employees illegally bought food stamp cards from SNAP benefits recipients and then used the credits to buy candy and snack food items for an unauthorized concession that operated at the park for several years. Between 2015 and 2019, Employee 1 made nearly 300 transactions at Sam’s Club using SNAP benefits cards to purchase more than $32,000 in items.

SNAP benefits may not legally be redeemed for cash but the investigation established that Employee 2 found SNAP recipients and paid them 70 cents on the dollar for access to their benefits cards. Employee 2 gave the cards to Employee 1, who used them at Sam’s Club to buy candy and soft drinks at Sam’s Club, which were then put up for sale at an unauthorized concession at the park. Although OIG located records that revealed the concession operated for more than four years, witnesses stated that it was in the park for much longer.

Employees 1 and 2 admitted to the allegations related to the unlawful use of SNAP benefits. However, the employees denied personally benefiting from the benefits fraud or the sales of the concession. The Park District received no sales records from the concession.

The investigation also discovered that Employee 1 purchased more than $17,000 in personal items at Sam’s Club without paying sales taxes on most of them. Employee 1 linked their Sam’s Club card to the Park District’s tax-exempt status to evade sales taxes on the purchases.

As a result of OIG’s investigation, Employee 1 and 2 resigned their employment.
Independent Preschool Operating on Park District Property Without State or City Licenses

An OIG investigation established that an independent, for-profit preschool operating in the Park District under a permit agreement did not have the required State of Illinois and City of Chicago licenses to operate. The school, which had been operating in a wooded area of Park District land since 2016, did not have a waiver or exemption that would have allowed it to continue without the appropriate preschool operator license. In fact, the investigation discovered that the preschool had no license of any kind, not even a city business license. At the end of the summer of 2019, the Park District terminated the use and occupancy permit that allowed the preschool to operate on the site.

Following an inspection in early 2019, an Illinois agency determined that the preschool was operating without the required license under the Illinois Child Care Act. The school reached an informal agreement with the agency that allowed it to operate status quo through the summer, during which time it could either obtain the required licensure or secure a waiver. The school did not obtain a license or a waiver by the end of the summer.

The preschool was a sharply divisive issue in the community. The site it occupied was entirely outdoors in an isolated section of parkland. The school, for children three years and younger, convened unless the outdoor temperature fell below 15 degrees Fahrenheit. During its visit to the site in February 2019, OIG observed one portable toilet, and there appeared to be no running water available. Tuition for the 2018-19 school year was nearly $8,500.

The school’s proponents argued that its setting offered preschoolers sanctuary from the digital age and promoted a flinty resourcefulness gained from exposure to the outdoors. But the school was also the subject of numerous complaints by residents about trash and the school’s use of open fires, which may have violated the Park District Code.

OIG did not recommend that the Park District discourage programming simply for being unconventional. However, the nature of the school’s operations were clearly incompatible with the state’s licensing requirements. The school’s proponents argued that its divergence from the traditional preschool model was precisely what they found appealing about the program. But the school appeared to want to have it both ways: On the one hand, it projected itself as a first-of-its-kind program at the forefront of preschool care. On the other hand, the school wanted to offer assurance to the public that it had the approval of the Park District and the licensing authorities. Included in the school’s messaging was the incorrect statement that it operated “in partnership” with the Park District. Although the Park District issued the school a use permit of the site, it had no role in the school’s programming.
The preschool’s website also stated that it “meets all applicable state and local regulations,” which also proved to be false. The preschool had no preschool operator's license and it’s not evident that it even had a City business license.

Under the terms of its Park District permit agreements in effect since 2016, the preschool stated that would “comply with all applicable federal, state and local laws, statutes, ordinances ...” The investigation found no evidence that the preschool has ever been found in compliance with any State of Illinois or City of Chicago laws governing preschool operators.

Although the preschool operated through the summer of 2019 with the Park District’s knowledge, OIG was unable to find a copy of the most recent version of the permit agreement (for 2018-2020) that had been signed by a Park District representative.

OIG recommended that the Park District:

a) Terminate its agreement with the preschool for breach of the requirement that it “comply with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, codes and executive orders ...”

Response: The Park District followed the recommendation and terminated the agreement effective at the end of summer 2019.

b) Confirm going forward that any prospective permittees who are required to have childcare licensing meet the requirements and are in good standing.

Response: The Park District has not responded to this recommendation.

Review: Park District Did Not Verify Required Credentials for Numerous Recent Hires

OIG reviewed 15 hiring rounds in which the hired candidate claimed to have a bachelor’s degree and found that the Park District verified the candidate’s educational background in only two cases. In each of the 15 cases, the job description either required (or expressed a preference for) a bachelor’s degree and the candidates claimed in their job applications to have the degree. However, the Park District didn’t verify the candidates’ educational backgrounds during the onboarding process.

OIG requested and reviewed proof of the candidates’ (who are now Park District employees) degrees.
Employees Collected Cash for Scrap Metal Sales and the Park District Never Received the Payments; Park District Enacted New Policies in Response to Investigation

An OIG investigation established that several Park District employees in trades and landscape departments were selling Park District scrap metal for cash that the Park District never received. The proceeds amounted to $64,000 in cash over nearly 300 transactions between 2012 and 2017.

Eleven employees in total sold Park District scrap for cash between November 2012 and March 2017. Two employees, however, accounted for the bulk of the cash transactions in that period, collecting $44,000 that should have gone to the Park District. The Park District policy on scrap metal has for years expressly directed employees to collect payment in the form of a check payable to the Park District.

During the period OIG reviewed, more than 75% of the proceeds from the Park District’s scrap metal sales were paid in cash to employees. In comparison to the $64,000 in missing cash payments, the Park District received only $19,634 in payments by check.

OIG obtained hundreds of videos and images from the scrapyard that showed employees bringing in scrap on Park District vehicles while they were on the clock. The transactions were processed using the Park District’s customer account and the images showed that employees collected cash payments.

In one of several instances, OIG obtained images that showed employees selling five loads of chairs taken from the Petrillo band shell in 2014. OIG matched the time-stamped photos of the transaction to Park District work orders to scrap the Petrillo band shell chairs. The employees took cash for four of the five transactions totaling $2,139. In one transaction, the employees accepted a check payable to the Park District in the amount of $425. The Park District never received any money from the cash transactions.

The two employees responsible for most of the transactions denied taking any of the money for themselves. They claimed to have given the cash to their now retired Foreman, and insisted that they didn’t know what the Foreman did with the proceeds.

OIG recommended that the Park District terminate the employment of the two employees who collected most of the cash. OIG also recommended that the Park District review the scrap metal policy to implement best practices and instruct any scrapyard vendor with whom the Park District transacts business to make payments exclusively by check.
The Park District initiated termination proceedings for the two employees and has initiated disciplinary/termination proceedings for the other employees who took cash payments that the Park District never received.

The Park District has reviewed its policies and instituted new procedures with stronger safeguards and better tracking of scrap loads. While the new measures will make improvements, the Park District’s policy for years was clear that employees were required to take payment for scrap metal by check, not in cash.

**Employees Misuse of Tax-Exempt Status to Buy Personal Items at Sam’s Club**

An OIG investigation showed that 24 Sam’s Club members set up accounts using the Park District’s tax-exempt status, which allows customers to purchase items without paying the applicable sales tax. Seventeen of the 24 members were current or former Park District employees, the remaining seven had never been employees. Tax-exempt purchases are only permitted when the purchases are made for the Park District. Applying the Park District’s tax exemption to personal purchases is sales tax evasion under Illinois law.

Three Park District supervisory employees used the tax exemption while purchasing thousands of dollars of items between 2015 and 2019, most of which was for personal use. The employees insisted that some of their purchases were for the Park District, each admitted that many of the items were for personal consumption, a misuse of the tax exempt status. The employees claimed to not know that their personal purchases were not being taxed; however, for each tax-exempt transaction, Sam’s Club members were required at the point-of-sale to affirm that their purchase was “used in [the] operation of an exempt organization.”

Between 2015 and March 2019, one supervisory employee purchased items totaling $2,810 at Sam’s Club tax-free, using the Park District’s tax-exempt status. That employee also told OIG that they had purchased a television at Sam’s Club tax-free on behalf of the park’s advisory council.

Another supervisory employee purchased $9,326 worth of items from Sam’s Club between 2015 and 2019, the majority tax-exempt. The employee and their spouse were routinely purchasing household items, including beer, food, groceries, and laundry detergent.

A third supervisory employee purchased items in the amount of $14,204 from Sam’s Club between 2015 and 2019, most of which was tax-exempt. The employee’s records showed that they were regularly applying the exemption to purchases of groceries, diapers, clothing, and other personal items.
OIG recommended appropriate discipline for the three employees who were the subjects of the investigation. The recommendation is under advisement as the Park District considers appropriate actions for all of the employees who made unauthorized tax-free purchases at Sam’s Club. The investigation also showed that the Park District’s Illinois Department of Revenue’s tax-exempt letter was widely accessible and vulnerable to abuse. OIG recommended that the Park District restrict access to the tax-exempt letter. The Park District followed the recommendation.

OIG also recommended that the Park District:

- a) request Sam’s Club to invalidate the 24 customer accounts associated with its tax-exempt status;
- b) require the three employees to retroactively pay the Illinois Department of Revenue all sales taxes owed from their Sam’s Club purchases;
- c) restrict use of its tax-exempt letter to employees that it determines should have access to it and develop policies indicating the proper use of the tax-exempt certificate and as well as further training about making tax-exempt purchases; and
- d) determine whether and to what extent the advisory council that supposedly bought a television has been using the Park District’s tax-exempt status to make purchases.

The Park District did not respond to these four recommendations.

Park District Hired Administrative Employee Without Verifying Required Bachelor’s Degree; Employee Did not Have the Degree

An OIG investigation established that a full-time administrative employee was hired in the first quarter without demonstrating proof of a Bachelor’s degree. A Bachelor’s degree is a minimum qualification for the specific position to which the employee was hired. OIG confirmed that the employee did not meet the requirement although they claimed to have a Bachelor’s degree on their job application.

OIG initiated its hiring investigation following several complaints in the first quarter of 2019 about new Park District hires. During a review of recently hired personnel, OIG flagged questionable statements on the administrative employee’s application about their education. OIG confirmed with the employee’s university that they were formerly enrolled but had not received a degree.
To ensure that it wouldn’t be necessary to conduct an investigation after the employee started work, OIG alerted Human Resources to the fact that the candidate did not have a degree three weeks before the employee’s start date. Nevertheless, the employee was hired and began working for the Park District.

In addition to OIG’s outreach to Human Resources, there were several red flags in the candidate’s application materials that appeared to have been overlooked, including an incomplete transcript with no date of conferral and an application that listed the employee’s conferral date as “01/9999.”

There is no indication that the Park District attempted to verify that the employee had completed the required degree.

OIG found that the selected administrative employee had very limited relevant job experience. By contrast, other applicants in the same hiring round included managers and specialists in the public and private sectors. All claimed to have Bachelor’s degrees. OIG’s review of other candidates’ applications suggested that the administrative employee’s comparatively limited experience was insufficient to justify a waiver of the educational requirement.

OIG recommended that the administrative employee be terminated from Park District employment. The employee resigned.

**Employee Falsely Certified Friend’s Community Service**

An OIG investigation revealed that a Park District employee submitted documents to a downstate Illinois county court, falsely certifying that a friend had completed court-ordered community service. The employee misrepresented their own position on the document and falsely claimed that their friend had completed their service at the Park District.

The employee’s friend had been sentenced to 100 hours of community service following a guilty plea to theft and forgery. In November 2018, the employee submitted forms by fax certifying, as a “Supervisor,” that their friend had completed the service at the Park District.

Under its policies, offenders are not allowed to perform court-ordered community service at the Park District. The employee admitted to submitting false information to the county court implicating the Chicago Park District.

OIG recommended that the Park District take the disciplinary measures it determined was appropriate. The employee was terminated.
ANNUAL INFORMATION

INVESTIGATIONS

OPENED (55)

CLOSED (51)

PENDING (14)

REVIEWS

OPENED (22)

CLOSED (23)

PENDING (5)

Closed matters include carry-over from 2018.
AUDITS

OPENED (6)

CLOSED (8)

PENDING (2)

TYPE OF INVESTIGATIONS AND REVIEWS

CRIMINAL MISCONDUCT OR FRAUD (12)

WASTE, INEFFICIENCY, COMPLIANCE, ADVISORIES (20)

OTHER RULE, CODE, ORDINANCE VIOLATIONS (45)
INVESTIGATED AND REVIEWED PARTIES

OFFICERS (1)

EMPLOYEES (59)

OTHER (18)

HIRING COMPLIANCE

REVIEWS/AUDITS (15)*

Q4 (4) 26.7%
Q3 (4) 26.7%
Q2 (4) 26.7%
Q1 (3) 20%

PENDING OVER 6 MONTHS

INVESTIGATIONS (6)

Other includes Agents, Concessionaires, Contractors, Unknown, and Other parties.

*Revised

OIG ANNUAL REPORT 2019

REPORT MISCONDUCT, WASTE, FRAUD AND ABUSE
MAIL: 740 NORTH SEDGWICK AVENUE, #300, CHICAGO, ILLINOIS 60654
Internal Assists are OIG actions in response to department requests for information, analysis, and other assistance.

External Assists are OIG actions in response to requests outside of the Park District (e.g., law enforcement agencies, etc.) for information, analysis, and other assistance.
Hiring Compliance Monitoring Activity
Fourth Quarter 2019

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

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 improper contacts by hiring departments for the fourth quarter of 2019. Since OIG started reporting the Park District’s hiring compliance monitoring activity, Human Resources has never reported any improper contacts by hiring departments.

Review of Exempt List Modifications

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 fourth quarter of 2019:

- Positions added to the Exempt List (0)
- Positions removed from the Exempt List (0)

Review of Exempt Management Hires

Human Resources reported no Exempt hires made during the fourth quarter of 2019.

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 fourth quarter of 2019. The last “no consensus” letter OIG received was in 2015 when the Park District was still under the federal Shakman decree.
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 during the fourth quarter of 2019. Human Resources has never reported an emergency appointment.

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). Activity in the fourth quarter of 2019 showed that 3 employees were “acted up” during the quarter and 31 employees who had been in “acting up” status were placed back in their positions.

Acting Up Activity - Fourth Quarter

**Acted-Up (3)**
- Natural Areas Worker (1)
- Security Guard (1)
- Physical Instructor (1)

**Reversed (31)**
- Floriculturist (2)
- Laborer (26)
- Security Guard (1)
- Natural Areas Worker (12)
Hiring Sequence Audits

OIG audited a sample of Park District hires from the fourth quarter of 2019 for compliance with the Employment Plan. The audits completed in this quarter identified non-compliance with the Plan. The audits also continued to show that the Park District’s transition to the Taleo database has resulted in a decrease in the availability of relevant hiring information for the purpose of compliance oversight. Far more often than before the switch to Taleo, OIG encounters hiring files without any required information uploaded about qualified candidate pools, interview rating forms, and proof of candidate qualifications. For several years, the City of Chicago has used Taleo in its hiring processes without a similar disruption in its ability to monitor hiring compliance rules. OIG will continue to work with the Park District to improve these issues and report on the progress.

The following hiring sequences from Q4 2019 were audited:

**#1900313 Inside Electrician**

- Applicants: 0
- Qualified candidates: 0
- Candidates interviewed: 0

Other: This vacancy for an Inside Electrician position was never posted publicly. A review of this hiring sequence in Taleo makes it appear that the winning candidate was the only applicant for the job. Per HR, however, the Park District authorized the hire of two Inside Electricians under sequence #1900312 but entered only one job vacancy in the database. Therefore, the oversight required creating a new hiring sequence (#1900313) to reflect that there were two positions available, according to HR. However, the two sequence numbers were created within minutes of each other in June 2019 but the vacancies were not posted until July. It’s not clear why the problem with the database couldn’t have been fixed prior to posting or, in the alternative, why the #1900313 vacancy wasn’t posted publicly at the same time as #1900312.
#1900312 Inside Electrician

- Applicants: 29
- Qualified candidates: 1
- Candidates interviewed: 13 candidates invited to interview, 12 were interviewed

Other: The selected candidate did not submit proof of a credential that he/she claimed to have in order to meet the job qualifications. A request for the credential remains outstanding.

#1900258 Program & Event Coordinator

- Applicants: 64
- Qualified candidates: No Minimally Qualified List of Candidates Available
- Candidates interviewed: 12 candidates invited to interview, 12 were interviewed.
- Other: No list of minimally qualified candidates available. No reference verification.

#1900466 Marketing Assistant

- Applicants: 47
- Qualified candidates: No Minimally Qualified List of Candidates Available
- Candidates interviewed: 12 candidates invited to interview, 7 were interviewed.
- Other: Interview rating forms were not uploaded. No reference verification.

Other: EEO Referral (Pending)

During its Employment Plan compliance auditing for this quarter, OIG reviewed a candidate interview rating form for a position on which the reviewer wrote “qualified for woman” next to one of the ratings. The candidate received an overall qualified rating from the interviewer. She was not selected for the position. OIG referred the matter to the EEO Officer for review with a request to be updated on its final disposition.