

# CHICAGO PARK DISTRICT OFFICE OF INSPECTOR GENERAL

ALISON R. PERONA, INTERIM INSPECTOR GENERAL



## OIG SECOND QUARTER 2023 REPORT



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# 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 2023, the OIG's adopted combined budget is \$954,719.

## Personnel

In the second quarter of 2023, the OIG was staffed as follows: an Interim Inspector General, Interim Deputy Inspector General, Director of Audit, 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 a compliance officer, 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 LIFEGUARD INAPPROPRIATELY TOUCHED A PROGRAM PARTICIPANT

The OIG received a complaint that a male lifeguard inappropriately touched an underage female program participant during the summer of 2022. The OIG obtained photos of one of the incidents which showed the lifeguard grappling with the victim in an attempt to throw her into the water. The victim reported that his actions made her feel uncomfortable.

OIG investigators attempted to locate the lifeguard's training records but were unable to locate records for this individual. The OIG found that the Park District had no central database for training records and did not have guidelines or controls for retention of training records.

The OIG recommended that the employee be terminated from employment. The OIG also recommended that the Park District develop and maintain a centralized database for all training records.

In response to the OIG's recommendations:

The male lifeguard was terminated from employment.

Management has created a database for training records and will train employees and managers on the use of the database.

The allegations were reported to the Chicago Police Department and the Department of Children and Family Services. Those investigations are pending.

## AN EMPLOYEE ALLEGED THAT A PARK DISTRICT PARTNER CREATED A HOSTILE WORK ENVIRONMENT

A Park District employee alleged that a co-worker, who was an employee of a Park District affiliate, had created a hostile work environment. The employee alleged that the co-worker used an abrasive tone and demeanor in interactions with her and falsely reported that she was not performing her job duties.

The OIG interviewed others who worked at the facility. The witnesses reported that the employee and the co-worker did not have a good working relationship. The employee's supervisors had attempted to manage the situation by adjusting the employee's hours and eventually assigning her to a different location. The supervisors acknowledged that there were issues with the quality of the employee's work product, but that not all of the problems had been properly documented.

Park personnel indicated that they had no direction on how to manage the affiliate's employee. The Park District had no designated manager for the contract with the affiliate. The OIG eventually located a copy of the contract, which was in its 17th year, and confirmed that the Park District was not actively managing the services received under the contract.

The OIG recommended that the Park District:

- 1) Continue to document and report incidents concerning the employee so that the proper administrative or disciplinary action can be taken.
- 2) Assign a department/employee to manage the relationship between the Park District and the affiliate.

In response to the OIG's recommendation regarding documentation, the affected department, in conjunction with Human Resources, is actively monitoring and documenting the employee's work performance.

The Park District has assigned a manager to monitor and support the affiliate for the remainder of the contract.

## AN EMPLOYEE OPERATED A PARK DISTRICT VEHICLE WITHOUT A VALID DRIVER'S LICENSE AND ALSO RECEIVED MILEAGE REIMBURSEMENT FOR USING HIS OWN VEHICLE

The OIG received information that an employee may be operating a Park District vehicle without a valid driver's license. The OIG verified that the employee did not have a valid license, drove a Park District vehicle, and had received mileage reimbursement (\$458.81) for using his personal vehicle for work purposes.

The OIG's investigation found that the department did not keep a vehicle sign-out log so the OIG was unable to ascertain the number of occasions that the employee drove a work vehicle.

The OIG recommended that Management:

- 1) Take appropriate disciplinary action against the employee.
- 2) Ensure that the employee repay the Park District for the \$458.81 mileage reimbursement that he unjustly received.
- 3) Immediately deactivate the employee's gas card.
- 4) Ensure that the department begin keeping a vehicle usage log.

The employee received a two-day suspension, and the Park District deactivated his gas card. The department is now requiring employees to log Park District vehicle use.

Management's response to recommendation #2 (mileage reimbursement) is pending.

## AN EMPLOYEE WAS SUSPECTED OF ATTEMPTING TO DEFRAUD THE PARK DISTRICT

The Treasury Department reported to the OIG that an employee attempted to cash several payroll checks twice. The Park District suffered no loss because the Park District's financial institution did not honor the second presentments.

When interviewed, the employee indicated that he previously did not have direct deposit and did not always immediately deposit his checks. When he was unsure if a check had been deposited, he tried to deposit it via his banking institution's app. He indicated that he was contacted by Payroll and met with a Payroll Accountant. The employee stated that he now has direct deposit for his checks.

The OIG verified that the employee met with Payroll and has satisfactorily resolved the issue. No control deficiencies were identified. The matter was deemed "not sustained."

## PAYROLL PROTECTION PROGRAM FRAUD

In late 2022, 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, honest, 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 residency violations.

The OIG reported the results of 26 PPP investigations in the First Quarter. As of June 30, 2023, the OIG reported a total of 114 sustained findings (year-to-date). Eight (8) employees resigned either during the investigation or disciplinary hearings. These individuals were designated as "Do Not Rehire" by the Park District. The OIG also identified 11 employees who validly obtained loans and had approval for secondary employment on file. These 11 individuals were not reported for disciplinary proceedings.

The table on the following page summarizes the OIG's findings and Management's responses. Investigations are on-going. The OIG is working in collaboration with external agencies, where appropriate.



## RESULTS OF PAYCHECK PROTECTION PROGRAM INVESTIGATIONS— FIRST AND SECOND QUARTERS 2023

	SUSTAINED FINDINGS	OIG RECOMMENDATIONS	MANAGEMENT RESPONSES	NOTES
Employees Who Admitted That They Did Not Own the Businesses Claimed in Their Loan Applications	6	Termination	Terminations: 3  Pending: 3	Employees who resigned or retired during the pendency of the disciplinary hearing are designated as “Do Not Rehire.”
Employees Who Admitted Receiving Loans but Failed to Cooperate With the OIG/Did Not Validate Ownership of the Claimed Business	15	Termination	Terminations: 8  Pending: 7	Employees who resigned or retired during the pendency of the disciplinary hearing are designated as “Do Not Rehire.”
Employees Who Refused to Cooperate with the OIG	4	Termination	Terminations: 0  Resignations or Retirements: 4  Pending: 0	Employees who resigned or retired during the pendency of the investigation or their disciplinary hearings are designated as “Do Not Rehire.”
Seasonal (Former) Employees Who Refused to Cooperate with the OIG/Did Not Validate Ownership of Claimed Business	38	Do Not Rehire	Do Not Rehire: 38  Pending: 0	
Seasonal (Former) Employees Who Did Not Respond/OIG Unable to Contact	45	Designate as “Review”	Designated as Review: 44  Pending: 1	Designating a seasonal employee as “review” puts a hold on future applications for re-employment*
Employees With Valid Loans –No Secondary Employment Approval on File	6	Appropriate Disciplinary Action	Reprimands: 6	These employees were also required to obtain approval for secondary employment

\*If a former/seasonal employee is coded for “review” and applies for re-employment, the applicant is referred to the OIG so the investigation can be completed.

# Audits and Reviews

## LAKE MICHIGAN RESCUE EQUIPMENT ACT--LIFE-RING BUOYS

Audit completed a review of the processes and procedures for compliance with the Lake Michigan Rescue Equipment Act (420 ILCS 175). The objective of the the review was to confirm that documented processes and procedures are in place and operational to ensure compliance with the Lake Michigan Rescue Equipment Act ("The Act").

The Act, signed into law on June 9, 2022, requires that:

- The owner of a pier or drop-off on Lake Michigan shall install public rescue equipment, including, at a minimum, ring life buoys, on each of the owner's piers and drop-offs along the Lake Michigan coast.
- Public rescue equipment shall also be installed in all high-incident drowning areas on an owner's property.

The Act requires that the Park District:

- Maintain the equipment after it is installed.
- Ensure security for the equipment after it is installed.
- Provide public education regarding the equipment.
- Track and report all drowning incidents to the State Department of Health.
- Analyze the tracking and reporting data and provide a plan for reduction in drowning incidents.

The audit found that processes and procedures in place and operational were not documented to insure compliance with The Act.

Recommendations were made to formally document the current processes and procedures for inspecting the life-ring buoy locations.

Recommendations were also made to conduct and document training for individuals responsible for the inspection of the life-ring buoys.

Management agreed to formally document the current processes and procedures for inspecting the life ring locations and conduct and document training for individuals responsible for the inspection of the life-buoys.

Audit will conduct periodic spot-checks to ensure Park District compliance with the law.

## HUMBOLDT PARK CONCESSIONS

A complaint was received through the OIG Hotline claiming discrimination in the process of selecting and awarding the concessions rental contract at the Boat House Café in Humboldt Park. The Chicago Park District's concessions are managed by a contract with Unison Consulting Group ("UCG") including responsibility for the concession at the Boat House Café in Humboldt Park. The Chicago Park District's Revenue Department has a team that manages the contract with UCG.

The results of the investigation concluded that there was no evidence of discrimination in the process of selecting and awarding the concessions rental contract at the Boat House Café in Humboldt Park.

Audit determined that UCG and the Chicago Park District acted within their authority and in compliance with the applicable contract terms of the agreement for the Chicago Park District's Concession Permit Agreement.

There were no recommendations resulting from this investigation and management responses were not required.

## 41st STREET CONCESSIONS

A complaint was received through the OIG Hotline stating that the complainant was unfairly denied the concession contact at the 41st location. As noted above, Chicago Park District's concessions are managed by a contract with Unison Consulting Group ("UCG") The Chicago Park District's Revenue Department has a team that manages the contract with UCG.

The results of the investigation concluded that there was no evidence that the complainant was unfairly denied the concession contact in the selection process and the awarding of the concessions contract at the 41st location.

The complainant was not selected as a more competitive, qualified applicant was selected.

Audit determined that UCG and the Chicago Park District acted within their authority and in compliance with the applicable contract terms and conditions.

There were no recommendations resulting from this investigation and management's responses were not required.

# 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.

There were no modifications to the Exempt List in the second quarter.

A copy of the current exempt list can be found at:

<https://www.chicagoparkdistrict.com/departments/legal/shakman-compliance/>

## 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 second quarter of 2023.

## Review of Exempt Management Hires

Human Resources reported one exempt hire during the second quarter of 2023:

- Chief of Strategy and Engagement

Random audits are performed to ensure that the exempt 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 second 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 second quarter of 2023 showed that, in 101 instances, employees had “acted up,” and 3 instances where an employee who had been in “acting up” status was placed back in his/her position or promoted.

Historically, “acting up” activity increases during the second quarter of the year due to the seasonal increase in programming.

## 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 second 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 one grievance was filed during the second quarter of 2023, that pertained to a labor dispute. The OIG learned that there had been no arbitrations during this period.



## Hiring Sequence Audits

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

The following hiring sequences from Q2 2023 were audited:

Sequence #: 2300153

Title: Activities Instructor–Dance

·Applicants: 8

·Qualified candidates: 7

·Candidates interviewed: 6

·Other: Bid position. The second-highest ranked candidate was hired for the position because the top-ranked candidates had not bid for that park.

Sequence #: 2300209

Title: Manager of Beaches and Pools

·Applicants: 13

·Qualified candidates: 5

·Candidates interviewed: 5

Sequence #: 2300191

Title: Center Director–Eleanor Boathouse

·Applicants: 24

·Qualified candidates: 5

·Candidates interviewed: 5

Sequence #: 2300164

Title: Senior Counsel

·Applicants: 7

·Qualified candidates: 6

·Candidates interviewed: 3 (Two candidates cancelled prior to the scheduled interviews. One candidate withdrew because of the residency requirement.)

·Note: The OIG was not notified of candidate interviews in advance of the interviews as required by the Employment Plan. The Law Department has committed to working with HR to determine whether the new data system allows automatic notifications of Law Department interviews. Law has implemented new procedures to ensure that pre-interview notifications are made.

## Hiring Sequence Audits

Sequence #: 2300190

Title: Program & Event Coordinator

·Applicants: 59

·Qualified candidates: 12

·Candidates interviewed: 11

Sequence #: 2300286

Title: Attendant

·Applicants: 89

·Qualified candidates: 20

·Candidates interviewed: 0

·Note: Bid position

Sequence #: 2300189

Title: Operations Manager

·Applicants: 25

·Qualified candidates: 5

·Candidates interviewed: 3

·Other: Two internal candidates hired. Four interviews scheduled. One candidate did not appear.

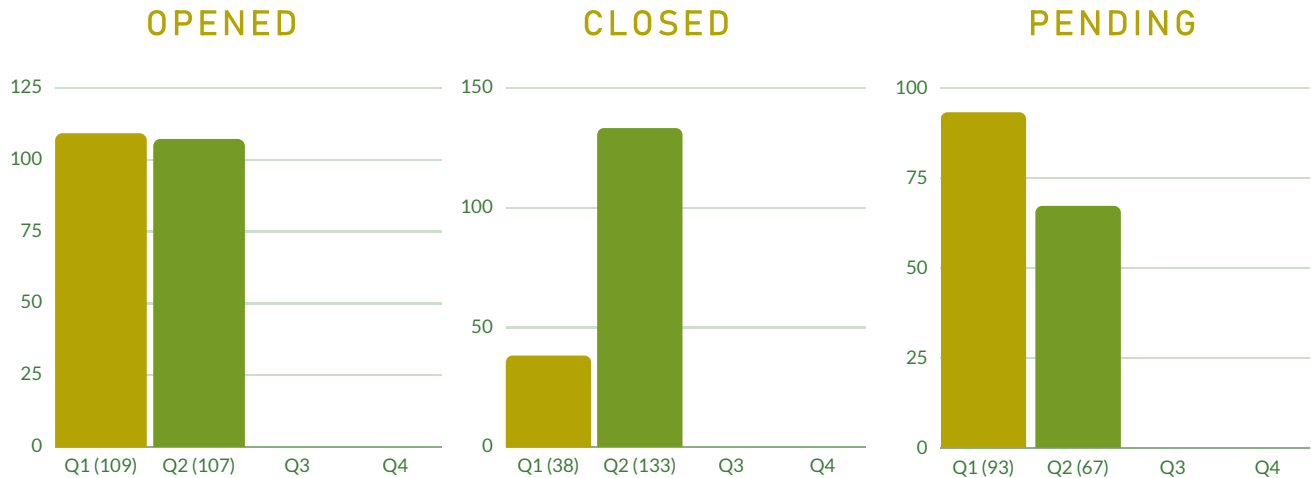
\*The audits continue to show that the Park District's transition to a new database, along with staffing changes, has, in some cases, resulted in the unavailability of relevant hiring information. The OIG will continue to work with the Park District to improve these issues and report on the progress.

## Hiring Compliance Advisories

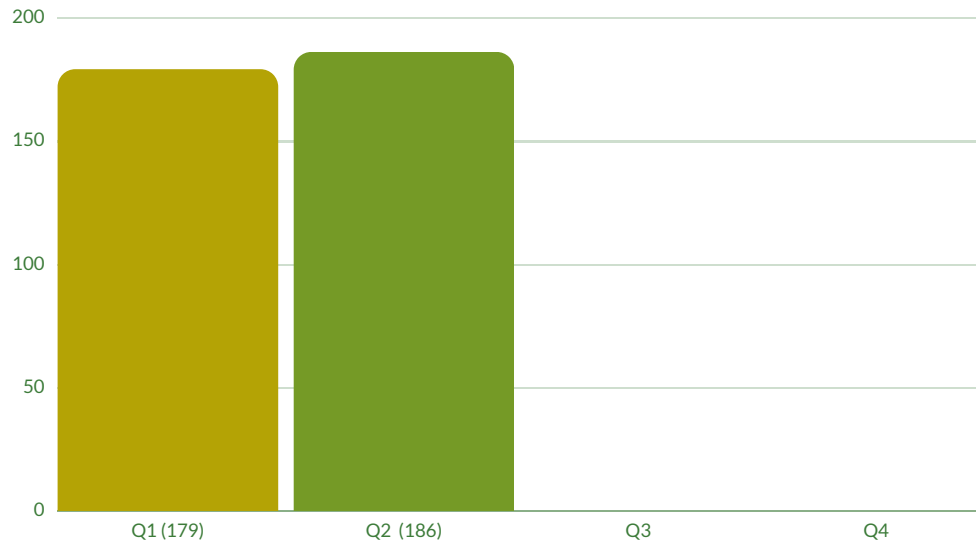
As part of the duties and responsibilities under the Park District's Employment Plan, the Hiring Compliance Officer (HCO) is required to perform oversight activities of the hiring process and to participate in "the development, recommendation and implementation of necessary policy and operating changes." (See Section XI, A of the Employment Plan) In the second 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.

# Quarterly Information

## INVESTIGATIONS



## COMPLAINTS RECEIVED\*



"Complaints received" reflect the number of contacts received during the quarter. Matters not within the scope of the OIG's mission are referred to other Park District departments or to external agencies.

## TYPES OF INVESTIGATIONS AND REVIEWS

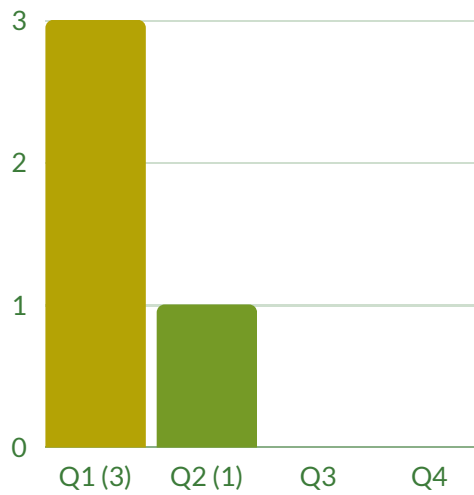


## INVESTIGATED AND REVIEWED PARTIES

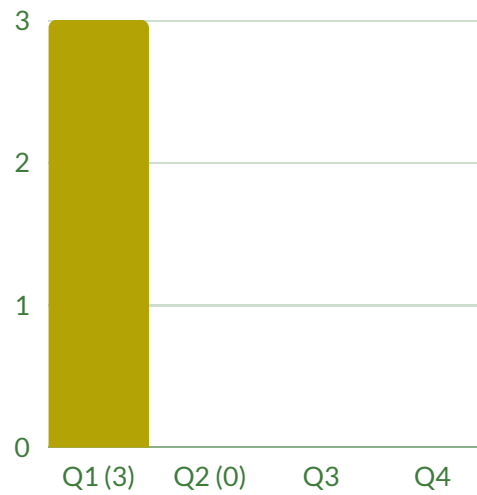


\*The term "other" includes patrons, agents, concessionaires, contractors, partners and unknown parties.

## INTERNAL ASSIST



## EXTERNAL ASSIST



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

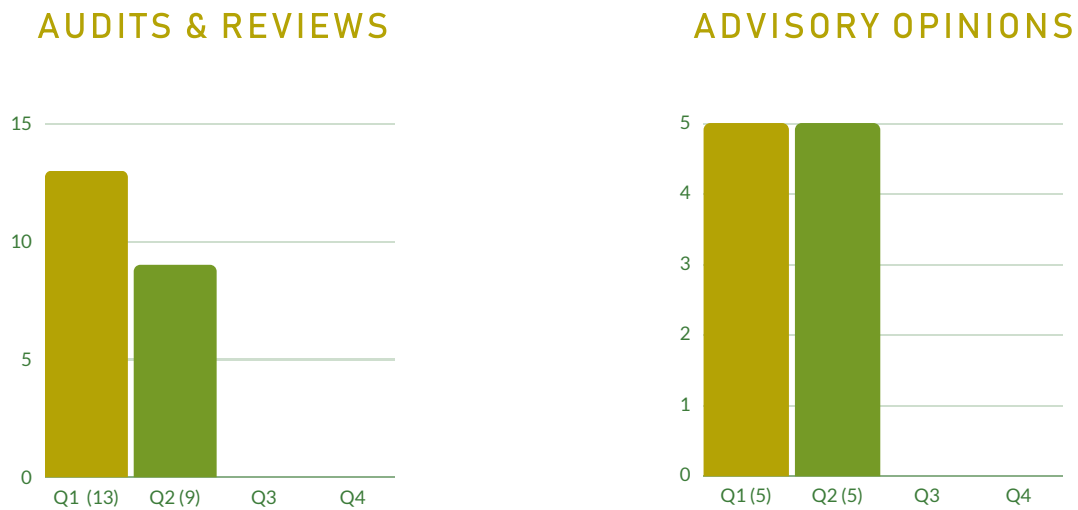
External Assists are OIG actions in response to requests from outside of the Park District (e.g., law enforcement agencies) for information, analysis, and/or other assistance.



## AUDITS AND REVIEWS



## HIRING COMPLIANCE



## 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
22Q30191	INVESTIGATION	CRIMINAL CONDUCT	COMPLEX INVESTIGATION
22Q40254	INVESTIGATION	CRIMINAL CONDUCT	COMPLEX INVESTIGATION

# HELP FIGHT

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## FRAUD. WASTE. ABUSE.

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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**

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or email us at:

**[InspectorGeneral@chicagoparkdistrict.com](mailto:InspectorGeneral@chicagoparkdistrict.com)**



For more information about your Chicago Park District, visit [www.ChicagoParkDistrict.com](http://www.ChicagoParkDistrict.com) or call 312.742.7529

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