Third Quarter 2020 Report

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

I am honored to present the Chicago Park District Office of Inspector General's 2020 Third Quarter Report.

As expected, the third quarter of 2020 brought a substantial increase in the number of complaints that the OIG received, as well as in the number of new investigations and reviews that the OIG opened. The OIG received 90 complaints in the third quarter alone — more than the first two quarters of 2020 combined. This increase is not surprising. The beginning of the third quarter coincided with the City of Chicago’s and the Park District’s gradual reopening from shutdowns that were imposed in response to the Covid-19 pandemic. It makes sense, then, that approximately one out of every four new complaints that the OIG received pertained to alleged violations of protocols that the Park District has enacted to prevent the transmission of the virus.

The safety and well-being of Park District patrons and employees is of paramount importance to the OIG. To that end, the office has closely coordinated with the Park District’s Medical Advisor to ensure that all pandemic-related complaints were routed to the proper authorities so that they could be addressed as soon as possible. And as long as the need remains, the OIG will help the Park District face the Covid-19 pandemic in any way that it can.

But even during these unprecedented times, the OIG continues to fulfill its traditional mission of rooting out fraud, waste, abuse, and misconduct throughout the Park District. As such, the OIG opened 20 new investigations and reviews, all of which are of great importance to the District.

This report, however, details the investigations that the OIG completed during the third quarter. Of note, in one investigation the OIG concluded that a Park District Concessionaire and its Owner had violated several provisions of their Concession Permit Agreements. Among other things, those violations included the Concessionaire’s (1) failure to pay the Park District nearly $100,000 in required concessionaire’s fees; and (2) improper assignment of its concession
space to a third-party event-planning business, which was owned by a sibling of the Concessionaire’s Owner. The same investigation also uncovered critical contract violations and management failures by the Park District’s third-party Concession Program Manager. Most egregiously, the Concession Program Manager: (1) refused for 13 years to perform credit or business background checks on prospective concessionaires (including the Concessionaire in this case) despite being contractually obligated to do so; and (2) failed to account for nearly $25,000 in fees that the Concessionaire has yet to pay to the Park District.

This report also highlights how two construction contractors violated the Chicago Park District Code by refusing to cooperate with the OIG’s on-going review of a long-running capital-construction procurement program, which has awarded approximately $65 million of construction contracts over the past four years. Consistent with the Park District Code, the OIG recommended that the Park District prevent both contractors from receiving additional business until they fully cooperated with the OIG. One contractor eventually cooperated with the OIG, but the second — which has been awarded over $6.5 million in contracts through the procurement program under review — has not. And although the non-cooperative contractor has not received new Park District business since the OIG issued its recommendation, it continues to perform Park District work and receive payments according to over two dozen contracts that it had been awarded earlier.

Finally, this report includes an update to the OIG’s investigation of a Maintenance Laborer who had admitted to (1) driving a Park District vehicle with an expired driver’s license; and (2) falsely telling his/her supervisors and reporting on Park District documents that he/she had a valid license.

Through the OIG’s independent oversight, the office will continue to combat fraud, waste and abuse. And in this role, we look forward to continuing our support of the Chicago Park District, its patrons, and the residents of Chicago at large.

Please stay safe and remain healthy.

Sincerely,

Nathan Kipp
Interim Inspector General
The Park District’s Concession Program Manager Was Derelict in Its Duty by Failing to Provide Oversight of One Concessionaire, Which Repeatedly Violated Its Concession Permit Agreements and Refused to Pay the Park District Nearly $100,000 in Concessionaire’s Fees, p. 2

Two Construction Contractors Debarred for Refusing to Cooperate with the OIG’s On-Going Review of a Long-Running $65 Million Capital-Construction Procurement Program, p. 7

Quarterly Information, p. 10

Hiring Compliance Monitoring Activity, p. 14

Addendum: Matters Pending Over Six Months, p. 16
Update on Previously Reported Investigation

In its Second Quarter 2020 Report, the OIG recounted its findings in an investigation of a Maintenance Laborer who, the OIG had determined, violated Illinois law and the Park District Employee Code of Conduct after he/she admitted to the OIG that he/she had concealed the fact that his/her Illinois driver’s license expired. A valid Illinois driver’s license is a mandatory job requirement for the Laborer position, and the Laborer acknowledged to the OIG that one of his/her job responsibilities was to maintain a valid driver’s license. But, the Laborer also acknowledged, he/she had:

- Failed to renew his/her Illinois driver’s license when it had expired in 2019;
- Falsely told his/her supervisors during a departmental check of employees’ driver’s license that his/her license will expire in 2022, and falsely stated the same on Park District documents, all to conceal that it actually had expired in 2019; and
- Operated a Park District-owned vehicle as part of his/her job duties, after his/her driver’s license had expired.

Because the Laborer failed to meet the minimum requirements for his/her position, lied to supervisors about his/her job qualifications, falsified Park District documents, and violated Illinois law by driving a District-owned truck without a valid driver’s license, the OIG recommended that the Park District terminate his/her employment.

Since the OIG issued its Second Quarter 2020 Report, the Park District informed the OIG that the Laborer had resigned his/her position, effective August 28, 2020.
Investigations

The Park District’s Concession Program Manager Was Derelict in Its Duty by Failing to Provide Oversight of One Concessionaire, Which Repeatedly Violated Its Concession Permit Agreements and Refused to Pay the Park District Nearly $100,000 in Concessionaire’s Fees

An OIG investigation concluded that a Park District Concessionaire and its Owner had violated several provisions of the Concessionaire’s Concession Permit Agreements. Among other things, those violations included the Concessionaire’s (1) failure to pay the Park District nearly $100,000 in required concessionaire’s fees; and (2) improper assignment of its concession space to a third-party event-planning business, which was owned by a sibling of the Concessionaire’s Owner.

The OIG also uncovered critical contract violations and management failures by the Park District’s third-party Concession Program Manager. Specifically, the OIG concluded that the Concession Program Manager: (1) refused for 13 years to perform contractually required credit or business background checks on prospective concessionaires, including the Concessionaire in this case; (2) did not account for nearly $25,000 in fees that the Concessionaire has yet to pay to the Park District; (3) failed to monitor the Concessionaire’s compliance with the District’s concessionaire program; and (4) otherwise failed, in this instance, to manage the Park District’s concessionaire program according to “the highest industry standards,” as the District’s and Concession Program Manager’s management contract required.

Since 2007, the Park District has relied on an outside company — the Concession Program Manager — to act on the District’s behalf when managing the District’s concessionaire program and its more than 200 individual concessionaires. The Concession Program Manager’s responsibilities are set forth in the parties’ Concession Management Agreement, the most recent iteration of which was executed in December 2015.

In September 2018, the OIG initiated a review of the Concession Management Agreement. During the course of that review, the OIG uncovered evidence suggesting that one concessionaire in particular — the Concessionaire, here — had violated certain provisions of the Concession Permit Agreement into which it had entered when becoming a Park District concessionaire. Specifically, the OIG discovered several social-media posts that suggested that the Concessionaire had been renting its space to a third-party event-planning business. Such agreements were strictly prohibited under Concession Permit Agreements.
In response to its discovery of the Concessionaire’s social-media posts, the OIG requested and received from the Concession Program Manager records related the Concessionaire’s business and operations. Those documents revealed that, in 2014, the Concession Program Manager had selected the Concessionaire to open in 2015 a small restaurant on Park District grounds on Chicago’s north side. As such, the Concession Program Manager and Concessionaire entered into a Concession Permit Agreement, which expired in 2018. Shortly thereafter, the parties entered into a second Concession Permit Agreement that allowed the Concessionaire to continue operating its restaurant for one more year, through 2019.

The records also reflected that, beginning in 2016, the Concessionaire violated its Concession Permit Agreements by falling behind on its scheduled payments of mandatory concessionaire’s fees to the Park District. In 2017, moreover, the Concessionaire stopped paying the fees altogether. As a result, the Concessionaire owes the Park District a total of $97,695.08 in unpaid concessionaire’s fees, to date. For its part, the Concession Program Manager has, on the Park District’s behalf, initiated a collections action against the Concessionaire and its Owner in an attempt to recover the unpaid fees. That action is ongoing.

The OIG further confirmed that, on multiple occasions, the Concessionaire improperly assigned its rights to its concession space to a third-party event-planning business owned by the Owner’s sibling. Even more, the event-planning business used the concession space to host private events that were off-limits to the public. The Concession Permit Agreements expressly forbade the Concessionaire from assigning its contractual rights to a third-party; the agreements also prohibited the Concessionaire from permitting “exclusive use of Park District property.” Yet several social-media posts clearly show that, in 2018, the Concessionaire had either formally or informally assigned its rights to the concession space to the event-planning business for several private events into which the public was not allowed. Moreover, business records reveal that the Concessionaire withheld from the Park District any revenue that it had collected from the events.

In addition, the OIG uncovered that the Concessionaire failed to pay Illinois taxes, as the Concession Permit Agreements required. Indeed, the Concessionaire’s tax debt was so significant that the State had imposed over $55,000 in tax liens against the company.

Importantly, the Concessionaire and its Owner also violated the Chicago Park District Code by refusing to cooperate with the OIG’s investigation. As former Park District vendors, the Park District Code obligates the Concessionaire and its Owner to cooperate fully with the OIG in any investigation, audit, or review. This spring, the OIG asked the Concessionaire and its Owner to produce documents and information regarding the operations of both the Concessionaire and its restaurant. The Owner did not respond to the OIG’s request; nor did the Owner respond to a second request, in which the OIG warned the Owner that a failure to cooperate could affect the Concessionaire’s and his/her ability to conduct business with the Park District.
To date, the Owner has refused to produce the records sought by the OIG, and has otherwise not contacted the OIG about its requests.

Beyond the Concessionaire, the OIG also concluded that the Concession Program Manager had violated several provisions of its Concession Management Agreement with the Park District, and that its performance in overseeing the Park District’s concession program, in this instance, was alarmingly deficient. First, the Concession Program Manager admittedly refused to perform credit and business background checks on prospective concessionaires since 2007 — a clear breach of the Concession Management Agreement. The Concession Management Agreement explicitly states that the Concession Program Manager shall “perform[] credit and business background checks, provid[e] credit reports, and us[e] reasonable diligence in researching prospective [c]oncessionaires.” But, in 2019, the Concession Program Manager told the OIG that it “has not run credit reports, reviewed state records or monitored social media to determine if a concession candidate is suitable since the concession program management assignment was awarded to us in 2007.”

Moreover, the Concession Program Manager’s failure to complete a credit or business background check of the Concessionaire, here, caused it to miss critical red flags about the Concessionaire’s poor financial standing. Had the Concession Program Manager completed such checks in this instance — and, again, as the Concession Management Agreement required — the Concession Program Manager would have discovered that the Concessionaire did not have enough funds to open the restaurant in the first place. In fact, mere weeks before the Concessionaire was scheduled to open the restaurant in 2015, it took to the on-line fundraising platform GoFundMe.com in an attempt to raise $30,000 of the “last bit of capital” needed for the concession. Had the Concessionaire’s under-capitalization been discovered at the outset, it is very likely that neither the Concession Program Manager nor the Park District would be currently fighting to collect nearly $100,000 in unpaid concessionaire’s fees.

As to those unpaid concessionaire’s fees, the Concession Program Manager failed to account for nearly $25,000. Even more, the Concession Program Manager was unaware of its oversight until the OIG had pointed it out in September 2020. Under the first Concession Permit Agreement (which was executed in 2014), the Concessionaire was scheduled to pay the Park District $90,695.08 in concessionaire’s fees between 2014 to 2018. The Concessionaire, however, paid only $17,000, leaving $73,695.08 in fees unpaid when the first Concession Permit Agreement expired in 2018. But before the Concessionaire and Concession Program Manager entered into the second Concession Permit Agreement (which was executed in 2019), the Concessionaire’s Owner proposed that the Concession pay only $50,000 of the unpaid fees — and not the full $73,695.08 still owed — as part of a payment plan that was intended to help the company pay its outstanding fees. According to the Owner’s offer, then, the Concessionaire would not pay $23,695.08 in fees:
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL FEES OWED UNDER FIRST CONCESSION PERMIT AGREEMENT (2014 TO 2018)</td>
<td>$90,695.08</td>
</tr>
<tr>
<td>TOTAL FEE PAYMENTS MADE UNDER FIRST CONCESSION PERMIT AGREEMENT (2014 TO 2018)</td>
<td>$17,000.00</td>
</tr>
<tr>
<td>TOTAL FEES LEFT OUTSTANDING IN 2018 WHEN FIRST CONCESSION PERMIT AGREEMENT EXPIRED</td>
<td>$73,695.08</td>
</tr>
<tr>
<td>OWNER’S PROPOSAL IN 2019 TO PAY OUTSTANDING FEES</td>
<td>$50,000.00</td>
</tr>
<tr>
<td>TOTAL FEES LEFT UNPAID UNDER OWNER’S PROPOSAL</td>
<td>$23,695.08</td>
</tr>
</tbody>
</table>

The Concession Program Manager agreed to the Owner’s offer. The parties then included the proposed $50,000 payment in the fee-payment plan that was, in turn, incorporated in the second Concession Permit Agreement. The Concessionaire never paid that amount or, for that matter, the other fees that it had owed.

In September 2020, the OIG asked the Concession Program Manager why it had not included the remaining $23,695.08 in unpaid fees in the 2019 fee-payment plan. In response, the Concession Program Manager acknowledged that it did not realize that it had failed to account for the sum until the OIG had pointed out the discrepancy. Nevertheless, the Concession Program Manager assured the OIG, “I expect we would have caught this when we begin working through the amount owed” — further confirming that the Concession Program Manager had entirely failed to account for the full amount of Concessionaire’s unpaid fees.

Third, the Concession Program Manager violated the Concession Management Agreement by failing to provide proper oversight of the Concessionaire, and by failing to address the Concessionaire’s and its Owner’s numerous violations of the Concession Permit Agreements. The Concession Management Agreement required the Concession Program Manager to monitor concessionaries’ compliance with their Concession Permit Agreements and all applicable statutes, laws, ordinance, rules, and regulations. Yet the Concession Program Manager told the OIG that it was not aware of the Concessionaire’s improper assignment of its concession space to the event-planning company, or of its failure to pay state taxes that led to $55,000 in tax liens, until the OIG had brought either violation to its attention.
Indeed, the Concession Program Manager has, in this instance, otherwise failed to adhere to “the highest industry standards” when fulfilling its duties, as the Concession Management Agreement requires. Since 2007, the Concession Program Manager has abdicated its contractual responsibility to perform credit or business background checks of prospective concessionaires. Similarly, the Concession Program Manager was entirely unaware of the following facts until the OIG had brought them to its attention:

- That it had failed to account for nearly $25,000 of the Concessionaire’s unpaid fees;
- That the Concessionaire had failed to pay tens of thousands of dollars in state taxes, and that the State had imposed tax liens on the company as a result; and
- That the Concessionaire had improperly assigned its rights to the concession space to an outside event-planning company that, in turn, held private events that excluded the public.

In this light, the Concession Program Manager not only failed to meet “the highest industry standards,” it failed to meet any standards at all.

Based on its investigation, the OIG recommended that the Park District permanently debar the Concessionaire and its Owner. The OIG also recommended that the Park District permanently refuse to issue either the Concessionaire or its Owner permits to conduct business at Park District facilities.

The OIG also recommended that the Park District, for an appropriate amount of time: (1) debar the event-planning business and its owner for benefiting from the Concessionaire’s improper assignments of its rights; and (2) refuse to issue either the event-planning business or its owner permits to conduct business at Park District facilities.

As to the Concession Program Manager, the OIG noted that its Concession Management Agreement with the Park District expires in October 2020. In May, the Park District released a Request for Proposal, seeking submissions for a new Concession Program Manager contract. A new company was chosen to replace the Concession Program Manager, and the new contract was presented to the Park District Board of Commissioners for approval at the Board Meeting that was held on October 14, 2020.

Nevertheless, the OIG recommended that the Park District require the Concession Program Manager to pay up front the entire amount of concessionaire’s fees that the Concessionaire has not paid to the Park District – $97,695.08 – so as to ensure that the Park District receives all of the fees due to it. The Concession Program Manager can then retain the fees that it recovers in
the collections action that it has brought against the Concessionaire and its Owner.

The OIG’s report was issued within the timeline requested for the Park District’s response to the OIG’s recommendations. The Park District has informed the OIG that a response is forthcoming. The OIG will report the Park District’s response in a subsequent report.

Two Construction Contractors Debarred for Refusing to Cooperate with the OIG’s On-Going Review of a Long-Running $65 Million Capital-Construction Procurement Program

In January 2020, the OIG began an extensive review of a Park District capital-construction procurement program that has awarded approximately $65 million of construction contracts over the past four years. As part of that review — which is ongoing — the OIG has contacted prime contractors and subcontractors that have been awarded contracts through the program to request documents and information regarding their participation. Most of the companies that the OIG contacted have cooperated with the requests. However, two did not: a Prime Contractor that, over the past four years, has been awarded over $6.5 million in business through the program; and a company that acts as a Subcontractor on projects awarded through the program.

A Park District contractor’s failure to cooperate with an OIG investigation is serious and can form the basis for that contractor’s debarment — that is, disqualification from future Park District business. The Chicago Park District Code explicitly states that it is “the duty” of all Park District contractors “to cooperate fully and expeditiously with the Inspector General in any investigation, audit or review.” Moreover, all prime contractors that participate in the capital-construction procurement program have contractually agreed that they and their corporate officers and employees would “cooperate with the Inspector General in any investigation,” and that any failure to cooperate with the OIG would be grounds for removal from the program. Likewise, all subcontractors who are awarded business under the procurement program have agreed that it and its officers and employees have “the duty” to cooperate with the OIG.

The facts underlying the Prime Contractor’s and Subcontractor’s failures to cooperate, and their subsequent debarments, are detailed below:

Prime Contractor. In February, the OIG sent requests to the Prime Contractor and nine other firms for utilization documents related to minority- and women-owned businesses (MBE/WBE) — documents that all prime contractors in the capital-construction procurement program are required to maintain in the ordinary course of business, and are obligated to produce to the Park District upon request. Most of the firms complied with the OIG’s document requests in a timely
manner. The Prime Contractor initially signaled that it intended to produce responsive records, but then made two subsequent requests for additional time to do so; the OIG accommodated both requests. The final deadline to produce records passed in May. The Prime Contractor has since refused to produce the records that it had promised, and has failed to contact the OIG regarding the records sought.

The OIG would have been justified in recommending that the Park District permanently debar the Prime Contractor for its refusal to cooperate. But the OIG instead recommended that the Park District not award the Prime Contractor any new construction business until it had fully complied with the OIG’s document requests and produced the MBE/WBE records sought. Since the OIG issued its recommendation, the office has independently verified that the Park District has not awarded the Prime Contractor any new work. However, the OIG has also confirmed that the Prime Contractor is still performing work (and receiving payment) under 29 contracts that the Park District had awarded to it before the OIG’s recommendation. Some of those contracts extend through 2022.

In other words, the Prime Contractor has refused to cooperate with the OIG’s investigation for nine months, even though it (1) has been awarded approximately 10% of the contracts in the capital-construction procurement program under review; and (2) will continue to work on previously awarded contracts through 2022, despite its refusal to cooperate with the OIG. Consequently, the OIG is considering recommending further punitive measures to impose against the Prime Contractor, should the company continue to openly flout its duty to cooperate with the OIG.

The OIG notes that it has not yet received an official response from the Park District regarding its recommendation or the Prime Contractor’s continuing refusal to cooperate with the OIG’s ongoing review. The OIG will report the Park District’s response, if any, in a subsequent report.

Subcontractor. In June, the OIG sent requests to the Subcontractor and 27 other companies in the capital-construction procurement program for business records, such as payment records and invoices, related to their participation in the program. Again, all subcontractors who perform work related to the program are required (1) to maintain such documents in the ordinary course of business; and (2) to produce such documents to the Park District upon request. Twenty-seven companies timely complied with the OIG’s document requests. The Subcontractor, however, provided no response to the OIG. In August, the OIG again contacted the Subcontractor, instructing it to produce the requested documents. The OIG received no response.

Accordingly, the OIG recommended that the Park District not award any new construction business to the Subcontractor until it had fully complied with the OIG’s document requests — just as the OIG had recommended in the case of the non-cooperative Prime Contractor. In response
to the OIG’s recommendations, however, the Subcontractor eventually produced the documents sought. After concluding that the produced documents were responsive to the OIG’s requests, the OIG issued an updated recommendation to the Park District, stating that the District should remove any bar that was imposed to prevent the Subcontractor from receiving new business.

The OIG issued its updated recommendation regarding the Subcontractor within the timeline requested for the Park District’s response to the OIG’s recommendations. The OIG will report the Park District’s response, if any, in a subsequent report.
**QUARTERLY INFORMATION**

**INVESTIGATIONS**

**OPENED (18)**

- Q1 (7)
- Q2 (6)
- Q3 (18)
- Q4

**CLOSED (4)**

- Q1 (16)
- Q2 (18)
- Q3 (32)
- Q4

**PENDING (32)**

- Q1 (5)
- Q2 (18)
- Q3 (32)

**REVIEWS**

**OPENED (2)**

- Q1 (2)
- Q2 (0)
- Q3 (2)
- Q4

**CLOSED (0)**

**PENDING (7)**

Pending matters include carry over from 2019.
AUDITS

OPENED (1)  CLOSED (1)  PENDING (5)

TYPES OF INVESTIGATIONS AND REVIEWS

CRIMINAL MISCONDUCT OR FRAUD (2)  OTHER RULE, CODE, ORDINANCE VIOLATIONS (17)  WASTE, INEFFECTIVENESS, COMPLIANCE, ADVISORIES (1)
INVESTIGATED AND REVIEWED PARTIES

**OFFICERS (0)**

```
<table>
<thead>
<tr>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
```

**EMPLOYEES (56)**

```
<table>
<thead>
<tr>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>2</td>
<td>56</td>
<td>0</td>
</tr>
</tbody>
</table>
```

**OTHER (6)**

```
<table>
<thead>
<tr>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>1</td>
<td>6</td>
<td>0</td>
</tr>
</tbody>
</table>
```

**HIRING COMPLIANCE**

**AUDITS/REVIEWS (0)**

```
<table>
<thead>
<tr>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>3</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
```

**PENDING OVER 6 MONTHS**

**INVESTIGATIONS/REVIEWS (16)**

```
| Available Time and Resources (16) |
| Complex Investigation             |
| On hold, Pending Criminal Investigation |

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

*Due to Covid–19, the OIG did not complete any Hiring Compliance Audits or Reviews.

**See addendum on page 16 for a list of matters that are pending over six months.**
**Internal Assists**

- Human Resources (1)
- Revenue (1)

**External Assists**

- Q1 (2)
- Q2 (0)
- Q3 (3)
- Q4

**Complaints Received**

- Q1 (43)
- Q2 (44)
- Q3 (90)
- Q4

*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.*
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.

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 third quarter of 2020. Since the 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

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

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

Review of Exempt Management Hires

Human Resources reported one Exempt hire made during the third quarter of 2020:

- Director of Legislative and Community Affairs

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 third quarter of 2020. The last “no consensus” letter that the OIG received was in 2015, when the Park District was still under the federal Shakman Decree.
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.

Human Resources reported no emergency appointments during the third quarter of 2020. Human Resources has never reported an emergency appointment.

Review of “Acting Up” Activity
The 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 third quarter of 2020 showed that 31 employees had “acted up” during the quarter, and 30 employees who had been in “acting up” status were placed back in their positions.

**Acting Up Activity - Third Quarter**

<table>
<thead>
<tr>
<th>ACTED-UP (31)</th>
<th>REVERSED (30)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lifeguard (28)</td>
<td>Laborer (2)</td>
</tr>
<tr>
<td>Security Guard (3)</td>
<td>Lifeguard (26)</td>
</tr>
<tr>
<td></td>
<td>Motor Truck Driver (1)</td>
</tr>
<tr>
<td></td>
<td>Payroll Administrator (1)</td>
</tr>
</tbody>
</table>

Hiring Sequence Audits
The OIG's Hiring Sequence Audit reporting will resume later in 2020.
Addendum: 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.” Those 16 pending matters, as well as the reasons for their continuing pending status, are listed below:

<table>
<thead>
<tr>
<th>CASE NUMBER</th>
<th>MATTER TYPE</th>
<th>NATURE OF ALLEGATION</th>
<th>REASON</th>
</tr>
</thead>
<tbody>
<tr>
<td>19-Q1-0206-AI</td>
<td>ADMINISTRATIVE INVESTIGATION</td>
<td>OTHER RULE, CODE, ORDINANCE VIOLATIONS</td>
<td>AVAILABLE TIME AND RESOURCES</td>
</tr>
<tr>
<td>19-Q2-0081-AI</td>
<td>ADMINISTRATIVE INVESTIGATION</td>
<td>OTHER RULE, CODE, ORDINANCE VIOLATIONS</td>
<td>AVAILABLE TIME AND RESOURCES</td>
</tr>
<tr>
<td>19-Q2-0147-AI</td>
<td>ADMINISTRATIVE INVESTIGATION</td>
<td>CRIMINAL MISCONDUCT OR FRAUD</td>
<td>AVAILABLE TIME AND RESOURCES</td>
</tr>
<tr>
<td>19-Q2-0150-R</td>
<td>OIG REVIEW</td>
<td>OTHER RULE, CODE, ORDINANCE VIOLATIONS</td>
<td>AVAILABLE TIME AND RESOURCES</td>
</tr>
<tr>
<td>19-Q2-0199-R</td>
<td>OIG REVIEW</td>
<td>COMPLIANCE</td>
<td>AVAILABLE TIME AND RESOURCES</td>
</tr>
<tr>
<td>19-Q2-0218-R</td>
<td>OIG REVIEW</td>
<td>COMPLIANCE</td>
<td>AVAILABLE TIME AND RESOURCES</td>
</tr>
<tr>
<td>19-Q2-0224-R</td>
<td>OIG REVIEW</td>
<td>COMPLIANCE</td>
<td>AVAILABLE TIME AND RESOURCES</td>
</tr>
<tr>
<td>19-Q3-0339-AI</td>
<td>ADMINISTRATIVE INVESTIGATION</td>
<td>OTHER RULE, CODE, ORDINANCE VIOLATIONS</td>
<td>AVAILABLE TIME AND RESOURCES</td>
</tr>
<tr>
<td>19-Q3-0343-AI</td>
<td>ADMINISTRATIVE INVESTIGATION</td>
<td>OTHER RULE, CODE, ORDINANCE VIOLATIONS</td>
<td>AVAILABLE TIME AND RESOURCES</td>
</tr>
<tr>
<td>19-Q4-0365-AI</td>
<td>ADMINISTRATIVE INVESTIGATION</td>
<td>OTHER RULE, CODE, ORDINANCE VIOLATIONS</td>
<td>AVAILABLE TIME AND RESOURCES</td>
</tr>
<tr>
<td>19-Q4-0373-AI</td>
<td>ADMINISTRATIVE INVESTIGATION</td>
<td>OTHER RULE, CODE, ORDINANCE VIOLATIONS</td>
<td>AVAILABLE TIME AND RESOURCES</td>
</tr>
<tr>
<td>19-Q4-0388-AI</td>
<td>ADMINISTRATIVE INVESTIGATION</td>
<td>OTHER RULE, CODE, ORDINANCE VIOLATIONS</td>
<td>AVAILABLE TIME AND RESOURCES</td>
</tr>
<tr>
<td>20-Q1-0004-R</td>
<td>OIG REVIEW</td>
<td>OTHER RULE, CODE, ORDINANCE VIOLATIONS</td>
<td>AVAILABLE TIME AND RESOURCES</td>
</tr>
<tr>
<td>20-Q1-0042-AI</td>
<td>ADMINISTRATIVE INVESTIGATION</td>
<td>OTHER RULE, CODE, ORDINANCE VIOLATIONS</td>
<td>AVAILABLE TIME AND RESOURCES</td>
</tr>
<tr>
<td>20-Q1-0057-AI</td>
<td>ADMINISTRATIVE INVESTIGATION</td>
<td>CRIMINAL MISCONDUCT OR FRAUD</td>
<td>AVAILABLE TIME AND RESOURCES</td>
</tr>
<tr>
<td>20-Q1-0058-AI</td>
<td>ADMINISTRATIVE INVESTIGATION</td>
<td>CRIMINAL MISCONDUCT OR FRAUD</td>
<td>AVAILABLE TIME AND RESOURCES</td>
</tr>
</tbody>
</table>