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Office of the County Auditor

Shelly A. Banks, C.P.A.

Cook County Auditor

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January 28, 2015

The Honorable Toni Preckwinkle, President
And Board of Cook County Commissioners
118 N. Clark Street, Room 537
Chicago, Illinois 60602

Dear President Preckwinkle and Board of Commissioners:

We have conducted an audit of the Court Reporting Orders Process for the period ended June 11, 2014. We conducted our examination in accordance with Government Auditing Standards where applicable as prescribed by the [Cook County Auditor Ordinance](#).

Our objectives for this audit were designed to assess the court reporting order process to verify that the various ordering departments are properly charged for transcript orders in accordance with the transcript page rates for official transcripts specified in Section 17.7 of the Collective Bargaining Agreement between the Office of the Chief Judge and Local Union No. 134, International Brotherhood of Electrical Workers, AFL-CIO representing Official Court Reporters and to identify opportunities for management efficiencies in the process. The [Administrative Regulations for Court Reporting Services in the Illinois Courts](#) were also referenced for procedural guidance.

Please refer to the following audit report for the results of the audit. The audit report contains two audit findings. The [Executive Summary](#) provides an overview of the audit with the main finding areas.

We express our appreciation for the assistance of the Office of the Chief Judge, State of Illinois' Office of Official Court Reporters, the Office of the State's Attorney and the Law Office of the Public Defender during the course of our audit. We have discussed our findings with the Office of the Chief Judge, State of Illinois' Office of Official Court Reporters, the Office of the State's Attorney, Law Office of the Public Defender and the Department of Budget and Management Services and would be pleased to discuss our recommendations in greater detail in order to assist with the implementation of our recommendations.

Respectfully Submitted,

Shelly Banks, CPA
Cook County Auditor

cc: James Anderson, Chief Financial Officer Office of the Chief Judge
Raymond Balcarcel, Director of Financial Control State's Attorney
Andrew Jatico, Chief Financial Officer Law Office of the Public Defender
Andrea Gibson, Director Budget and Management Services
Marilyn A. Filishio, Administrator State of Illinois Official Court Reporters



COOK COUNTY GOVERNMENT
OFFICE OF THE COUNTY AUDITOR

Court Reporting Orders Process

Internal Audit Report

Report Date: January 2015

Issued By:
Shelly Banks, County Auditor

Audit Conducted By:
Nancy Campanella, Audit Supervisor

EXECUTIVE SUMMARY

We have examined the transcript order and billing process and expenditures paid to court reporters for the period ended June 11, 2014.

Court reporters are employed by the State of Illinois' Office of Official Court Reporters (OOCR). The duty of the OOCR is to record court proceedings either through the taking of stenographic notes or by an electronic recording system approved by the Illinois Supreme Court.

The scope and objectives of the Court Reporting Orders Process Audit were designed to assess the court reporting order process to verify that the various ordering departments are properly charged for transcript orders in accordance with the transcript page rates for official transcripts specified in Section 17.7 of the Collective Bargaining Agreement between the Office of the Chief Judge and Local Union No. 134, International Brotherhood of Electrical Workers, AFL-CIO representing Official Court Reporters and to identify opportunities for management efficiencies in the process.

The following findings are noted in the report with our recommendations:

- Cook County does not have in place a centralized Countywide oversight and monitoring of the court reporter ordering and billing process.
- Court reporter transcripts are paper based and not processed electronically.

The findings noted were presented to the Office of the Chief Judge, the Office of the State's Attorney, Law Office of the Public Defender, the Department of Budget and Management Services and the State of Illinois' Office of Official Court Reporters. Please refer to the [Findings](#) section for more detail with the management responses, corrective action plans and estimated completion dates.

BACKGROUND

The OOCR employs approximately 226 staff of which 183 are court reporters, 29 are digital recording court specialists, 4 are Administrative Staff and 10 Supervisory Staff.

Cook County ordering departments, Judiciary, the Office of the State's Attorney and the Law Office of the Public Defender place their transcript orders either in person at the courthouse the trial is held or by telephone. The OOCR maintains two independent computerized ordering systems one located at 26th and California and one located at 69 W. Washington which includes orders for all courthouse locations with the exception of 26th and California. The order is entered into the ordering system where a transcript order is generated.

Upon completion of the transcript order, the court reporter prepares a voucher billing the ordering party. The court reporter then submits the transcript and voucher along with a copy of the transcript order to their supervisor. The supervisor reviews the voucher and supporting documentation for accuracy and approves the voucher for payment.

Original and copy fees are established by the Administrative Regulations for Court Reporting Services in the Illinois Courts. The first transcript order placed is considered an original, subsequent orders placed within 7 days of the first order are charged a discounted copy rate. After 7 days, any additional orders are charged the original rate. Transcript page rates are also classified into 3 categories, regular, expedited and daily delivery. These categories represent how quickly the ordering party requests that the transcripts are to be processed and delivered.

AUDIT SCOPE AND OBJECTIVES

Our audit was designed to assess the internal controls and the operations at the OOCR in order to reach a conclusion on our audit objectives. Our objectives were to analyze and evaluate that:

- Policies and procedures exist to ensure transcript orders are centralized and monitored for accurate billing and unnecessary requests Countywide.
- The County is appropriately charged the original and copy rates where applicable.
- The process is operating in the most efficient and effective manner.

The audit referenced the [Administrative Regulations for Court Reporting Services in the Illinois Courts](#) as well as Section 17.7 of the Collective Bargaining Agreement between the Office of the Chief Judge and Local Union No. 134, International Brotherhood of Electrical Workers, AFL-CIO representing Official Court Reporters.

In order to provide management a prompt assessment of the court reporting orders process, the scope was a small sample size relative to the total number of orders processed. Expenditures paid for the period May 1, 2014 through June 11, 2014 for multi departmental transcript orders totaled \$226,930.90 which represented payment to 167 court reporters. We tested all ordering, billing and expenditure activity for 10% or 17 court reporters which totaled \$68,716.65.

FINDINGS

The recommendations noted below suggest Countywide process improvements, which when implemented in addition to providing oversight will result in cost savings and efficiencies to the County. There are multiple Cook County entities involved in the court reporter ordering process, but no one central Cook County oversight entity. The Cook County entities involved in the audit included the Office of the Chief Judge, the Office of the State's Attorney, and the Law Office of the Public Defender.

Finding #1:

Cook County does not have in place internal centralized Countywide oversight and monitoring of the court report orders process to prevent excessive, unnecessary or duplicate requests. Under the State of Illinois' OOCR there are written transcript ordering policies and procedures including supervisory review and sign off of all court reporter vouchers by OOCR employees prior to processing for payment. Within the OOCR processes, Cook County employees are involved; but they are not in the capacity to supervise and monitor to the level necessary to ensure the proper controls are in place.

Our testing resulted in the following discrepancies within the court report orders process:

- In 9 instances, payments were processed when the number of pages or type of delivery requested listed on the copy order differed from what was listed and processed on the voucher form.
- In 1 instance payment was processed when the requesting department listed on the copy order differed from the department that was charged.
- The support documentation provided for a \$275.00 charged to a Cook County department listed the requesting department as a State of Illinois agency.
- Two voucher forms were incorrectly processed for \$378.00 each when the actual total was only \$63.00 each.

- Documentation could not be provided to support an \$84.00 payment. The court reporter stated that the ASA requested an email copy of the transcripts in the court room so it was not processed through the OOCR system. The OOCR transcript ordering procedure requires requests to be made to the OOCR by phone or in person.
- Two identical orders were placed from the same department by two different employees.

Recommendation

We recommend that Cook County take ownership of the Countywide court reporting orders process and implement policies and procedures to make certain all the necessary steps and safeguards are in place to monitor the ordering and billing process. The Public Defender's Office has recently implemented an internal centralized monitoring and approval system for ordering transcripts to verify the necessity of the order and eliminate possibility of duplicate orders, which could serve as a basis for Countywide policies and procedures.

Management Responses

Public Defender

We are not sure if it is legal for the County to take ownership of the countywide court reporting order process due to attorney client privilege and work product privilege. In addition, if the county did take ownership of the court reporting process the transcripts could fall under FOIA which could go against attorney client privilege and work product privilege.

State's Attorney

We currently send all 29As for the payment of Official Court Reporter transcripts to our Chief of the Felony Trial Division for sign off, prior to submission to the Comptroller. They are reviewed to ensure that they are necessary to the prosecution of the case, and not duplicates. In addition, the Office of the Chief Judge has directed that all 29As be accompanied by the original order form, certified by the Court Reporter Supervisor as accurate in terms of rate and page count. We no longer accept 29As for payment without this certification.

Chief Judge

The Office of the Official Court Reporters in Cook County is a state office operating under the governing authority of Chief Judge Timothy Evans. Office functions are guided by the Court Reporters Act, 705 ILCS 70, Illinois Supreme Court Rule 46 and Administrative Regulations for Court Reporting Services in the Illinois Courts, published by the Court Reporting Services office in Springfield. Although the office is in no sense a branch or affiliate of local Cook County government, we recognize and respect the fact that the county has a vested interest in making certain that costs of court reporter transcripts paid by Cook County are appropriate. As such, we support the examination conducted by the Cook County auditors and we are appreciative of their observations and ideas.

We have no objection to the recommendation that the county monitor the transcript billing process and the ordering process as well, as long as the monitoring of orders is limited to Cook County offices. We have been informed, as noted by the auditors in their recommendation, that the Public Defender's Office has instituted a centralized review process for transcript orders in their office to make certain that the number is not excessive. We also understand that the State's Attorney's Office may consider a similar arrangement in their office. However, although we support the efforts in these county offices, such a process would be inappropriate for the transcript orders entered by the Circuit Judges.

Transcript orders placed by the judges are for the court's own benefit, for bar attorneys appointed by the court or for indigent, pro-se litigants, and are billed to Cook County accounts managed by the Office of the Chief Judge or the Clerk of the Circuit Court. Neither the Office of the Chief Judge nor the county is in a position to challenge court orders entered by the Circuit Judges. Nevertheless, we are mindful of the need for the county to control costs wherever possible, including court transcripts. In the coming days, the Chief Judge's Office will issue a letter to all judges as a reminder to limit orders of court transcripts whenever possible.

With respect to the listed discrepancies we have the following observations:

- *In 10 instances, payments were processed when the number of pages or type of delivery requested listed on the copy order differed from what was listed and processed on the voucher form* - In reviewing the billing materials, we count nine instances when information on the copy order differed from information included on the voucher form used to bill the county for services. However, the information on the copy orders is not necessarily used by the court reporters to bill the county. Indeed, in five of the nine cited instances, the discrepancy did not lead to a billing error.
- *In 1 instance payment was processed when the requesting department listed on the copy order differed from the department that was charged:* In this case, the county was billed \$275.00 by the court reporter when the State Attorney General should have been billed. This error has been corrected. This finding is repeated by the auditors in the additional item that follows.
- *The support documentation provided for a \$275.00 charged to a Cook County department listed the requesting department as a State of Illinois agency; Two voucher forms were incorrectly processed for \$378.00 each when the actual total was only \$63.00 each; Two identical orders were placed from the same department by two different employees (this item refers to the \$378.00 item above); Documentation could not be provided to support an \$84.00 payment.* We concur with the audit findings here, but would note that the auditors also identified four additional billing errors during the course of the audit where the reporters under-billed the county. In all, the audit cited seven instances where the amount billed the county was different than it should have been, netting to an overbilled amount totaling \$783.80. These errors have been rectified and overpaid amounts have been returned to the county.

This \$783.80 amount relative to the \$68,716.65 in orders tested by the auditors extrapolates to an error rate of about one percent. While the error rate is small and is perhaps understandable in light of the voluminous number of small billings by over 200 reporters, we believe internal controls over billings should be strengthened. In that light, the Chief Judge mandated that effective September 1, 2014, all court reporter billings to all county offices must be accompanied by the related copy order and the number of pages must be listed on the order and reviewed and initialed by the court reporter supervisors. For billings charged to the Office of the Chief Judge, those details are matched and reviewed by staff from the Office of the Chief Judge. We have asked that the staff in the Clerk of the Circuit Court, the Public Defender's Office and the State's Attorney's Office do the same.

Auditor's Comment

During our testing phase of the audit we requested documentation to support charges paid by the County. The support we received was screen print copies of the transcript orders placed by the various agencies. We therefore concluded that the original order placed through the OOCR transcript ordering system should reflect the amount billed by and paid to the Court Reporters. The exceptions noted reflect the discrepancies based on this support documentation. The exceptions are material based on the fact that the sample size was small. The sample size consisted of 17 out of 167 or 10% of Court Reporters who received payment during a one month period. We found discrepancies among 8 of the 17 Court Reporters selected including at times multiple exceptions per Court Reporter. Our conclusions emphasized the concern over the number of errors noted in lieu of the dollar exception.

Finding #2:

Currently, court report orders are received in hard copy format generating an immense amount of paper. We noted that an activity report received for a six month period for one courthouse totaled over 4,000 transcript orders placed. Transcripts are paper processed and paper processing of court transcripts for use by Cook County departments is antiquated and is not consistent with environmental sustainability. Paper dependence costs the County in storage, risk of lost documents, waste, labor inefficiency, and the environmental impact with the production and disposal of paper. Reducing paper consumption can improve efficiency, reduce costs and is environmentally conscious.

The July 1, 2014 revised Administrative Regulations for Court Reporting Services Section II.F.8 provides the ability for attorneys to request a transcript in an electronic file format. A certification page with an embedded digital signature may be provided in lieu of an original signature. In addition, the Administrative Regulations Section II.E.5 state as of January 1, 2015, all court reporting services employees in lieu of turning in paper notes, shall upload electronic files of court proceedings taken stenographically to their online directory through Share File. It also mentions that all official court reporters hired on or after January 1, 2015 must have adequate equipment to meet the requirement of this provision or if hired before January 1, 2015, court reporters are required to upload a PDF electronic version.

Recommendation

We recommend the County implement an electronic secured centralized document management system to receive and store electronic transcripts for all relevant parties to access. An electronic document management system would provide a more efficient secured method of storing and accessing the court report orders. The Administrative Regulations for Court Reporting Services Section II.F.8 provide for the ability to receive electronic files; therefore, it only makes sense that files are requested and stored electronically. Eliminating or greatly reducing the paper involved with the court report order process would be in line with the County's Sustainability Advisory Council's green initiative of helping the County become environmentally, socially and economically sustainable, and overall would be more cost effective for the County.

Management Responses

Public Defender

We are concerned with the mechanics of a centralized document management system. As a large amount of transcripts are needed in a timely fashion, we are worried about the amount of time it could take an attorney to receive a transcript. Depending on factors such as how this process is set up, and who is managing the system, what resources are available, etc. We have major concerns around timeliness of receiving transcripts.

State's Attorney

We have requested an opinion from our Civil Actions Bureau with respect to the legal issues raised at the exit interview involving the acceptance of electronic versions of the transcripts and the possibility of a centralized document management system. As soon as their review is complete we will share it with the appropriate parties.

Chief Judge

We agree with the auditors in their interpretation of Administrative Regulations for Court Reporting Services Section II.F.5, that beginning January 1, 2015, reporters must upload electronic files of court proceedings to online directories through the state Share File system. This system is meant to function as the state's repository for transcripts.

We also agree with the auditors that the parties requesting transcripts should be encouraged to order electronic copies to save paper and storage costs, although, any initial savings likely would be offset with copies made by the respective offices.

The auditors also recommend that a central electronic database of transcripts be developed by Cook County for efficient storage and access. Presumably in such an arrangement, the Clerk of the Circuit Court would take ownership of electronic court reporter transcripts upon payment of the appropriate fee to the reporters for subsequent dissemination of copies to interested parties, perhaps in exchange for a fee paid to the county. Such an arrangement would be unprecedented in the State of Illinois and would be contrary to common business practice. Any such change must be developed with appropriate care and must be subject to collective bargaining to avoid a disruption of services to the courts. Furthermore, the county should expect objections from the Illinois Court Reporters Association and court challenges may be forthcoming. Limited case law on the subject suggests the county may have difficulty. We suggest that the county tread carefully on this issue.