

TONI PRECKWINKLE

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December 20, 2011

Honorable Toni Preckwinkle
and Members of the Board of Commissioners of Cook County
118 North Clark Street
Suite 567
Chicago, Illinois 60602

Re: OIIG11-0043 (Highway Department Site Inspections)

Dear President Preckwinkle and Commissioners:

This letter is written in accordance with Section 2-289(c)(2) of the Independent Inspector General Ordinance, Cook County IL., Ordinance No. 07-O-52 (2007) (the "Ordinance") in connection with a series of site inspections of the Highway Department's field offices (the "Site Inspections"). In accordance with the Ordinance, this statement is made to apprise you of the completion and results of the Site Inspections.

Background

By March 2010, the Office of the Independent Inspector General had received numerous allegations of waste and mismanagement in the Cook County Highway Department. In order to assess the validity of the allegations, the OIIG initiated an administrative survey of the Highway Department (the "Survey"). This Survey was administered to develop specific information related to potential waste and mismanagement in the administrative operations of the Highway Department. The Survey was completed and a report issued in December 2010. The Survey focused on waste and mismanagement from a managerial and organizational standpoint. In this regard, we conducted interviews of upper and middle management and evaluated their policies and procedures. In October and November 2011, the OIIG conducted a series of site inspections of the Highway Department's field offices (the "District Offices") with an emphasis on personnel, facility conditions, life safety concerns, equipment and property management (the "Site Inspections").¹

¹ This Office also developed additional information that will be supplied to the Highway Department for remedial consideration that is not included in this report because it does not impact safety or otherwise rise to the level of inclusion in this report.

Summary

In planning for the Site Inspections, the OIIG recognized that Highway Department operations include technical issues beyond the ability of the OIIG to assess. Accordingly, these issues were deferred to the Highway Department management's expertise. The Site Inspections conducted by the OIIG were done to assess the general operations and safety measures applicable to organizations similarly structured.

The Highway Department has five District Offices located throughout the County which are responsible for road maintenance on a year round basis. These maintenance responsibilities include snow and ice removal, roadway and pavement repair, and the removal of other road obstacles. Roadway maintenance includes areas adjacent to County roadways including drainage ditches, culverts, bridges and storm sewers. District Office Managers or "District Engineers" are ultimately responsible for each District Office. Additionally, Road Maintenance Supervisors assist the District Office Managers in their duties to maintain the roads. The District Offices house equipment division staff and equipment that is not directly managed by the District Office Manager. Highway Department equipment maintenance and inventory control is managed by an Equipment Supervisor located at the Maintenance Bureau headquarters in LaGrange, Illinois.

This Office designed the Site Inspections to focus on concerns and substantial problem areas identified in the 2010 Survey. The OIIG also considered information obtained from previous OIIG investigations that revealed instances of waste, mismanagement and theft. Investigators from the OIIG arrived unannounced to conduct the inspections.

The information that has been compiled is the product of inspections involving each District facility during October and November of this year. The following findings are highlighted due to public safety concerns and institutional practice related to the maintenance of government property:

- The Highway Department routinely operates vehicles with expired State of Illinois safety inspection stickers during the performance of County operations suggesting non-compliance with safety certification standards.
- Due to a lack of necessary safety and vehicle equipment, there is a practice within the Highway Department of maintenance staff removing tires from vehicles in service and "swapping" them with tires on vehicles that previously had been inspected at State Safety Inspection sites in order that these subject vehicles would pass such inspections. Highway equipment maintenance staff also stated that there is a shortage of fire extinguishers in County vehicles and that they routinely "swap" fire extinguishers amongst vehicles in order to pass the State of Illinois Vehicle safety inspections.
- The Highway Department engages in a practice of dumping debris from road maintenance operations in large mounds on the grounds of at least two of the

facilities visited. This waste and debris poses a potential environmental hazard in that the mounds were created by dumping the waste collected from street and sewer cleaning operations. Such waste includes contaminants associated with roads such as gasoline, oil, antifreeze and other chemicals removed from the roadways and drainage areas. The accumulation of this debris into mounds dumped on the Highway Department maintenance facilities concentrates these compounds and allows runoff from the mounds to potentially contaminate the surrounding soils and ground water.

- The Highway Department does not maintain adequate controls over supplies and equipment inventories. As a result, the Department is unable to effectively safeguard and efficiently utilize equipment and maintenance supplies for the Maintenance Bureau.

OIG Findings, Recommendations and Conclusion

Highway Department Vehicles

During the course of the inspections, this office identified several vehicles at multiple District Offices that had not been properly inspected through the State of Illinois' Safety Inspections. Importantly, the circumstances noted could negatively impact public and employee safety. We also observed numerous vehicles that were not properly equipped to pass State of Illinois safety inspections. The OIG learned that in order to maximize the number of certified vehicles in the fleet, the Highway Department uses a limited supply of interchangeable equipment to pass safety inspections. For example, one Highway Department employee explained that "there are not an adequate number of fire extinguishers to have one for each vehicle" and that "fire extinguishers are frequently removed from other vehicles and placed in the vehicles to be inspected so that they can pass the inspections and get the required windshield safety stickers." Additionally, another employee stated that "there is a shortage of tires for the service vehicles and the maintenance staff must swap out tires on vehicles going in for inspection with a vehicle that has already been inspected." At one District facility, the vehicle maintenance staff told OIG investigators that the County is operating vehicles with unsafe and potentially illegal "split rims." Maintenance staff noted that several trucks at the facility were operating with the split rim wheels that cannot be sold now but are still in use on some of the older vehicles. Maintenance staff stated that a few years ago, a District mechanic was severely injured in an accident involving a split rim wheel. This staff member stated that his District site would need approximately 24 to 30 new wheels to replace the split rim wheels now in use.

In addition to manipulating equipment to obtain current State of Illinois Safety Stickers, the OIG noted that numerous vehicles that appeared in use but had expired State of Illinois safety inspection stickers. For example, the picture below reveals there was a truck with an expired safety inspection sticker expiration of September 2008. Upon further inquiry, several Highway Department employees confirmed that the truck shown was still being used for Highway Department operations despite the expired Illinois safety inspection sticker.

Exhibit 1: Expired Illinois Inspection Sticker



A consistent theme encountered by the OIIG from Highway Department employees was rationalizing the use of vehicles with expired stickers due to a shortage of vehicles and equipment. It was asserted that it is difficult for the Highway Department to maintain an adequate supply of vehicles in good working condition. One employee further explained, “I had to take parts from two junky trucks to make one crummy truck.” Another employee expressed his concern that the Highway Department might not be able to handle a major snow storm and that they are now just getting by with the vehicles that they have working.

Exhibit 2: Truck Shortage



Facilities

This office encountered a Highway Department practice of dumping debris and waste from road maintenance operations in large mounds on the grounds of at least two of the facilities visited. Specifically, Department drivers accumulate debris and dirt from sweeping the roads and cleaning the sewers throughout the County and dump the dirt and debris onto the Highway Department’s property. OIIG investigators observed accumulated debris and dirt from several years of dumping at the District Offices. Pictured in Exhibit 3 below is the waste and debris mound at District Office 1. We recommend the Department consider developing an operation

and maintenance program that includes a training component and has the ultimate goal of preventing or reducing pollutant runoff from municipal operations. According to the United States Environmental Protection Agency (EPA), an effective municipal street sweeping program should include proper storage and disposal of street sweepings under certain circumstances. In this regard, we recommend the Department ensure its operations are in full compliance with EPA guidelines.

Exhibit 3: Waste / Debris Mound



This waste and debris poses a potential environmental hazard in that the mounds were created by dumping the waste collected from street and sewer cleaning operations. As such, the waste contains contaminants associated with roads such as gasoline, oil, antifreeze and other chemicals removed from the roadways and drainage areas. The accumulation of this debris into mounds dumped on the Highway Department maintenance facilities concentrates these compounds and allows runoff from the mounds to potentially contaminate the surrounding soils and storm sewage systems. Specifically, the EPA addresses the fact that collected sweepings often contain pollutants which create storm water runoff problems. Storm water runoff happens when rain and melted snow run over land and accumulate debris, chemicals, sediment, or other pollutants before it flows into the storm sewage system. If not treated properly, the storm water runoff could adversely affect water quality.

Inventory

Although inventory control is not a public safety issue, we believe that the inventory practices observed at the Highway Department warrant discussion here. According to the General Accountability Office, “the concept of accountability for use of public resources and government authority is key to our nation’s governing processes. Management and officials entrusted with public resources are responsible for carrying out public functions and providing service to the public effectively, economically, ethically, and equitably within the context of the

statutory boundaries of the specific government program.” Based on the Site Inspections and previous investigations, it was learned that the Highway Department’s inventory policies and procedures for safeguarding supplies and equipment are inadequate and run contrary to the General Accountability Office’s concept. The picture in Exhibit 4 below is an example of a storeroom located at a Highway Department’s District Office that failed to have measures in place for the safekeeping and appropriate distribution of supplies. The OIIG observed storerooms were unlocked and no one was responsible for safekeeping and distributing supplies. The only facility that had staff responsible for safeguarding and controlling maintenance supplies was the District 3 facility. As such, there is a risk that anyone that gains access to those facilities could misappropriate government property from the storeroom.

Exhibit 4: Unattended Storeroom



District 3 is responsible for ordering, receiving, and distributing equipment and supplies to the other District Offices. The Storeroom Manager at District Office 3 appropriately demonstrated the practice used for tracking inventory in the “CAF” inventory system. However, we note that there are no internal controls to verify the actual amount of physical inventory at the District Offices. It is absolutely critical for an organization the size of the Highway Department to safeguard and account for inventory to detect and prevent inventory problems.

Typically, an organization must perform periodic inventory reconciliations to detect and prevent theft, waste, and mismanagement of inventory. Management could only report an unofficial estimation of \$461,672.66 in maintenance supplies on hand at the District Offices. Unfortunately, the Maintenance Bureau could not provide us with inventory reconciliations because they do not have a policy for performing full and complete physical inventory counts on a regular basis. In the absence of such internal control measures, the Highway Department is susceptible to theft and waste.

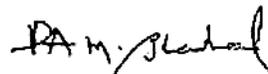
OIIG Recommendations

We recommend that Highway Department officials consider the following enhancements to operations:

- (A) The Highway Department should immediately evaluate its current fleet of vehicles and equipment in order to ensure that every truck “in use” is equipped with suitable tires and functional fire extinguishers. Furthermore, the Highway Department needs to implement the proper internal controls to ensure that all applicable vehicles subject to safety inspections are being timely inspected and maintain current safety inspection stickers. Alternatively, the Highway Department should take the proper action to prevent employees from using vehicles not intended for use. Any unsafe wheels should immediately be removed from service.
- (B) The Highway Department should consult with the Cook County Department of Environmental Control and/or the state or federal EPA for technical assistance in handling sewage, debris and dirt. According to the Federal EPA, street sweepings should be stored in a location equipped with secondary containment and possibly overhead coverage to prevent storm water runoff. In light of these circumstances, we believe the Highway Department needs to implement a comprehensive and complete road and sewer cleaning program to properly handle, store, and dispose of street sweepings that comply with the EPA’s rules and guidelines.
- (C) We recommend the Highway Department take steps to evaluate its current inventory systems and implement appropriate internal controls to effectively safeguard Cook County assets. These steps should include providing additional assistance to the current storeroom inventory manager to conduct periodic physical inventory counts and timely inventory reconciliations.

Thank you for your consideration of these issues. Should you have any questions regarding this matter, please do not hesitate to contact me.

Very truly yours,



Patrick Blanchard
Inspector General
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cc: Mr. Kurt Summers, Jr., Chief of Staff
Ms. Laura Lechowicz Felicione, Special Assistant to the President
Ms. Robin Kelly, Chief Administrative Officer
Mr. John Beissel, Acting Superintendent, Highway Department