Office of the Independent Inspector General

"[T]o detect, deter and prevent corruption, fraud, waste, mismanagement, unlawful political discrimination or misconduct in the operation of County government."

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Quarterly Report
4th Quarter 2017

January 12, 2018

OFFICE OF THE INDEPENDENT INSPECTOR GENERAL
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January 12, 2018

Via Electronic Mail

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

Re: Independent Inspector General Quarterly Report (4th Qtr. 2017)

Dear President Preckwinkle and Members of the Board of Commissioners:

This report is written in accordance with Section 2-287 of the Independent Inspector General Ordinance, Cook County, Ill., Ordinances 07-O-52 (2007), to apprise you of the activities of this office during the time period beginning October 1, 2017 through December 31, 2017.

OIIG Complaints

The Office of the Independent Inspector General (OIIG) received a total of 122 complaints during this reporting period.[1] Please be aware that 9 OIIG investigations have been initiated. This number also includes those investigations resulting from the exercise of my own initiative (OIIG Ordinance, Sec. 2-284(2)). Additionally, 45 OIIG case inquiries have been initiated during this reporting period while a total of 234 OIIG case inquiries remain pending at the present time. There have been 22 matters referred to management or other enforcement or prosecutorial agencies for further consideration. The OIIG currently has a total of 18 matters under investigation. The number of open investigations beyond 180 days of the issuance of this

[1] Upon receipt of a complaint, a triage/screening process of each complaint is undertaken. In order to streamline the OIIG process and maximize the number of complaints that will be subject to review, if a complaint is not initially opened as a formal investigation, it may also be reviewed as an "OIIG inquiry." This level of review involves a determination of corroborating evidence before opening a formal investigation. When the initial review reveals information warranting the opening of a formal investigation, the matter is upgraded to an "OIIG Investigation." Conversely, if additional information is developed to warrant the closing of the OIIG Inquiry, the matter will be closed.

report is 14 due to various issues including the nature of the investigation, availability of resources and prosecutorial considerations.

OIIG Summary Reports

During the 4th Quarter of 2017, the OIIG issued 8 summary reports. The following provides a general description of each matter and states whether an OIIG recommendation for remediation/discipline has been adopted, if applicable, due to the time period permitted for corrective action. Specific identifying information is being withheld in accordance with the OIIG Ordinance where appropriate.

IIG12-0055. In July 2012, this office received information that a Cook County Assessor's Office (CCAO) supervisor had improperly received a homeowner's exemption to which he was not entitled. The supervisor was a political figure, having served as the mayor of a Cook County municipality for approximately three years. It was further alleged the supervisor was allowed to take the erroneous exemption because of his political standing and history. The OIIG initiated this investigation to ascertain the validity of the allegations, the extent to which the problem existed within the CCAO, and any remedial action the CCAO took to address the problem.

On August 15, 2012, the OIIG sent a request to the CCAO seeking information regarding the allegations. The CCAO refused to honor the request. On August 23, 2012, the OIIG issued a subpoena to CCAO in this investigation for the same information. The CCAO refused to comply with the subpoena. The CCAO asserted the OIIG only had authority to investigate County government under the Offices of the Cook County Board President and did not have such authority regarding the offices of separately elected Cook County officials like the CCAO. In June 2013, the OIIG filed a two count complaint in Cook County Circuit Court seeking a declaration that the CCAO must cooperate with the OIIG investigation and a finding that the CCAO must comply with the subpoena issued by this office. On August 21, 2014, the Cook County Circuit Court entered an order requiring the CCAO to cooperate with the OIIG investigation and produce all subpoenaed documents. The CCAO appealed the ruling. On December 8, 2015, the Appellate Court upheld the OIIG's authority to investigate allegations of corruption in the CCAO. The CCAO appealed again. On December 1, 2016, the Illinois Supreme Court affirmed the lower court's holding granting the OIIG jurisdiction over the CCAO. On December 2, 2016, the CCAO provided some documents in response to the initial 2012 request.

The subject employee's personnel file included a partial, incomplete disciplinary memorandum regarding the subject employee. The memorandum is dated August 29, 2012, 14 days after the OIIG's initial request for related information. The memorandum indicates that the subject employee had been taking an erroneous homeowner's exemption on a rental property for approximately 12 years. He was a supervisor within the CCAO during the majority of this time. The memorandum cuts off in mid-sentence on the second page and is missing at least one additional page. The memorandum does not indicate its author or to whom it was written. There

is no indication within the tendered pages what discipline, if any, was imposed on the subject employee for the illegal activity.

A review of property documents confirmed that the subject CCAO employee owned two properties. One property was his residence, and one property was a former residence he vacated in 1998 but still owned. The subject leased his former residence for a number of years to various individuals. During the years 1998 through at least 2010, the subject erroneously received a homeowner's tax exemption on the rental property contrary to state law.

This office reviewed a letter written by the Assessor to the Cook County Board President dated September 19, 2012. In the letter, the Assessor asserted he had discovered that employees in his office had been taking erroneous exemptions. He indicated that he had established a two week amnesty program for all employees to come forward and repay the funds without penalty.

Our office interviewed an official in the CCAO's Human Resources (HR) department who previously served as legal counsel for CCAO from August 2012 to July 2016. He indicated that he oversees all CCAO employees for HR related issues, including discipline. He stated that any disciplinary action taken by his office involving an employee would be recorded in the employee's personnel file. After reviewing a copy of the CCAO disciplinary memorandum dated August 29, 2012, the Deputy indicated he had no knowledge of the incident. He stated he did not know who wrote the memorandum. He indicated he turned over everything that was in the subject's file pursuant to the OIIG subpoena. This office inquired into the September 19, 2012 letter written by the Assessor to the Cook County Board President indicating the Assessor had learned some of his employees had been receiving improper exemptions. The official indicated during that time the Assessor offered an amnesty program to his employees during which the employees were allowed to pay back any monies they received through improper exemptions in order to avoid discipline. The official did not know how many employees took advantage of the amnesty. He also stated he did not know if records were kept of which employees took advantage of the amnesty program or what dollar amounts were recovered. He stated he did not know if any employees were ever disciplined for taking improper exemptions.

Our office also interviewed a CCAO official in the Financial Operations department who previously served as an HR official at the time the disciplinary memorandum was issued regarding the subject supervisor. Her prior HR responsibilities included the hiring, firing, and disciplining of CCAO employees. She stated she knew the subject supervisor since 2010. After reviewing the CCAO disciplinary memorandum from August 29, 2012, she recalled a disciplinary action involving the subject but did not recall the specific allegations. She stated she did not author the memo and did not recognize it. She denied knowing who conducted the investigation that led to the memorandum or what the investigation entailed. She added that when disciplining an employee, the HR department always documented it. However, the memorandum was not typical of that type of documentation. She stated that someone in the CCAO Legal Department may have authored the memo. She stated that this case was the only disciplinary case she recalled that the CCAO Legal Department oversaw while she was an HR official. The official reviewed the September 19, 2012 letter from the Assessor to the Cook

County Board President which was written during the time she served as an HR official. However, she asserted that she had never seen the letter. She stated though she was aware of the internal investigation, the investigation was not conducted by HR. She stated the CCAO Legal Department conducted the investigation, and HR had nothing to do with it. She claimed she did not know who specifically was in charge of it. She claimed she did not know how many employees were involved, how long the investigation lasted, how many employees were granted amnesty, how much money was recovered from those employees, or if any employees were disciplined for non-compliance. She stated she did not know if any records were kept regarding the amnesty program. She believed the decision to place the CCAO Legal Department in charge of the amnesty investigation and program came from two high ranking officials in the CCAO. She was unaware of any policies or procedures that had been put in place to prevent further erroneous exemption abuse by CCAO employees. She added that she was unaware of any other situation in which the CCAO Legal Department was solely responsible for disciplining employees.

Given the purported lack of knowledge by the CCAO employees interviewed in this investigation, this office attempted to identify a CCAO employee who did have that knowledge. To that end, the OIIG submitted a request for information to the Assessor's Legal Department on November 9, 2017. This office sought the name of the person who had conducted the internal investigation into the original subject supervisor, the person who had authored the disciplinary memorandum, any additional documents relating to that discipline, the names of any CCAO employees who had been given amnesty by the Assessor, the amounts that were owed and the dates they were recovered, and the names of any CCAO employees who had been disciplined for not complying with the amnesty program. The CCAO failed to respond to the request. A second request for the same information was sent on December 8, 2017. The CCAO did not respond to the second request. To date, the CCAO has not responded in any way or provided any of the requested information.

Based on our investigation, we made four findings. First, we found that the subject CCAO supervisor was in violation of state law as the evidence clearly showed that he received a homeowner's exemption on a property that he did not occupy as his principal dwelling. Rather, he leased that property to other individuals for over a decade while still availing himself of the illegal benefit. A portion of this time period also overlapped with years he served as mayor of a Cook County municipality.

Second, we found the evidence to be inconclusive as to whether the Assessor engaged in unlawful political activity by failing to appropriately discipline the subject employee because of his political position and history. While it is clear the subject employee was a CCAO supervisor and politically active during the time period he received the benefit, the CCAO failed to provide any information regarding why the subject employee was allowed to take the erroneous exemption and what, if any, employment action the CCAO took to remedy the situation. The only documentation addressing the subject's illegal activity was drafted two weeks after this office made its first inquiries. That documentation is incomplete, and the repeated requests to provide the names of the individuals involved in the internal investigation have been ignored.

Third, we also found the evidence to be inconclusive as to whether CCAO officials were in breach of their fiduciary duty to avoid the appearance of impropriety and to conserve county property and assets and avoid their wasteful use. The evidence did reveal that there were other CCAO employees who took erroneous exemptions. However, the CCAO has produced no information about which employees took the illegal exemptions, how much was owed by those employees, what was done to recover those monies, or what policies or procedures were put in place to avoid a similar situation in the future. Given the paucity of information provided and the refusal of the CCAO to respond to additional requests, we were unable to discern if any individuals were disciplined for their behavior or if any money was ever recovered.

Finally, we found that the CCAO failed to cooperate with the OIIG investigation in violation of the OIIG ordinance. The refusal of the CCAO to cooperate with this investigation has been evident from the start, resulting in years of litigation and significant expense to the taxpayers of Cook County. Only after being forced to cede to the jurisdiction of this office by the Illinois Supreme Court did the CCAO provide any information regarding this inquiry. However, even after the Supreme Court's decision, the collective actions of the CCAO since then have fallen well short of the cooperation mandated by the OIIG ordinance. At times, the CCAO provided only portions of the requested information, and at other times it simply ignored the requests. To date, the CCAO has still not provided the full text of the relevant disciplinary memorandum. In addition, the CCAO chose to repeatedly ignore the simple request to provide the name of the individual that conducted the internal disciplinary investigation five years ago. Moreover, the officials who were interviewed in this investigation were in a position to be intimately familiar with the facts surrounding this inquiry given that it occurred during their tenure, involved both legal and HR issues, and was a unique case. Their professed lack of actual knowledge in these areas strains the bounds of credibility. The evidence supports the conclusion that CCAO employees, including high ranking officials, engaged in a concerted effort to avoid cooperation in this inquiry and with this office.

Based on the above findings, the OIIG made the following recommendations:

1. The CCAO should determine which of its employees have illegally taken exemptions to which they were not entitled and take appropriate action to discipline those employees and recover monies illegally received by them. The CCAO should fully document such an investigation and any subsequent remedial measures taken.
2. The CCAO should develop proper internal controls to ensure that CCAO employees do not receive illegal exemptions in the future and document all such efforts taken in that regard.
3. The CCAO should distribute a written memorandum to its staff instructing them to cooperate with the OIIG in all future investigations as required by the Cook County Code of Ordinances. If necessary, the CCAO should provide additional training for its staff regarding the duty of its employees to cooperate with the OIIG.

These recommendations are currently pending.

IIG17-0255. On June 27, 2017, the Cook County Board held a special meeting for the purpose of considering a resolution honoring the life of a Cook County Commissioner who had recently passed away. Subsequent to that board meeting, the OIIG received a complaint alleging that a public speaker had requested but had been denied an opportunity to speak at the Board meeting and that such denial violated the Open Meetings Act, 5 ILCS 120/1, *et seq.*, ("OMA"). In order to assess the allegation in the complaint and also consider the possibility that the Board may have violated its own rules and the First Amendment to the United States Constitution ("First Amendment"), the OIIG interviewed the public speaker and various County employees and analyzed relevant documents, video recordings, and other information.

Contrary to the suggestion by some County officials that the special meeting may not have been subject to the OMA, we found that the subject special meeting was an official meeting of the Cook County Board of Commissioners and was subject to the requirements of the OMA. Specifically, it was an in person gathering of a majority of a quorum of the members of the Board held for the purpose of discussing public business. Although a County official stated in his OIIG interview that it was more like a funeral than a meeting and a representative for the presiding officer stated that the meeting was not held to address County business or business related to the public, the meeting was convened for the purpose of voting on an official County resolution. The passing of an official resolution is necessarily business of the County Board and is necessarily public business. In fact, the resolution specifically states that the Board was acting "on behalf of the residents of Cook County." The fact the meeting was conducted in the County boardroom using County resources and personnel after advance notice was posted on the County's website further supports the conclusion that official business of the Board was being conducted.

We also found that contrary to the position taken by the County, the public speaker's request to speak was not proven to be untimely. Based on information received from an official in the Secretary to the Board's office, a representative for the presiding officer stated that the public speaker's request to speak was untimely filed at 4:26 p.m. the day prior to the 1:00 p.m. special meeting. The representative then took the position that the Board and the presiding officer were not required to accept public testimony from the public speaker but could accept it at their discretion. However, the evidence revealed that the public speaker submitted a public speaker form prior to the one referenced by the Secretary to the Board official and the presiding officer. An employee in the Secretary to the Board's office confirmed that the public speaker submitted two public speaker forms, one of which was submitted during the lunch hour the day prior to the meeting while someone from another office was covering the front desk. Based on the evidence, it is possible that the public speaker submitted the form between the hours of 11:00 a.m. and 1:00 p.m., which would make his request to speak timely under the Board's rules. Because that possibility cannot be ruled out, the request to speak was not proven to be untimely, and the public speaker should not have been denied an opportunity to speak on that basis.

However, even if the public speaker's request to speak had been proven untimely, which it was not, we found that timeliness should not have been used as a basis for denying the public speaker an opportunity to speak because the evidence revealed that late registrants are routinely

allowed to speak at Board meetings. A Secretary to the Board official stated that people have been granted leave to speak when signing up less than 24 hours prior to a board meeting and he has never seen a situation where such leave was not granted. The public speaker form does not have a place to indicate the time it is submitted. Another employee in that office stated that there is no need to put a time on the requests because there is never an issue as even people who submit requests the same day are allowed to speak. Because the Board routinely allows late registrants to speak, it should not deny any particular late registrant to speak, especially if it is doing so based on the anticipated content of his or her speech. Selectively enforcing its rules in such a manner would have First Amendment implications as discussed below.

The OMA requires that public bodies permit members of the public an opportunity to address public officials under the rules established and recorded by the public body. The Board's own meeting rules state that public testimony will be permitted at regular and special meetings of the Board subject to certain specified provisions. The Board rules further state that duly authorized public speakers shall be called upon to deliver testimony at a time specified in the meeting agenda. For this meeting, the Board failed to include on its agenda a time for public speakers. This was not an oversight. A Secretary to the Board official stated that he made the decision not to have public speakers at this meeting just as there were no public speakers at a previous special board meeting honoring another commissioner who had passed away while in office. In short, contrary to the requirements of the OMA and the Board's own rules, the special board meeting was planned in advance to proceed without the opportunity for public comment.

Had the Board denied the opportunity for public comment to everyone without regard to the anticipated content of anyone's speech, the Board would have violated the OMA and its own rules but possibly not the First Amendment (depending on what additional evidence may exist). However, in this case, the presiding officer decided not to grant the public speaker an opportunity to speak based in part on her belief that the public speaker "was going to disparage both [the late commissioner] and [a former County Board President] during his public remarks." According to a statement issued by the presiding officer's office, a Secretary to the Board official notified the presiding officer of the public speaker's desire to speak "but also informed the [presiding officer] that [the public speaker] was going to disparage [the late commissioner] during his public testimony." During his OIIG interview, the Secretary to the Board official described the type of derogatory comments that were anticipated. Specifically, he believed that the public speaker would have made statements at the special meeting about the late commissioner that were not "laudatory or neutral" and would have made comments like "he was mean to me," "he was not nice to me," and "he was disrespectful to me." The Secretary to the Board official did not believe that the public speaker would have used any profane or obscene language. He also stated that he had never heard this public speaker use any foul language when speaking at other board meetings.

During our investigation, we also considered relevant First Amendment case law. Government has only a limited ability to regulate expressive activity in designated public forums such as the public comment period of local government meetings. *Surita v. Hyde*, 665 F.3d 860, 869-70 (7th Cir. 2011). "Any content-based exclusion of speech in such forums is subject to

strict scrutiny, meaning that the government must show the exclusion 'is necessary to serve a compelling state interest and that it is narrowly drawn to achieve that end.'" *Id.* at 870. "Government may enforce reasonable time, place, and manner restrictions provided they are content neutral, they are narrowly tailored to serve a significant government interest, and ample alternative channels of communication exist." *Id.* "Government officials may neither stifle speech because of its message nor require the utterance of a particular message they favor." *Id.* In this case, the Board denied the public speaker an opportunity to speak because of the anticipated content of his speech -- its belief that the public speaker would make derogatory comments about the public official being honored at the meeting.[2] Thus, the denial was not content-neutral. By selectively enforcing its rules to prevent negative comments from being made about a public official, the Board violated the public speaker's First Amendment rights.[3] As courts have long recognized, "[t]he right to criticize public officials is at the heart of the First Amendment's right of free speech." *Wilbur v. Mahan*, 3 F.3d 214, 215 (7th Cir. 1993)(citing *New York Times Co. v. Sullivan*, 376 U.S. 254 (1964)).

While the decision not to have public speakers at the meeting may have been intended in part to protect the late commissioner's family and former colleagues from negative comments during an emotional time, the Board should always conduct itself in compliance with federal, state, and local law. One way the Board could have complied with the requirements of the First Amendment, the OMA, and the Board's rules while also addressing the sensitive situation of the late commissioner's family being in attendance would have been to have public comment at the very beginning of the meeting (as the Board usually does) prior to the family joining the meeting.

Based on the above findings, the OIIG recommended that the Board refrain from making similar violations at future Board meetings and that it comply with the requirements of the First Amendment, the OMA, and its own meeting rules as codified in the Cook County Code regarding public speakers. We also recommended that the Board be mindful as it contemplated amending its meeting rules regarding public speakers that selectively enforcing its rules based on the content or anticipated content of speech has First Amendment implications. The OIIG further recommended that the Board make training on these issues available to any of its members and staff who may benefit from it.

These recommendations are currently pending.

IIG17-0354. This investigation was initiated following receipt of information regarding a telephone call made by a manager in the Department of Revenue (DOR) to a manager in the Department of Environmental Control (DEC). It was reported that the DOR manager asked DEC manager if he could help his friend with a citation he had received from DEC. This

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[2] The presiding officer's office also stated that the public speaker was not allowed to speak in part because he was being combative and unruly. However, that behavior occurred after the public speaker had already been informed that he would not be allowed to speak at the meeting.

[3] The protections of the First Amendment apply to the states through the Fourteen Amendment. *Id.* at 869, n.2.

investigation consisted of interviews of various Cook County employees, a local suburban businessman and a review of Cook County telephone toll records for the involved employees.

During his OIIG interview, the DEC manager stated that he received a phone call from the DOR manager regarding a friend of his that had received a citation from the DEC. The DOR manager told the DEC manager his friend had received a citation for failure to pay his Certificate of Operation invoice for his business. The DOR manager told the DEC manager that his friend had not paid his invoice because he had never received it. The DOR manager continued by saying that "he's an honest guy and would have paid it if he got it." The DOR manager then asked the DEC manager, "Can you help this guy out?" The DEC manager told the DOR manager that he would get back to him. According to the DEC manager, the DOR manager's request made him feel "eerie."

The DEC manager stated that the DOR manager called him back a couple days later and asked, "Were you able to look into that matter?" The DEC manger told the DOR manager that he preferred talking to his friend directly and to have him call. The DEC manager received a call from the DOR manager's friend a short time later. By way of introduction, the friend described his relationship with the DOR manager and how long he had known him. After this introduction, the friend asked the DEC manager, "Is there anything you can do to help me out?" In response, the DEC manager asked him why he should not have to pay the fine and late fee. The friend told him that he never received the invoice. The DEC manager told the friend that if he had any documentation that showed any discrepancies in his address it would be considered. Otherwise, he would have to assume the address was correct, as both documents were mailed to the same address and he did receive the citation that was issued. The friend pressed the DEC manager about "doing something for him," to which the DEC manager replied that he would get back to him.

The DEC manager explained that he often gets calls from Cook County business owners concerning citations, but not from Cook County employees. He said that there was no reason the DOR manager would have an occasion to contact him in a professional capacity. The DOR manager advised that he did not report this incident to the Inspector General's Office or his supervisor.

In his interview, the DOR manager admitted that his friend "probably wanted to have him have someone reduce his fees." The DOR manager stated that his friend probably asked him to call about this matter because he knows many people in Cook County. The DOR manager acknowledged that he now realizes that his call to the DEC manager could be perceived as being improper.

We found that the preponderance of evidence developed during the course of this investigation supports the conclusion that the DOR manage violated the Cook County Personnel Rules and his fiduciary duties under the Cook County Ethics Ordinance when he called the DEC manager and asked for assistance with a citation that his friend had received. The DOR manager breached his fiduciary duty to Cook County and, at a minimum, breached his duty to avoid the

appearance of impropriety. These circumstances are aggravated when considering that he serves as a manager, a position of trust and leadership within the DOR. Accordingly, we recommended the County terminate the DOR manager's employment or impose a substantial level of discipline. The County terminated the employment of the subject DOR manager.

IIG17-354-A. In case IIG17-354 above, the DOR manager acted improperly by asking the DEC manager for assistance relating to a friend's ticket and fine. While such action was a violation and warrants disciplinary action, so too does the conduct of the DEC manager who received the improper request but failed to report it. The DEC manager stated that the DOR manager's request made him feel "eerie" and he believed that the DOR manager was asking him to do something improper. The Cook County Ethics Code has provisions that establish both fiduciary duty obligations and a duty to report. We found that the circumstances here triggered the DOR manager's duty to report. His failure to do so constituted a breach of fiduciary duty. Accordingly, we recommended the imposition of disciplinary action involving, at a minimum, a written admonishment. The County issued an oral reprimand.

IIG17-354-B. In case IIG17-354 above, another employee in DOR also had knowledge of some of the circumstances involving the DOR manager asking the DEC manager for assistance for his friend. Specifically, in her OIIG interview, the employee stated that the DEC manager called her and sounded annoyed about a telephone call he had received. The DEC manager told the subject employee that the DOR manager had called and asked him about "waiving a citation." The DEC manager told the employee that he was in awe that the DOR manager would call him about such a matter, complaining of the audacity of it. The employee stated that the DEC manager believed the DOR manager was asking him to do something improper. She said she counseled him to be careful with that and cautioned him to stay away. The employee could not think of any valid reason why the DOR manager would ever contact the DEC manager.

When questioned by investigators, the employee stated that she planned to inform the DOR director about this issue but did not have an opportunity to do so for several days. The employee said she did not report the telephone call to the OIIG because she did not realize this was required despite receiving annual training on that issue. Although there were some mitigating circumstances, the subject employee was in violation of the OIIG Ordinance for failing to timely report the misconduct at issue. We recommended that she be counseled and admonished of the importance of communicating such issues and her role as a fiduciary to Cook County government. This recommendation is currently pending.

IIG17-0057. The OIIG initiated this review after learning that records belonging to different Cook County departments were being stored together in common storage spaces at one of its warehouses. The common storage spaces were open and accessible to any person in the vicinity. During an unrelated investigation, investigators took a tour of the warehouse and observed multiple boxes containing records that were improperly labeled or had documents falling out of the boxes. Investigators discovered that many of the records contained confidential information such as personal birthdates, addresses, and social security numbers. Investigators

were advised that there were no known security measures in place and it was unknown who possessed keys to the different storage rooms.

As part of this review, the OIIG conducted a tour of subject warehouse and interviewed several Cook County employees including an employee from the Bureau of Administration (BOA) and an official and a construction manager from the Department of Facilities Management (DFM).

The BOA employee explained that records from several different departments are stored in common storage areas at the subject warehouse and that security is non-existent. Employees who work in the building have access to all of the records maintained in the open areas and employees who enter the warehouse to access their specific department's records have access to records belonging to any of the other departments' records who share the common storage space. Several departments store records containing sensitive personal information such as birthdates and social security information. Additionally, key control is non-existent. Master keys have been passed out to an unknown number of employees with no record of who was tendered a key. The BOA employee said that the County recently built seven storage cages on one floor of the warehouse in an attempt to establish security. The cages allow certain departments to store their documents in a secluded and locked area.

During a tour of the warehouse, investigators made the certain observations. First, certain departments were storing dozens of boxes on one floor with one department having at least 48 boxes containing records dating back to 1975 and earlier and another having at least 31 boxes predating 2010. Second, some boxes were not labeled or were incorrectly labeled which one employee complained made it a challenge to identify records stored in the boxes. Third, a storage room on one floor containing boxes of records for a particular department was open and not secured.

The DFM official explained that DFM manages the subject warehouse and monitors its security. Drivers entering the property grounds must check in with security personnel who monitor an electronic gate that grants entrance onto the property. All visitors must sign in with a security officer before entering the building. The DFM official did not know what, if any, records had been backed-up and explained that it was the responsibility of the individual departments and bureaus to back-up their own records.

In addition to the obvious security risks created by these circumstances, we found that there is a great risk of potential violations of the County's Identity Protection Policy, *see* Cook County Code, sec. 2-588(h)(1) and (2) ("All officers, employees, and agents of the County identified as having access to social security numbers in the course of performing their duties shall be trained to protect the confidentiality of social security numbers. . . . Only employees who are required to use or handle information or documents that contain social security numbers shall have access to such information or documents.").

While recognizing that the subject warehouse is an enormous facility and that significant effort has been made by the BOA to address some of the identified issues, the OIIG found that DFM should implement additional changes. The following recommendations were offered for consideration:

a. Replace the locks to the storage rooms with either Trilogy locks or manual locks and preserve a list of codes and keys provided to authorized employees.
b. Work with the BOA to enact a policy requiring the user departments to properly label, store and maintain their boxes.
c. Enforce the policy requiring employees to type in their individual access code to gain access to the warehouse.
d. Create separate storage areas for the individual departments.
e. Train all employees with access to confidential information to protect the confidentiality of that information. Pursuant to the County's Identity Protection Policy, the training should include instructions on the proper handling of information that contains social security numbers from the time of collection to the time of destruction of such information. Cook County Code, sec. 2-588(h)(1).
f. In order to maximize efficiency and reduce cost, DFM should work with the departments storing documents to determine whether old documents are no longer relevant to business operations such that they may be properly disposed of consistent with the Local Records Act, 50 ILCS 205/1, *et seq*.

On January 12, 2018, Cook County adopted these recommendations.

IIG16-0108. This Survey was initiated to assess the level of compliance with the County's Contract Management Ordinance. The ordinance contains specific contract management responsibilities for contracts that total $1,000,000.00 or more. For County contracts that are subject to this provision, the ordinance establishes protocols for "User Agencies" to designate one or more individuals as the "Contract Manager." This designation subsequently triggers certain duties for the Contract Manager in connection with the contract. Additionally, the Chief Procurement Officer (the "CPO") has specific duties for these contracts pursuant to the ordinance.

The OIIG obtained a list of the County's outstanding contracts from the Office of the CPO in May 2017. For the survey sample, we identified 20 contracts that totaled $157,242,374.72. Our sample was reduced to 19 contracts after one of them was canceled. We reviewed each contract and identified the User Agencies responsible for designating Contract Managers. We conducted interviews to assess the level of contract management within User Agencies. Our survey revealed that none of the contracts in our sample were managed in full compliance with the protocols established by the ordinance. Overall, only 41% of the requisite protocols were met among the 19 contracts reviewed.

Based on our findings, we made the following recommendations:

1. As a threshold matter, it is critical for User Agencies to formally designate Contract Managers pursuant to the ordinance. Additionally, User Agencies should inform Contract Managers of their responsibilities and duties under the ordinance. Moreover, the CPO should confirm that the User Agencies have complied with this requirement and maintain a list of Contract Managers associated with each contract.

2. The CPO should consider assigning specific staff to User Agencies for their awarded contracts to ensure compliance with the ordinance. It could be efficient and effective to require the staff that assist with the procurement process to continue to assist with ensuring that the User Agencies comply with the ordinance after the contract is awarded.

3. The CPO should develop uniform written procedures to assist the User Agencies with monitoring contract performance, tracking budgets and comparing invoices and rejecting goods/services pursuant to the ordinance.

4. The CPO currently does not distribute and use evaluation forms as required under the ordinance. Accordingly, the CPO should develop evaluation forms, distribute them to the User Agencies and assign staff to ensure compliance with the ordinance. Additionally, the CPO should design and implement procedures to ensure that these evaluations are used to determine whether "Bidders" and "Proposers" are "Responsible" as required under the ordinance.

5. If funding becomes available, the CPO should assist User Agencies in providing training to Contract Managers through National Contract Managers Association, Institute of Supply Management, or National Institute of Government Purchasing Standards.

6. For County-wide contracts, the CPO or other appropriate County agent, should be deemed the "Lead Contract Manager" and coordinate with the multiple User Agencies to ensure contract management duties do not become mismanaged due to the dynamic created by multi-agency involvement.

The County adopted OIIG recommendations 3, 4, 5 and 6 above and rejected recommendations 1 (stating that the Using Agencies' procurement liaisons should retain a list of the designated Contract Managers for their contracts) and 2 (stating that it cannot dedicate full time resources to the Using Agencies for these purposes but will try to help by identifying training opportunities and instructional materials).

IIG17-0235. The OIIG initiated this inquiry after receiving a complaint alleging that an employee with the Cook County Health and Hospitals System (CCHHS) was being continuously harassed by her current supervisor through rude and abusive behavior and harsh criticism. The complainant further alleged that the harassment affected her health to the point where she needed to take leave under the *Family and Medical Leave Act*.

During the course of this inquiry, the OIIG reviewed personnel files and disciplinary records, and interviewed five current and former CCHHS employees. The personnel files revealed that the complainant had been disciplined a total of six times in the last year, once by her former supervisor, and five times by her current supervisor. The incidents of discipline involved poor work performance and other serious infractions.

The preponderance of the evidence developed during the course of this investigation did not support the allegations of workplace violence, harassment, or intimidation by the subject supervisor. However, the evidence revealed that the supervisor demonstrated poor judgment and inappropriate managerial behavior, as well as a failure to adhere to instructions given him by management to address colleagues professionally by avoiding harsh tones. The preponderance of the evidence also called into question the complainant's capacity to adequately perform her current position. Based on these findings, this office recommended that (a) the subject supervisor be given a written admonishment/reprimand for his failure to adhere to the directive of management to address his manner of communication with other employees. In this regard, we also recommended that (b) the supervisor engage in management training to address this issue and become better equipped to manage employees. Finally, we recommended that (c) management evaluate whether the complainant is qualified for her position and carefully monitor and document deficiencies in accordance with CCHHS personnel rules and pursue remedial action as required.

These recommendations are currently pending.

Outstanding OIIG Recommendations

In addition to the new cases being reported this quarter, the OIIG has followed-up on outstanding recommendations for which no response was received at the time of our last quarterly report. Under the OIIG Ordinance, responses from management are required within 30 days of an OIIG recommendation or after the grant of a 30-day extension to respond. Below is an update on these outstanding recommendations.

From the 3rd Quarter 2017

IIG15-0144. The OIIG opened this investigation after receiving information that the Sheriff's Office permitted one of its employees to maintain County-funded health benefits throughout the course of a four and a half year leave of absence which was taken to manage a personal security and alarm business.

The Sheriff's Employment Action Manual and the Appropriation Bills of Fiscal Year 2011 through Fiscal Year 2016 (except for FY2015) provide that the County shall not pay any insurance benefits on behalf of an individual on a personal leave of absence. In this case the evidence demonstrated that neither the Sheriff's Office nor subject employee notified Risk Management of the employee's personal leave of absence. As such, the subject employee was erroneously permitted to maintain health, dental and vision benefits at a cost of $89,185.44 to the

County in violation of Sheriff's Employment Action Manual and the cited Cook County Annual Appropriation Bills.

As for the leave itself, the Sheriff's Employment Action Manual provides that personal leaves of absence for non-merit rank employees are limited to one month for every full year of continuous employment. As demonstrated by the pension records, the subject employee took eight personal leaves of absence since 1989. Before he took his most recent leave of absence on November 7, 2011, the subject employee took a personal leave of absence from March 2004 through December 2006. As such, the subject employee only had five years of continuous service and should have only been afforded five months of personal leave, and under no circumstances longer than one year. Accordingly, the Sheriff's Office violated its policy by permitting a personal leave of absence of nearly five years.

Not only was the length of the leave a violation of policy, the leave itself was not based on a permissible basis. The reason provided by the subject employee to support the personal leave was to enable him to work on his personal business and be free from claims of potential conflicts of interest. That stated rational is not an appropriate justification for granting such a leave pursuant to the Appendices to the Resolutions in Budget Appropriations which state that personal leave "shall be intended to take care of emergency situations." An employee's decision to focus on running a personal business or pursue other employment unrelated to the mission of the Sheriff's Office cannot equate to a personal emergency situation.

Based on the findings, we recommended that:

1) The Sheriff's Office create a formal and transparent process for volunteers. In this case, evidence suggested that the subject continued to provide work on a volunteer basis. The Sheriff's Office Employment Plan contains a provision for hiring student interns, though no rules governing the retention of other types of volunteers. Such protocols have been adopted by other Cook County government agencies (e.g., the Forest Preserve District) to create an open and transparent process governing the selection, assignment and rules of conduct for volunteers. These rules could be formulated to address the retention of former employees as volunteers who have specific skills and/or specialized knowledge;

2) The Sheriff's Office amend Article T of the Sheriff's Employment Action Manual to ensure consistency with the Annual Appropriations Bill to permit non-sworn personnel to take personal leaves of absence for personal emergencies;

3) The Sheriff's Office conduct an internal audit to ascertain whether any other non-sworn employees are on a personal leave of absence in excess of the one-year limitation contained in the Sheriff's Employment Action Manual; and,

4) The Sheriff's Office should seek collection of $89,185.44 from the subject employee for benefits erroneously provided to him during the subject personal leave and ensure that Cook County Risk Management is notified of any future personal leaves of absence by employees.

The Sheriff's Office adopted all of the OIIG recommendations.

IIG17-0133. This investigation was initiated in response to a complaint alleging that a former employee in the Department of Facilities Management (DFM) retired from the County in December 2016 but remained on the County payroll until April 2017. It was further alleged that a high ranking official in DFM agreed to allow the former employee to use his sick leave during this time period.

The preponderance of evidence developed during the course of this investigation supports the conclusion that the DFM official violated the Cook County Personnel Rules and her fiduciary duties under the Cook County Ethics Ordinance when she allowed the employee to take 399 hours of paid sick leave and continue to accrue benefits from December 31, 2016 through April 30, 2017. The DFM official either knew or should have known that the employee was improperly taking sick leave when she approved his payroll. Although the DFM official stated she was unaware of the specific type of leave that was being used, she should have known that some of it had to be sick time because, as other witnesses noted, employees cannot accrue four months of vacation time under the Cook County Personnel Rule. Regardless of whether the DFM official was signing off on time sheets while unaware of the type of leave listed (which would suggest negligence) or whether she knew that she was signing off on the time sheets in violation of the sick leave policies (which would suggest intentional malfeasance), she breached her fiduciary duties under the County Ethics Ordinance. Specifically, by negligently or intentionally violating the sick leave and timekeeping policies relating to the employee, the DFM official engaged in improper behavior (which was noticed by other County employees we interviewed), failed to conserve county property or avoid their wasteful use, and failed to conduct business on behalf of the County in a financially responsible manner. These breaches of fiduciary duty caused payments to be made and benefits to be accrued to an employee who was no longer working and not on a valid leave of absence which cost Cook County in excess of $20,000. Based on the foregoing, we recommended significant disciplinary action be imposed upon the DFM official. The County issued discipline in the form of a written reprimand to the DFM official.

IIG17-0079. This investigation was initiated following an allegation that an employee in the Comptroller's Office was inappropriately granted compensatory time (comp time). The complainant speculated that the unearned grant of comp time served to provide "extra cushion" for the employee who was scheduled to take vacation leave. The preponderance of evidence developed during the course of this investigation established that the subject employee was inappropriately granted comp time though this occurred as a result of simple mistake as opposed to any improper motive. Nonetheless, a policy violation did occur.

Based on the foregoing, we recommended that (1) the Comptroller's Office confirm that the necessary adjustments have been made to the subject employee's comp time balance, (2) the Comptroller's Office consider adopting procedures which clarify the process for documentation of supervisory approval and the proper method of calculating comp time while ensuring segregation of duties in the process, and (3) the Bureau of Human Resources Training Division consider implementing a dedicated timekeeper training curriculum addressing the vulnerabilities encountered in this case and the specific requirements of the County's time and attendance policies. On December 29, 2017, the County issued a response adopting the OIIG recommendations.

IIG17-0253. In this matter, the OIIG conducted a review in connection with alleged contract inefficiencies addressed in a Finance Committee meeting held on June 28, 2017. The Board had previously approved $60,725,854 in Energy Conservation Measures (hereinafter "ECM") contracts on July 24, 2012 and $44,219,417 in ECM Contracts on July 1, 2015. The Department of Capital Planning and Policy presented $8,271,301 in amendments to each of the aforementioned contracts for measurement and verification services (hereinafter "M&V") and ongoing maintenance on June 28, 2017. Certain Commissioners expressed a belief that the amounts initially approved by the Board included all costs associated with the ongoing M&V and maintenance services, and the Finance Committee postponed voting on the amendments. The OIIG reviewed the following issues: (a) whether any inaccurate information was supplied to the Board of Commissioners; (b) whether the Savings Guaranty in the contracts would become null and void if the County opted to perform the M&V and maintenance services in-house or assign the tasks to a third-party contractor; and (c) whether the ECM Contractors performed any M&V and maintenance on the ECM projects completed in September and October 2015.

The preponderance of the evidence from the review demonstrated that the original ECM construction and installation contract requests by Capital Planning included ongoing additional financial commitments to the ECM companies throughout the 20-year guarantee period. The preponderance of evidence also demonstrated that although the Board Minutes from July 24, 2012 and July 1, 2015 suggest that the amounts approved reflect a totality of the costs involved, a review of the contracts confirms that those amounts only included the construction and installation charges. The contracts all contain a Savings Guaranty, which require the ECM companies to reimburse the County for any deficiency in guaranteed savings. Although the contracts provide the County the opportunity to terminate such ongoing commitments, the County would have lost the Savings Guaranty if it had canceled the contract or reduced its scope, including by reassigning the M&V or maintenance to a third-party or retaining the work in-house.

Evidence regarding what M&V and maintenance work had been performed at the JTDC, DOC and Stroger Hospital since the conclusion of the projects in September and October 2015 was inconclusive. We were informed that one ECM Contractor made four visits to Stroger Hospital since the completion of the construction and installation phase of the project, two unspecified walkthroughs and two data reviews. CCHHS personnel informed this office that they had not received any information revealing the purpose of the visits, nor any reports or

invoices related to the visits. The Extended Warranty and Maintenance Services required that ECM Contractor make twelve visits in the first year (between 2015 and 2016) and six visits between 2016 and 2017. It does not appear that this has occurred. Moreover, because this was not a complete list of the maintenance required by that ECM Contractor at Stroger Hospital that should have occurred since the conclusion of the construction and installation phase, the Department of Capital Planning and Policy along with officials at CCHHS needed to determine the incomplete or unperformed maintenance required by this first ECM Contractor and determine next steps.

This office was unable to ascertain whether a second ECM Contractor performed any work at the DOC or JTDC. Capital Planning and Policy officials informed us that no work had been performed at JTDC or DOC since the conclusion of the construction and installation phase of the project in October of 2015.

Finally, we found that officials had not misinformed the Board of Commissioners during the public discussions relative to the ECM contracts occurring in the July 23, 2012 and June 30, 2015 Finance Committee meetings. Although the former directors could have advised the Board (and the public) that there were ongoing M&V and maintenance charges associated with the ECM contracts, the reasoning employed by the directors associated with appropriate use of bond funds to pay for these projects while not paying for M&V and maintenance costs clouded the issue. That said, we found that the Board Minutes suggest that the amount approved by the Board included construction, installation and 20 years of monitoring. Based on our findings, we recommended that Cook County consider an amendment to the Procurement Code to Require the Chief Procurement Officer and User Agency to disclose all reasonably anticipated future costs associated with every contract presented to the Board. The County has adopted the OIIG recommendation. The proposed amendment is scheduled for Board consideration on January 17, 2018.

From the 2nd Quarter 2017

IIG16-0334. This investigation was initiated based on a complaint alleging that certain Forest Preserve District (FPD) police officers conducted an unlawful, forced entry into and search of another FPD police officer's house. The investigation revealed that certain members of the FPD Police Department became concerned when one of their colleagues did not arrive for work for two days. One of the officers inquired as to whether the colleague was on leave and was incorrectly told that he was not when in fact he was on approved leave for the two days in question. Remembering that the colleague had taken a bereavement leave several months prior due to a death in his family and believing he may be depressed, one of the senior officers decided to do a "well-being" check at the colleague's home after an unsuccessful attempt to reach him by phone. Other high ranking officers were aware that a well-being check was being conducted. When officers arrived at the home, they noticed that the driveway had not been shoveled, that snow covered the colleague's car, and that mail was protruding from the mailbox. The officers decided to forcibly enter the house to check on their colleague. They determined that the

colleague was not present and then conducted a search which included looking through their colleague's mail, personal items and cell phone.

Although the evidence in this case did not indicate that the actions of the officers were made in bad faith or to harass the officer on leave, it does support the conclusion that they violated personnel rules and were negligent in the performance of their duties. As an initial matter, the FPD officers should not even have been at the subject location under the circumstances present and certainly should not have taken a lead role in directing what actions were taken at the subject location. The Cook County Forest Preserve District Act ("CCFPD Act"), 70 ILCS 810/0.01, *et seq.*, provides among other things the authority granted to the Forest Preserve District Police Department. That statute limits the FPD Police Department's authority when acting in a city outside of FPD territory such that it may only act in aid of the regular police force of that city. In this case, the subject house was outside of FPD territory yet FPD police were not acting in aid of the local city police but rather were directing the action. In doing so, they exceeded their authority as provided by statute and lacked jurisdiction to engage in the activities that transpired. In addition to lacking jurisdiction to lead the investigation at the subject location, the FPD officers also acted negligently in regard to entering the subject home without a warrant or the presence of exigent circumstances. Even if the FPD officers had jurisdiction over the location and had proper grounds to enter the house under the exigent circumstances/emergency aid doctrine, which they did not, they should not have continued to search the residence in a more intrusive manner after it was determined that their colleague was not at the location. At that point they could have left and filed a missing person's report and the appropriate agency could have applied for a warrant to conduct a specified search of the home if need be. Instead, the FPD officers were in effect conducting their own missing persons investigation without proper jurisdiction or a warrant.

Based on the above findings, we made the following recommendations:

1. The FPD Police Department should develop a reliable system of maintaining time and attendance records. It is imperative for law enforcement agencies to know the availability of their officers.
2. The FPD Police Department should ensure all its officers receive updated training, to include practical exercises and testing, specific to the scope of FPD police jurisdiction (*see* Forest Preserve District of Cook County-Police Department Policy Manual 100.1.1 Law Enforcement Authority Granted by the State of Illinois and 70 ILCS 810/15) as well as Fourth Amendment search and seizure issues.
3. The FPD Police Department should draft a General Order relevant to conducting a well-being check and incorporate training for the conduct of well-being checks. This should include the standard required to be met to justify a well-being check as well as the approval process required for conducting a well-being check.
4. The FPD Police Department should consider providing training that aids officers in identifying personnel who are experiencing crisis.

5. The FPD should impose appropriate disciplinary action on the subject officers.

On January 3, 2018, the FPD issued a response adopting all of the OIIG recommendations.

IIG16-0228. In this case, the Forest Preserve District (FPD) was issued a performance bond from a contractor in the amount of $536,595.00. Prior to the completion of the contract, which was for trail repairs in the forest preserves, the contractor died. As a result, the FPD presented the performance bond to the designated surety company for payment to complete the project. The surety company informed the FPD that they were unfamiliar with the document presented and that it appeared to be a forgery.

During the course of this investigation, the OIIG Investigators interviewed, among others, various FPD employees, an insurance agent and the deceased contractor's son. Additionally, we reviewed the subject contract and related bond documents. The preponderance of the evidence developed in this investigation supported the conclusion that the contractor submitted an altered bond document to the FPD in order to obtain the subject contract. Such conduct constitutes forgery in violation of the Illinois Criminal Code. Specifically, 720 ILCS 5/17-3(a) provides: "A person commits forgery when, with intent to defraud, he or she knowingly . . . makes a false document or alters any document to make it false and that document is apparently capable of defrauding another . . . ." The contractor's son and the issuing insurance agent both gave statements during their OIIG interviews indicating that bond document the contractor submitted to the FPD was in fact a forgery, and the contractor's son further explained his father's financial motive and method in perpetuating the forgery. While we would normally refer such a matter to authorities for prosecution, there was no need to do so in this case as the subject contractor is deceased and the investigation revealed no evidence of collusion between him and any other party, including his son and insurance agent.

Our investigation into the forged bond document also revealed that certain signatures and notarizations were missing from various contract documents. While obtaining the requisite contract signatures and notarizations may not have prevented the forgery that occurred with the bond documents, it is important that proper procedures are followed to ensure that other types of fraud do not occur.

We recommended that the FPD consider enacting a protocol of contacting surety companies issuing performance bonds to confirm that the bonds presented by contractors are legitimate. Even if this is not done in all instances, the FPD may want to create a policy for doing so depending on the amount of the bond at issue or other underlying circumstances that suggest a greater risk or exposure.

Also, given the lack of fully executed documents in the subject contract, we also recommended that the FPD adopt better internal controls to ensure that all required signatures and notarization are obtained on all contracts. Perhaps a policy could be put in place whereby two people are required to confirm the full execution of each contract, thereby creating accountability and a check and balance.

On January 3, 2018, the FPD issued a response adopting all of the OIIG recommendations.

IIG16-0197. This review was initiated following a complaint by an employee asserting that signs for a charitable organization event sponsored by a Cook County Government official were posted in employee work areas and that emails were being issued to employees indicating they should show their support for the official by helping the charitable organization. The complainant suggested that participation in this event should be discreet and confidential, and believed it was inappropriate that a supervisor entered the complainant's office, which is shared with other employees, and discussed a donation sheet. The supervisor said, "It would be great if you could donate any amount of money to help support this event." The complainant "felt very uncomfortable" in not giving a donation and ultimately "felt harassed" for not giving a donation to the supervisor. Although nothing was said directly to the complainant, the complainant believed some employees were being "ostracized" for not contributing, since most of the other employees were contributing. The complainant added that she was not sure if what occurred violated any County policy or ordinance, but she just wanted to inform the OIIG that this made her feel "uncomfortable" and believed it was very "unprofessional" for a supervisor to solicit donations from employees on County time.

Through interviews, witnesses revealed that there were 27 employee "coordinators" for the subject charitable event. Employees were told they could get started by registering online for $35.00 under their department team name. A "kick-off meeting" was scheduled where representatives of the subject charitable organization distributed packets of information about this event. The coordinators were asked to distribute the information packets to their respective employees and were told they could collect donations from employees.

A keyword and subject query was conducted of the County's email system for the subject charitable organization for the relevant time frame, and resulted in the following:

1. A keyword email search of the name of the subject charitable organization resulted in a total 2,617 items.

2. A keyword email search of the subject charitable organization's website resulted in a total of 275,582 items.

3. A subject line search of the name of the subject charitable organization resulted in a total of 53,437 items.

Although it is difficult to quantify the exact amount of government resources dedicated to the event, this review suggests that significant government resources were used as evidenced by the number of coordinators deployed to generate support for the event, as well as the volume of email activity related to the charitable organization. In order to achieve compliance with the Ethics Ordinance regarding County-Owned Property (Cook County Code of Ordinances Section 2-576), which specifies that Cook County property shall only be used for official County or

Board of Commission business, and to maintain compliance with Section 2-571 regarding Fiduciary Duty by conserving County property and assets and avoiding their wasteful use, we recommended the following:

1. Because County-owned property shall only be used for official County or Board of Commission business, a deviation should only occur with legislative action. Therefore, for all charitable purposes, legislative action allowing the use of County resources for charitable purposes should be submitted to the Board of Commissioners for consideration and approval;
2. For all items submitted to the Board of Commissioners supporting charitable purposes, the estimated amount of County employee time and other County resources anticipated to achieve the proposed action should be provided. If a reasonable estimate cannot be reached, we recommend that the item list and describe the proposed action in detail to enable the Board of Commissioners to understand the scope of action under consideration; and
3. Absent legislative approval, for all charitable purposes, officials and employees should avoid the use of County resources including, but not limited to, employee time, computers, copy machines, office space, telephones, tools, paper, pens, printers, vehicles.
4. Additionally, as indicated above, certain employees expressed their concern that participation in the event was mandated, not by express edict, but implied under the circumstances present. While this consequence was not intended, it is a natural perception that should be avoided when those in authority seek a subordinate's involvement in non-work related endeavors. In this regard, we recommend that for any future charitable endeavors, Cook County should emphasize the voluntary nature of the effort and provide a mechanism for anonymous contributions to be made.

On December 7, 2017, the Office of the President issued a response adopting the OIIG recommendations.

IIG16-0335. This investigation was initiated in response to an allegation that an employee in the Health and Hospitals System (HHS) submitted falsified documentation about the death of his maternal grandmother in order to receive paid bereavement time. A supervisor had become suspicious of the bereavement request because a few years prior the same employee submitted falsified documentation about the alleged death of his mother in order to receive paid bereavement time. After obtaining official birth certificates for the subject employee and his maternal grandmother, OIIG investigators interviewed the subject employee. After being confronted with the official birth certificates, the subject employee acknowledged that the person he listed on his bereavement request was not actually his maternal grandmother and that his maternal grandmother is still alive. The subject employee also confirmed that he had previously tendered documentation in a bereavement request falsely listing a person as his mother.

As the interview continued, the subject employee told investigators that he needed to take a break and left the interview room with his union representative. He returned to the room and told investigators that he was finished with the interview and would no longer be answering any questions. His union representative later returned with a copy of a signed resignation letter from the subject employee. Following the interview, investigators confirmed that the subject employee tendered his resignation with Human Resources.

On June 30, 2017, we recommended that the subject employee be placed on HHS' *Ineligible for Rehire List.* HHS adopted this recommendation.

IIG16-0313. This investigation involved a Post-SRO complaint filed pursuant to the *Supplemental Relief Order for Cook County* ("SRO") entered in connection with the *Shakman v. Cook County,* 69 C 2145 (N.D. Ill.) litigation. The complainant, an employee in the Bureau of Human Resources (BHR), alleged that impermissible political factors were used in terminating him during a reduction-in-force (RIF). Our investigation revealed that while the complainant and others were laid off, a *Shakman* exempt BHR administrative analyst who is related to a Cook County Commissioner retained her position. In addition, the retained analyst took over job responsibilities of two non-exempt employees who were laid off in the RIF. During her interview, an official in BHR acknowledged that the retained analyst was not considered for lay off because of her *Shakman* exempt status. Based on the preponderance of the evidence, we determined that impermissible political factors were employed with respect to the subject RIF implemented by BHR. We further determined that Cook County stands in violation of the *Employment Plan* by implementing a change to the exempt list despite an objection by this office. Finally, we determined that the BHR analyst positon at issue fails to meet the legal standard established for designation of a *Shakman* exempt position.

IIG16-0313-A. Based on our findings in IIG16-313 above, we made the following recommendations for remedial action:

1. That the Bureau of Human Resources reconsider the methodology employed to accomplish the RIF by excluding consideration of an employee's *Shakman* exempt status which insulates exempt employees from RIF consideration to the detriment of non-exempt employees and consider reimplementation of the subject RIF;
2. That Cook County initiate a good faith dialogue with the two victims in this case to remedy this identified instance of political factors affecting non-exempt positions;
3. That Cook County ensure that a policy, custom or practice exists to prevent a recurrence of the implementation of a RIF designed to favor *Shakman* exempt employees over non-exempt employees in the consequences of a RIF;
4. That Cook County seek to eliminate the subject analyst position from its *Shakman* Exempt List.

The subject employee is no longer employed by Cook County for unrelated reasons and the position formerly held by her is being reclassified as non-exempt. The remaining recommendations are pending.

IIG11-0055 (Supplement). This matter involved a supplemental inquiry regarding action taken by the Health and Hospitals System (HHS) in response to recommendations contained in Summary Letter IIG11-0055 dated January 14, 2013 concerning the management of surplus and obsolete government property. HHS outlined its remedial action plan in a response letter dated April 14, 2016. In a separate but related investigation, an OIIG investigator encountered a metal scrap collector rummaging through the dumpster located in the parking lot behind Stroger Hospital. The scrap collector had removed and loaded a metal desk and several metal desk drawers into the bed of his pickup truck. The scrap collector acknowledged that he did not have authorization to remove the items, and he subsequently returned the items to the dumpster. Upon inspecting the dumpster, several additional items of interest were noted that were considered to be electronic waste and scrap metal that should not have been discarded in the dumpster.

This incident raised questions concerning HHS's progress in addressing the deficiencies concerning the management of surplus and obsolete government property cited in OIIG Summary Letter IIG11-0055. Follow-up interviews with key senior management personnel revealed that the corrective measures cited in HHS's Letter of Response dated April 14, 2016 had not been fully implemented. Moreover, the interviews revealed additional deficiencies related to the management and oversight of surplus and obsolete government property.

The following are the two deficiencies listed in Summary Letter IIG11-0055 that remain:

1. There are no policies governing oversight and management of property from its procurement, through its use to disposal; and,
2. Concurrent with the issuance of the policies and procedures, HHS Finance will ensure that respective managers and responsible employees are provided training on interpreting and implementing the subject policies and procedures.

In addition to the above, the interviews revealed other deficiencies related to the management and oversight of surplus and obsolete government property. Those deficiencies are as follows:

3. The results of the OIIG Summary Letter IIG11-0055 have not been shared with all key management personnel;
4. There are key management personnel not familiar with the Cook County Salvage Policy;
5. When salvageable property has been collected for purposes of re-utilization, there is no formal system to advertise the availability of the property to the hospital community;

6. There is Cook County property procured through grant funding that is not inventoried by either by HHS or Hekteon; and,
7. There is no coordination between HHS and Hekteon regarding policies for the procurement, inventory and disposal of computer hardware, licensed software, equipment and furniture, after these items are transferred to the ownership of HHS.

HHS's April 14, 2016 response to IIG11-0055 listed the following six corrective actions implemented or planned to be implemented to address the concerns identified by the OIIG:

1. HHS Supply Chain would tag equipment with an asset number upon receipt. This information is then recorded and forwarded to HHS Finance where a master inventory is maintained;
2. HHS identified three individuals to serve as salvage coordinators to work with the Cook County Department of Facilities Management and would be adhering to the Cook County Salvage Policy posted in January 2016;
3. HHS Buildings and Grounds would be responsible for assessing the useful life of furnishings and fixtures;
4. HHS Clinical Engineering would be responsible for assessing the useful life of medical equipment. Centurion is HHS's salvage contractor for medical equipment. Centurion maintains a database and provides monthly reports of disposed items;
5. HHS IT would be responsible for assessing the useful life of electronic equipment. HHS utilizes Cook County's electronic salvage contractor to dispose of electronic equipment; and,
6. HHS's Chief Financial Officer would develop comprehensive policies and procedures pertaining to inventory and disposal of government by June 30, 2016. HHS Finance would then ensure that respective managers and responsible employees are provided training on interpreting and implementing the subject policies and procedures.

We recommended that HHS review their previously stated corrective measures and provide the OIIG an update to confirm implementation. Additionally, we recommended that HHS address the additional five deficiencies identified as a result of this supplemental inquiry. These recommendations were made on May 9, 2017 and, as of today HHS has not responded.

<u>From the 1st Quarter 2017</u>

<u>IIG16-0244</u>. The OIIG initiated this review following media reports that certain City of Chicago aldermen were being offered the opportunity to purchase tickets to attend the Chicago Cubs World Series by the Chicago Cubs organization at the printed face value of the tickets. This office sought to ascertain whether this opportunity was also made available to members of the Board of Commissioners and other County officials and whether any violations of the County's Code of Ethics had occurred. Our investigation revealed that three Cook County Commissioners had obtained World Series tickets at face value through the Cubs organization.

Two of those Commissioners had consulted with a representative of the Board of Ethics prior to obtaining the tickets and were informed that there were no conflicts or ethical concerns relating to the matter. The representative of the Board of Ethics had opined that the issue of members of the Board of Commissioners being provided with the opportunity to purchase World Series tickets at face value is not prohibited by the Code of Ethics because the Cubs are not a "prohibited source" as defined by the Code and, therefore, the prohibitions relating to soliciting gifts and favors are inapplicable. (A prohibited source would include a person or entity that is seeking official action from the County, does or seeks to do business with the County, conducts a regulated activity or otherwise possesses a special interest that could be affected by a County official's exercise of discretion).

While the commissioners who accepted the Cubs' offer for tickets approached the circumstances cautiously and proactively sought guidance from the Board of Ethics in two cases, our analysis of the Code of Ethics led to the conclusion that ethics violations had in fact occurred. We looked not only at the rule prohibiting gifts from a "prohibited source" but also to the duty to avoid the "appearance of impropriety," which was codified into the Code of Ethics on October 5, 2016. With regard to the purchase of the World Series tickets, the guiding principle must include a consideration of whether having the uncommon access to purchase these tickets created an appearance of impropriety in the eyes of the public. It is without question that during the days leading up to the World Series, the general public was not able to contact the Cubs organization directly and purchase a World Series ticket while the possibility of purchasing a ticket for face value in the secondary market was very unlikely. Media outlets reported that World Series tickets with a face value of $175.00 to $450.00 were selling for $1,500.00 to $5,000.00 on the secondary market. By accepting the offer, the commissioners were receiving what amounts to a discount worth thousands of dollars that most members of the public undoubtedly would have pursued if available to them. There is no question that the face value offer made just days before the first game of the World Series was unique, tangibly valuable and available only to elected officials. In other words, but for their positions as elected officials, the commissioners would not have been offered this benefit and otherwise would have been left in the same position as any other member of the public hoping to witness history, standing in line or making endless phone calls all for the remote possibility to pay far above face value. For this reason, we found that a reasonable member of the public would find the existence of an appearance of impropriety in these circumstances. We recommended that the County provide training or similar written guidelines to assist officials and employees in identifying potential circumstances that give rise to the appearance of impropriety. On December 1, 2017, the County issued a response adopting the OIIG recommendation.

IIG14-0161. In this matter, the OIIG conducted a compliance review to determine whether new invoicing requirements for sole source contracts under the Procurement Code were in place and being followed. The issue arose from a prior OIIG investigation that revealed fraud involving a number of sole source contracts authorized by two high ranking officials of a prior administration. In the prior investigation, the perpetrators focused on sole source contracts under a certain dollar amount so as to avoid the scrutiny associated with competitive bidding and formal Cook County Board approval. During our investigation, we discovered that these sole

source contracts were given to associates of the perpetrators in exchange for kickbacks or other consideration and that the contractors were paid in advance but did little or no work. During interviews, most contractors could not provide details of when their alleged work was performed, and they were not required to provide such detail under the provisions of their contracts or the Procurement Code as they existed at that time. As a result of our investigation, we recommended changes to the Procurement Code requiring recipients of no bid, sole source contracts to provide specified details in their invoices for services performed to safeguard against the abuses that had occurred in the past. The Procurement Code was subsequently amended to address the issues of detailed invoices and advance payment for services.

In order to determine whether the new requirements of the Procurement Code were implemented and were being followed, we obtained and reviewed all sole source service contracts, invoices, voucher forms, and purchase orders for less than $150,000.00 for a ten month period. We also spoke to staff with the Procurement Office and the Comptroller's Office. Based on our compliance review, we made findings regarding the sole source service contracts used by the Procurement Office, the invoices submitted by sole source contractors, and the related payments made by the Comptroller's Office. With respect to the contracts, we found that the professional service contract currently used by the Procurement Office for sole source contractors does not contain all of the language required by the Procurement Code and that the same professional contract is used regardless of whether or not the procurement is by the sole source method. With respect to invoices, we also found that nearly 90% of the invoices submitted by contractors contained none of the detail required by the Procurement Code, let alone the higher level required for sole source contracts. Instead, they simply contained language such as "for services retained" without providing a description of the work performed or when it was performed. Finally, with respect to payments by the Comptroller's Office, we found that all invoices in our pool were in fact paid despite the fact that nearly all of them lacked the level of detail required by the Procurement Code or even the lower level of detail required by the current contract. In addition, five invoices were paid in advance of work being initiated or completed despite the prohibition on advance payments as set forth in the Procurement Code.

Based on our findings, we recommended: (1) that the Procurement Office amend its current contract for professional services to be consistent with the Procurement Code, (2) that different forms be used for sole source contracts, (3) that invoices for services on a sole source contract be marked as such, (4) that only the most current form of a contract be used, (5) that the Comptroller's Office refuse to pay deficient invoices, and (6) if performing a review of invoices for compliance with the Procurement Code is viewed as too great of a burden to place on the Comptroller's Office, that the County seek to amend the Procurement Code to place that responsibility on an official in the department for which the services are performed. On December 8, 2017, the County issued a response in which adopted OIIG recommendations 1, 4 and 5 above, and rejected recommendations 2 and 3.

IIG15-0219. The OIIG conducted this contract review after receiving complaints regarding the performance of a Cook County Health and Hospitals System (CCHHS) contractor that received a contract worth over $28 million. The subject contractor was responsible for the

managerial and operational functions for environmental services, patient transportation and food/nutritional services at Stroger Hospital, Provident Hospital and the Oak Forest campuses.

The results of the contract review identified several problem areas that negatively affected the contractor's performance and the outcome of the contract. Core deficiencies identified were weak contract management and oversight, the lack of continuity of the contractor's management personnel, insufficient full time equivalent employees, chronic employee absenteeism, and lax enforcement of policies and procedures. Other factors included employee intimidation, workplace violence, use of overtime, average length of time to hire an applicant, and an insufficient training and orientation program for the contractor's managers who provide supervision of CCHHS employees.

The trend toward outsourcing has resulted in CCHHS depending upon contractors to perform daily operational functions. With the increase in the number of contractors and service providers performing mission critical functions, the contract management process is becoming vital to CCHHS's capacity to efficiently and effectively serve its mission. The circumstances surrounding the subject contractor's five year engagement demonstrate the need to refocus efforts toward contract management and performance oversight responsibilities. Importantly, CCHHS's management team recently demonstrated its commitment to address contract management issues with the distribution of a memorandum specifically addressing these responsibilities. In addition to those efforts, we made the following recommendations: (1) CCHHS procurement personnel should prioritize their operations by stressing contract management and oversight as well as follow the direction provided in the referenced memorandum; (2) the directions provided in the above-referenced memorandum should be incorporated into the CCHHS Procurement Policy; (3) the current evaluation form entitled "Periodic Performance Monitoring of Service Contractor" should be revised to include the three general areas of Administration, Fiscal and Program Service Delivery with specific criteria within those areas such as management of overtime, effectiveness of contract personnel, cooperation, professional behavior, regulatory compliance, and quality of product or service delivered; (4) CCHHS should revise its procurement policy to require annual reporting of contractor performance and key performance indicators in its contracts; (5) contractors who are responsible for managerial, supervisory and operational responsibility over CCHHS departments and employees must be held accountable for policy enforcement; (6) the CCHHS Police Department should document each incident involving an employee being escorted off campus for purposes of de-escalating a potential physical altercation between employees and forward such reports to the attention of HR and Labor Relations personnel; (7) CCHHS should replace the Police Departments archaic records system with a digitalized report writing system; and (8) CCHHS should enhance efforts to resolve the systemic problem with attendance. These recommendations were made on May 22, 2017 and CCHHS has not yet responded.

IIG16-0168. This investigation was initiated following an anonymous complaint alleging that a doctor at CCHHS was in violation of the dual employment provisions of the Personnel Rules because he worked full-time at another hospital. The investigation revealed that the subject doctor had in fact violated two provisions of the CCHHS Personnel Rules. Specifically, he

failed to submit a 2016 Report of Dual Employment and he exceeded 20 hours per week of outside employment at the other hospital on at least five occasions during the time period of November 14, 2015 through November 4, 2016. Based on all of the foregoing, we recommended that an appropriate level disciplinary action be imposed upon the doctor consistent with other similar cases and that he be admonished to refrain from further violations in the future. On October 18, 2017, CCHHS issued a response adopting the OIIG recommendations.

IIG16-0195. This office received information asserting that a doctor at CCHHS is routinely engaged in outside employment in excess of the permitted number of hours in violation of the CCHHS Dual Employment Policy. The preponderance of the evidence developed during this investigation supports the conclusion that the subject doctor violated CCHHS Personnel Rules by engaging in secondary employment activities beyond the allotted 20 hours per week during the months of April through August in 2016. Accordingly, we recommended that disciplinary action be imposed. On January 10, 2018 CCHHS responded and adopted the OIIG recommendation by issuing discipline in the form of a verbal reprimand.

From the 4th Quarter 2016

IIG13-0137. The Hektoen Institute for Medical Research, L.L.C., (Hektoen) provides fiscal agent and support services to Cook County Health and Hospitals System (CCHHS), and acts as the administrative and fiscal agent for most of the research and clinical service awards to CCHHS. The awards administered include federal, state, city, private and foundation grants as well as contracts for clinical trials and multi-center awards. All of Hektoen's programs focus on improving healthcare and the healthcare delivery systems for under-served residents of Cook County.

CCHHS Internal Audit initiated a review of Hektoen's Salary Reallocation Account. The Reallocation Account allows for salary and fringe benefit compensation to be reallocated back to CCHHS if grant work necessitates the reimbursement of salary and fringe benefit dollars when CCHHS employees expend their compensated time in support of grant related activities. The review was limited to Hektoen's fiscal year 2012, which covered the time period September 1, 2011 to August 31, 2012. During this initial review, certain irregularities and questionable expenditures of funds released from the Salary Reallocation Fund to a CCHHS doctor (the "subject doctor") for personal expenditures were identified. These expenditures were not consistent with CCHHS's policy related to the use of these funds. An expanded sample audit covering the time period January 1, 2011 through February 14, 2013 was then conducted. The expanded sampling uncovered additional expenditure irregularities by the subject doctor. The subject doctor told officials from CCHHS that all of the subject expenses were work related and incidental to his work. CCHHS referred the matter to the OIIG

OIIG served subpoenas on Amazon, Inc., Apple Inc., and Southwest Airlines to identify goods and services the subject doctor purchased. The following are examples of items purchased in which the subject doctor was reimbursed:

- Amazon - Designer handbags, women's shoes and clothing, camera equipment, a Yamaha piano and accessories and a radar detector;
- Apple – Numerous purchases through iTunes but titles were not provided due to privacy restrictions;
- American Airlines - Two passenger tickets (the subject doctor and his spouse) to Beijing, China, to attend a conference plus additional expenses related to the trip; and,
- Southwest Airlines – Four passenger tickets (the subject doctor, his spouse and two children) to attend a conference in Orlando, Florida.

Our review of the credit card statements for the aforementioned trip to Orlando, Florida, revealed several charges that included a premium hotel room, an extended night stay beyond the conference, minivan rental and several restaurant charges. Other notable credit card charges included fuel that was purchased during the month of May 2012, totaling $452.75. There were additional charges that ranged from $103.00 to $575.00 for cell phone and data services, purchase of a Sony Ericsson wireless stereo headphone for $869.15 and a purchase of a toy identified as Clone Commander for $36.25. Additionally, examples of numerous credit card charges at area restaurants are listed as follows: Francesca's Restaurant - $596.05; Lou Malnati's Pizza - $289.99; Leona's Chicago Restaurant - $351.70; Flirty Cupcakes, Chicago - $197.10; Pompei Little Italy, Chicago - $160.00.

The review further identified numerous other questionable credit card charges that the subject doctor submitted for reimbursement that were approved. A sampling of the subject doctor's Check Request Forms and attached credit card statements reflected several purchases in amounts of $1,240.00, $978.98, $652.99, and $352.99. The first two purchases contained handwritten notations reflecting they were for software and hardware. The results of the OIIG subpoena reflected the above purchases were for a Gucci Wallet and Medium Tote and a Prada Handbag. The purchases of $652.99 and $352.99 were for books (titles not provided). The Check Request Form, dated March 30, 2011, reflected a purchase in the amount of $999.99, which was notated as software although in reality it was for the Yamaha piano. Another Check Request Form, dated April 21, 2011, reflected several purchases ranging from $102.00 to $925.00. Handwritten notations associated with the purchases on the credit card statement reflected software purchases; however, the results of the subpoenas reflected these purchases were for a Yamaha piano stand, piano accessories, Gucci handbag, Fujistu scanner and a North Face women's parka. The Check Request Form, dated June 20, 2011 revealed the subject doctor was reimbursed $12,814.00 for legal work related to a company he owned. Receipts reflected the legal work was for tax matters, a draft of U.S. patent application and a draft of bylaws for new corporation and other related matters. Another Check Request Form dated September 27, 2011, reflected purchases in the amounts of $6.62, $231.97, $1,803.57, $11.99, $39.95 and $1,221.42. These purchases were notated as computer hardware, camera, software, and computer supplies that were shipped to the subject doctor's personal residence. Another Check Request Form reflected purchases in the amounts of $1,002.12 and $2,003.23 that were notated as conference registrations in Beijing, China. The associated credit card statement reflected airline tickets in the names of the subject doctor and his wife, for $1,038.20 each.

A subsequent audit of the subject doctor's expenditures from his salary reallocation account from 2010 through 2014 revealed that the subject doctor had expenditures of $274,360 in various categories from consulting fees, computer, travel, legal fees, Amazon, phone/data plans, meals/fuel, memberships, office supplies, seminars, iTunes, books/subscriptions/parking and miscellaneous. It was determined that out of the total expenditure of funds, only $10,227 was considered to be allowable. There was $15,811 of expenditures that needed additional information or documentation before determining if the expenditures were allowable. In sum, there were $248,322 of expenditures that should be recouped because the expenses were in violation of policy and/or did not benefit CCHHS.

The evidence developed during the course of the OIIG investigation established that the subject doctor was improperly converting funds maintained in the Salary Reallocation Account for personal benefit. While the subject account lacked adequate internal controls and oversight, the funds were deliberately and intentionally converted by the subject doctor for his personal benefit by fraudulently claiming the reimbursed expenses were work related and in accord with the mission of CCHHS. Some of the items purchased were mailed directly to his personal residence. The subject doctor purchased items that were unusual in terms of nature, dollar amount and without supporting documentation to justify the purchases as being work related. He misrepresented the nature of the items purchased and deceived his supervisor by claiming, for example, that the purchases were software purchases when in fact they were personal items such as Yamaha piano accessories, Gucci handbag, North Face woman's parka and other personal items. The whereabouts of the personal items as well as the computers, computer related equipment/software and cameras purchased are unknown at this time. The subject doctor's attorney has stated in a letter that the doctor would cooperate in making repayment of funds determined to be not in accordance with CCHHS policy.

CCHHS has initiated corrective action with the implementation of a new policy that was approved on December 23, 2015, entitled *Use of Costs Recovered from Sponsored Programs.* The policy identifies a procedure that requires the approval of the department chair, CCHHS Assistant Grant Management Director and CCHHS Executive Medical Director prior to incurring any expenses related to such accounts. The new policy also establishes an approval process involving various levels of approval. The development and implementation of this policy are very positive. However, we noted that consistent enforcement of the policy and training, when necessary, to ensure that this policy becomes well-known and adhered to is equally important. The subject doctor resigned from CCHHS on January 1, 2014 during the pendency of this investigation.

The OIIG made the following recommendations regarding the subject doctor:

1. The subject doctor should be placed on the CCHHS *Ineligible for Rehire* list;
2. CCHHS should ban the subject doctor from volunteering in system facilities;
3. CCHHS should seek reimbursement from the subject doctor of $248,322 in expenditures that he received from the subject account that are not consistent with CCHHS policy; and

4. CCHHS should refer the subject doctor to the Illinois Department of Financial and Professional Regulation for review and disciplinary action.

CCHHS adopted all of the OIIG recommendations.

IIG14-0079. In this matter, the OIIG conducted a survey to assess the level of M/WBE participation in Cook County Health & Hospitals System ("CCHHS") contracts. M/WBE is defined as Minority-Owned and Women-Owned Business Enterprises pursuant to the County Ordinance. Under the M/WBE Ordinance's annual "Aspirational Goals," prime contractors are required to use their best efforts to allocate 25% to MBEs and 10% to WBEs for all Cook County government contracts awarded over $25,000. For professional services contracts, the County focuses on awarding 35% to the M/WBEs collectively with no requirement for specific allocations. The OIIG initiated this survey after receiving complaints that contracts involving CCHHS consistently fail to meet the M/WBE participation goals stated in the M/WBE Ordinance.

The OIIG obtained a list of CCHHS Fiscal Year 2015 outstanding contracts for further review. From this list, we identified the top ten contracts by dollar amount. Our sample of contracts totaled $304,761,231.61 in expenditures. In accordance with the Aspirational Goals, this sample should involve $106,666,431.06 in M/WBE participation pursuant to the Ordinance. In order to evaluate the level of actual M/WBE participation for this sample, we acquired contract activity summaries for each of the subject contracts from the Office of Contract Compliance (the "OCC"). Then, we noted the amount of business generated with the vendor with the amount of business generated through M/WBE participation. At the time of our analysis, CCHHS purchased $89,025,725.24 (29% of the contract awards) worth of business from vendors in our sample. Of this amount, $8,230,879.56 or 9.2% of business had been generated with M/WBEs. These statistics are based on contract activity and M/WBE participation as of July 7, 2016. Accordingly, this analysis revealed substantial deviations from M/WBE Aspirational Goals. To better understand the reasons for the deviations, we conducted various interviews and reviewed numerous contracts.

The evidence developed during the course of this Survey supports the conclusion that CCHHS contracting experiences a reduced level of M/WBE participation levels in relation to the Aspirational Goals set by County ordinance. The underlying reasons for this include (a) a smaller pool of M/WBEs certified to participate in healthcare related contracts, (b) the special nature of the products and services required by HHS and (c) the heavily regulated purchasing environment in which CCHHS is engaged. Nonetheless, careful consideration of all of the circumstances surrounding CCHHS purchasing reveals an opportunity to expand the pool of certified M/WBE vendors available to participate in this environment. Accordingly, we recommended the following action.

1. Cook County should consider amending the M/WBE ordinance by lifting or eliminating the Personal Net Worth exception of $2,000,000.00 for M/WBE participation when the participation involves a healthcare industry related contract. *See* Cook County Code, Section 34-263. This expansion of criteria for M/WBE participation would recognize the unique purchasing environment in the healthcare

industry which often requires firms participating in this industry to be supported by significant assets.

2. OCC is represented at the various different outreach events hosted by other organizations and has recently established host events for the County specifically. The County should consider increasing these efforts by targeting the healthcare industry.
3. Cook County should consider offering a continuous source of support to M/WBEs as part of the application process, such as developing on-demand video tutorials for its website.
4. OCC and CCHHS should jointly and affirmatively pursue matching opportunities to link prospective M/WBE vendors with prime vendors for sub-contracting purposes.
5. OCC and CCHHS should establish a protocol to jointly review all requests for M/WBE waivers because of the specialized nature of the industry, especially when faced with requests for waiver that involve substantial contracts.
6. OCC should perform a heightened level of scrutiny for those large value contracts for professional services reflecting low M/WBE participation.
7. OCC and CCHHS should urge suppliers to develop strong mentoring/protégé programs and consider the existence of a mentorship program, or lack thereof, during its evaluations of bids when determining whether a vendor should be granted a full or partial waiver of M/WBE participation. This criterion is currently recognized in the County Code. *See* Cook County Code, Section 34-271(d). In light of the low M/WBE participation rates, we believe OCC should publicize this option during the pre-bid process and at outreach events.

These recommendations were made on December 23, 2016. On March 1, 2017, CCHHS responded and stated that it concurs with the OIIG recommendations and will generally defer to OCC regarding any remedial action and will cooperate with OCC in this matter. On October 30, 2017, OCC responded and adopted OIIG recommendations 2, 3, 4, 6 and 7 above and rejected OIIG recommendations 1 (stating that the standards are critical to the foundation of the program) and 5 (stating that the waiver process should remain under the exclusive jurisdiction of OCC).

IIG14-0488. The OIIG opened this investigation after receiving a complaint that a construction contractor violated County rules and policies in performing a project at the Cook County Jail by failing to pay its Minority Business Enterprise (MBE) subcontractor. The investigation revealed that the subject contractor had in fact failed to pay the MBE subcontractor all amounts required under the utilization plan and had failed to cure that default after being notified by the Office of Contract Compliance. The investigation also revealed a dispute between the contractor and the subcontractor had developed leading the contractor to use other subcontractors without following proper procedures and obtaining necessary approvals. The OIIG issued 14 separate recommendations to the Office of Contract Compliance and the Chief Procurement Officer regarding suggested amendments to the Compliance Plan and the Procurement Code including recommendations that the subject contractor be deemed ineligible to enter into a contract with the County for a period of 24 months and that the County seek a contractual penalty against the subject contractor for failing to meet its MBE participation

requirement. On November 30, 2017, the County responded and rejected all but one of the OIIG recommendations (a recommendation to create evaluation forms).

IIG15-0025. The OIIG opened this investigation after receiving a complaint from a Cook County and city of Chicago certified Minority and Woman Owned Business Enterprise ("M/WBE"), that the primary contractor failed to pay and utilize it as the M/WBE as specified in its utilization plan with Cook County. In order to assess the merits of the complaint, the OIIG conducted interviews of various witnesses and reviewed documents including emails.

Based on the preponderance of the evidence developed during the course of this investigation, this office determined that the primary contractor provided false and misleading information in its contract proposal to the County and failed to act in good faith in accordance with its M/WBE participation goals. In July 2012, the primary contractor originally requested a full M/WBE waiver request. Once Contract Compliance denied the waiver request and advised the primary contractor that its proposal was the lowest except it would be required to secure M/WBE participation, the primary contractor hastily retained the complainant M/WBE in order to secure the County contract by presenting a false and misleading Utilization Plan to both the complaining M/WBE and the County. The primary contractor admittedly never intended to pay and utilize the M/WBE at an amount equal to 16.5% of the contract award because of the lack of work available to the M/WBE to perform under the contract. It was at that time, before finalizing the contract terms with Cook County that the primary contractor needed to confront this issue in good faith. The Procurement Code affords other avenues in which a contractor may achieve M/WBE participation, such as the indirect method, that could have been considered and may have been by the primary contractor's competitors in the RFP process. Despite this fact, the primary contractor presented false and misleading information in support of its proposal to secure the contract and, therefore, unfairly tipped the balance of fair competition in its favor.

We recommended that Cook County consider imposing the penalties set forth in the Cook County Code due to these violations including, but not limited to, the imposition of fines and disqualification in future County solicitations and contracts. These recommendations were made on November 10, 2016. The County requested additional time to respond. On May 17, 2017, the County responded and opined that Section 34-175 was not in force until March 12, 2014, stating further that"[i]t is not at all clear that the Vendor and its employees' conduct is subject to ordinance provisions that were not in place until well after the conduct." On May 24, 2017, OIIG sent letter to the County disagreeing with the County's position regarding the applicability of Section 34-175. The OIIG recognized that although the Code was amended on March 12, 2014, the previous version of Section 34-175 was approved by the County Board on September 7, 2011 and was in effect when primary contractor submitted its M/WBE proposal in 2012. The OIIG then asked that the County reconsider its position in failing to seek the imposition of penalties in accordance with Section 34-175. On January 4, 2018, the Procurement Office responded that it had imposed penalties pursuant to the Procurement Code in accordance with the OIIG recommendation.

IIG15-0080. This investigation was initiated by the OIIG based on a complaint brought by a Cook County Department of Transportation and Highways (DOTH) employee alleging that he was being subjected to abusive language, harassment and false accusations of misconduct by his former and current supervisors. During the course of this investigation, OIIG investigators interviewed the complainant, several of his co-workers, his current and former DOTH supervisors and DOTH Bureau Chief. The preponderance of the evidence failed to support the allegations under review. The interviews conducted of DOTH personnel, including management officials, demonstrated both that the complainant is not without fault in this set of circumstances and the existence of a non-retaliatory basis for management's conduct in connection with the complainant. This office recommended that management employ its established process of instituting progressive discipline by ensuring that incidents of employee misconduct are properly documented in a timely manner and adhere to the provisions of *Cook County Employment Plan Supplemental Policies*, No. 2013-2.8 (Disciplinary Action). We also recommended that DOTH consider requiring further training for its district supervisors in this regard. This recommendation is based upon the pattern identified in this inquiry of the failure to adhere to *Supplemental Policy* No. 2013-2.8. DOTH has adopted the OIIG recommendations.

IIG15-0207. In this case, the OIIG received information that a former Union Representative filed a grievance on behalf of a Clerk V at Provident Hospital, alleging that certain employees in the CCHHS Recruitment and Labor Relations Department falsified online employment application records to reflect that she withdrew her application for a promotional opportunity. It was further alleged that the Hearing Officer relied on this misinformation in denying the Clerk V's grievance challenging the denial of a promotional opportunity. During our investigation, OIIG investigators interviewed witnesses and analyzed employment records. Based upon the preponderance of evidence developed during the course of this investigation, the evidence revealed that the Clerk V did not withdraw any of her applications for any of the Caseworker positions. The evidence also revealed that no CCHHS officials falsified the Clerk V's employment records in Taleo to reflect that she withdrew any of her applications. Rather, the evidence revealed that the Hearing Officer misread the online employment application documents and reported this in her grievance decision in error. Although the Hearing Officer stated that the withdrawal of the application had no bearing on the grievance decision, we recommended that the Bureau of Human Resources correct the record to reflect that the Clerk V did not withdraw from the application process by issuing a revised hearing decision in this matter so as to correct the record. We have been informed that the issues have been subject to arbitration and the employee has received a promotion. Therefore, no further action is required.

Activities Relating to Unlawful Political Discrimination

Political Contact Logs (PCLs)

In April of 2011 the County implemented the requirement to file Political Contact Logs with the Office of the Independent Inspector General. The Logs must be filed by any County employee who receives contact from a political person or organization or any person representing any political person or organization where the contact relates to an employment

action regarding any non-Exempt position. The IIG acts within his authority with respect to each Political Contact Log filed. From October 1, 2017 to December 31, 2017, the Office of the Independent Inspector General received three Political Contact Logs.

Post-SRO Complaint Investigations

The OIIG has received one new Cook County *Shakman* Post-SRO Complaint this reporting period. Two such complaints are pending.

Training

The OIIG continues to collaborate with the Bureau of Human Resources ("BHR") and the Board of Ethics ("Ethics") in a joint project to provide both online and in-person annual training for Cook County employees regarding the Ethics Ordinance, the Employment Plan and Unlawful Political Discrimination. The OIIG continues to assist the above departments in the efforts to test new training modules, alleviate technological challenges which exist in administering training and the reduction of incidents of non-compliance.

New UPD Investigations not the result of PCLs or Post-SRO Complaints

In addition to the PCL and Post-SRO activity noted above, the OIIG has opened nine additional UPD inquiries during the last reporting period. The OIIG continues to assist and work closely with the embedded compliance personnel in the FPD, CCHHS, the Cook County Bureau of Human Resources, Assessor's Office and the Cook County Recorder of Deeds, conducting joint investigations where appropriate.

Employment Plan – Do Not Hire Lists

The OIIG continues to collaborate with the various Cook County entities and the Cook County Compliance Administrator to ensure the lists are being applied in a manner consistent with the County's goal of achieving substantial compliance.

OIIG *Employment Plan* Oversight

Per the Employment Plans of Cook County, CCHHS and the Forest Preserve District, the OIIG reviews, *inter alia*, (1) the hire of *Shakman* Exempt employees, (2) proposed changes to Exempt Lists, Actively Recruited lists, employment plans and Direct Appointment lists, (3) FPD employment postings limited to internal candidates and (4) Supplemental Policy activities. In the last quarter, the OIIG has reviewed and acted within its authority regarding:

1. Two changes to the Cook County Actively Recruited List;
2. The hiring of 1 *Shakman* Exempt employee;
3. One change to the FPD *Shakman* Exempt List;
4. Five changes to the Cook County *Shakman* Exempt List;

5. The proposed Direct Appointment of three CCHHS employees.

Monitoring

The OIIG currently tracks disciplinary activities in the Forest Preserve District and Offices under the President. In this last quarter, the OIIG tracked (and selectively monitored) 14 disciplinary hearings and related grievances. Further, pursuant to an agreement with the Bureau of Human Resources and with the collaboration of the Cook County Compliance Officer, the OIIG tracks hiring activity in the Offices under the President, conducting selective monitoring of certain hiring sequences therein. The OIIG also is tracking and selectively monitoring CCHHS hiring activity pursuant to the CCHHS Employment Plan.

Miscellaneous OIIG Activity

Please be aware that I have been reelected to serve another term on the Board of Directors of the National Association of Inspectors General as of January 1, 2018.

Conclusion

Thank you for your time and attention to these issues. Should you have any questions or wish to discuss this report further, please do not hesitate to contact me.

Very truly yours,

Patrick M. Blanchard
Independent Inspector General

cc: Attached Electronic Mail Distribution List

Office of the Independent Inspector General Quarterly Report
Electronic Mail Distribution List

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Ms. Eileen Figel, Deputy General Superintendent, Forest Preserve District
Mr. Ranjit Hakim, Executive Director, Board of Ethics