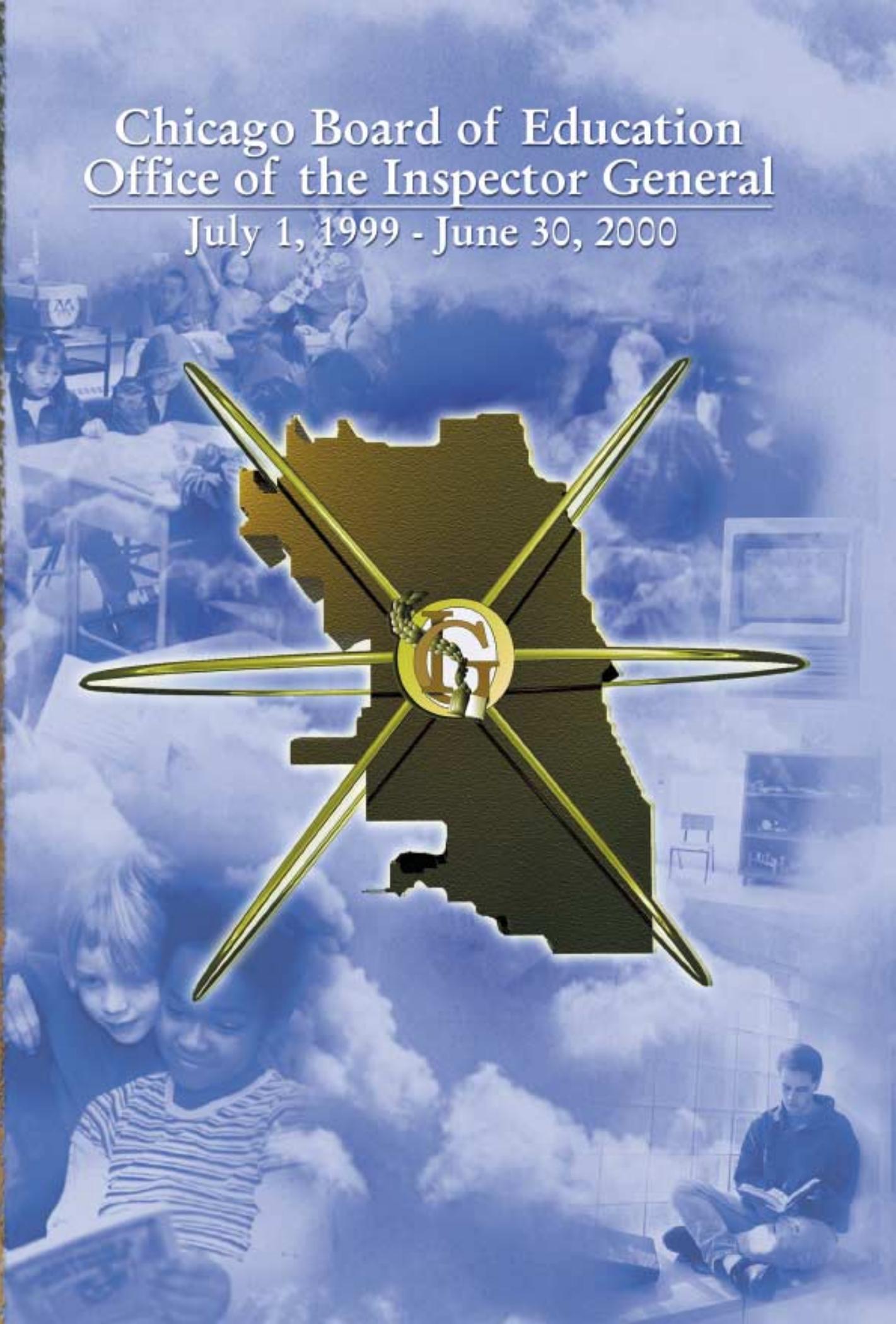


Chicago Board of Education  
Office of the Inspector General

July 1, 1999 - June 30, 2000

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# Annual Report

July 1, 1999 to June 30, 2000



Office of the Inspector General  
of the Chicago Board of Education

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Maribeth Vander Weele, Inspector General  
James M. Sullivan, Deputy Inspector General

January 1, 2001



**CITY OF CHICAGO**

**RICHARD M. DALEY, MAYOR**

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**CHICAGO BOARD OF EDUCATION**



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**PAUL G. VALLAS**  
**CHIEF EXECUTIVE OFFICER**

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# MESSAGE FROM THE INSPECTOR GENERAL

January 1, 2001

Dear Friends of the Office of the Inspector General,

Across the nation, Inspectors General play a unique role in the governments they serve. Given their distance from the crush of day-to-day emergencies and the often chaotic operations of the gargantuan enterprises they monitor, Inspectors General have the luxury of reflection, investigation, and study that management does not.

Although always with a substantial workload of their own, Inspectors General can nevertheless investigate, substantiate, plan, prod, review, and recommend while removed from the continual crises that come with--in the case of Chicago Public Schools--managing a \$3 billion organization.

In Fiscal Year 2000, our office used this opportunity to recommend wide-scale systemic changes in two major areas: transportation and information technology. Working with the Chicago Board of Education and the management of the nation's third largest school system, the reviews helped initiate a series of improvements that will have implications for years to come. The changes range from improved management systems and greater oversight to the appointment of a new Chief Information Officer.

This report summarizes management reviews and investigations by the Employee Integrity Unit and the Contracts Investigations Unit. Additionally, it describes the work of our highly active vendor mediation group. This group mediates disputes between schools and vendors and supplements the traditional watchdog role of the Inspector General's office with the role of problem solver.

During the second year since my appointment by Chicago Mayor Richard M. Daley, our office continued to improve its efficiency and management systems. Adopting Mayor Daley's and Board President Gery Chico's advocacy of importing the best private industry practices into government, the office continues to enhance its own management, data, and training systems.

As part of this effort, our office is involved in professional organizations such as the Association of Inspectors General and the Association of Certified Fraud Examiners.

During 2000, three of us--Deputy Inspector General James M. Sullivan, Contracts Investigations Unit Director Richard Slingerland and I--each earned the designation of Certified Inspector General by the Association of Inspectors General. We have taken an active role in this national organization which works to ensure professional investigations by promoting clear standards of quality, integrity and training. In addition, our staff underwent extensive training by the Association of Certified Fraud Examiners.

All of these efforts contribute to an improved educational system that serves more than 435,000 children.

We appreciate your support of our efforts.

Sincerely,



Maribeth Vander Weele  
Inspector General

# INTRODUCTION

## HISTORY

The Office of the Inspector General was created in 1994 by state statute to investigate allegations of waste, fraud, and financial mismanagement in Chicago Public Schools and to recommend efficiency and other initiatives.

The Inspector General is appointed by Mayor Richard M. Daley and reports to the Chicago Board of Education, led by Board President Gery J. Chico since 1995. The office works closely with Chicago Public School management, led by Chief Executive Officer Paul G. Vallas.

Authorized by Public Act 88-511, codified by 105 ILCS 5/34-13.1, the office's first Inspector General was selected by and initially reported to the Chicago School Finance Authority, an independent oversight panel. However, the Chicago School Finance Authority became dormant June 30, 1995 under state law and jurisdiction over the Office of Inspector General was transferred to the Chicago School Reform Board of Trustees.

Given the authority to appoint the Inspector General, Mayor Richard M. Daley named Maribeth Vander Weele to the post in September of 1998.

Under state law, the term of the Chicago School Reform Board of Trustees expired on June 30, 1999. It was replaced and succeeded by the Chicago Board of Education, effective July 1, 1999.

As required by statute, this report covers activity from July 1, 1999 through June 30, 2000. Investigations completed since then will be described in subsequent reports.

# M·I·S·S·I·O·N

The mission of the Office of the Inspector General is to ensure integrity in the operations of the Chicago Public Schools by conducting meaningful, accurate, and thorough investigations into allegations of waste, fraud and mismanagement as well as recommending legislative and efficiency initiatives.

These objectives are accomplished through investigations, major reviews that recommend systemic change, efficiency initiatives and mediation of vendor complaints.

The Office of the Inspector General (OIG) is a fact-finding agency that works closely with the Law Department of the Chicago Board of Education to facilitate administrative charges against employees and contractors.

The OIG also collaborates with law enforcement, other Chicago Public School departments and city agencies.

# A·U·T·H·O·R·I·T·Y

The statutory authority of the Office of the Inspector General is derived from 105 ILCS 5/34-13.1. Its administrative authority is derived from the Chicago School Reform Board of Trustees Resolution 98-0923-RS12. As legally described, the Inspector General has the authority “to conduct investigations into allegations of or incidents of waste, fraud, and financial mismanagement in public education within the jurisdiction of the Board by a local school council member or an employee, contractor, or member of the Board or involving school projects managed or handled by the Public Building Commission.”

State law gives the Inspector General broad access to information, documents, buildings and personnel relevant to Chicago Public School investigations. The Inspector General has the power to subpoena witnesses and compel the production of documents pertinent to investigations related to the school system. Persons who refuse to cooperate may be charged with a Class A misdemeanor.

# ORGANIZATION

The Office of the Inspector General employs a multi-disciplinary team of attorneys, auditors, investigators, educators and experts in specialized fields such as construction, purchasing and information technology. It uses both staff within the office and private firms with highly specialized expertise in white-collar-crime investigations, forensic auditing and other areas.

The office consists of three units:

- \* The Contracts Investigations Unit
- \* The Employee Integrity Unit
- \* The Support Unit.

Investigations are overseen by James M. Sullivan, Deputy Inspector General.

## THE CONTRACTS INVESTIGATIONS UNIT

The Contracts Investigations Unit investigates allegations made against vendors and conducts major reviews recommending systemic improvements. Substantiated investigations of vendor misconduct may result in debarment of the vendor or other disciplinary action.

The Contracts Investigations Unit is directed by Richard Slingerland.

Allegations investigated by the unit include:

- vendor billing fraud
- vendor contract violations
- substitution of inferior materials
- minority front companies
- minority pass-through arrangements
- prevailing wage complaints
- bidding irregularities
- inferior workmanship
- violations of other statutes or board policies.

The unit contains two smaller groups: the Research Services Group, which obtains documents and conducts computerized research for investigations and reviews of all types within the office, and the Mediation Group. The Mediation Group accepts complaints against contractors that may not rise to the level of fraud: a faulty repair job on a roof, an improperly installed door or failure to respond to a series of repair requests for work under warranty. The Mediation Group works with schools and vendors to resolve disputes and finds that sometimes the issue is caused by miscommunication, poorly written contract or bid specifications, or even school personnel themselves. Whatever the problem, the Mediation Group identifies its source and, in many cases, brings it to resolution.

## THE EMPLOYEE INTEGRITY UNIT

The Employee Integrity Unit addresses allegations made against any of the 46,000 employees of Chicago Public Schools (CPS). It also conducts investigations into tuition fraud, which involve non-city students attending city public schools without paying the required tuition.

The Employee Integrity Unit is directed by Linda Brown.

Allegations investigated by this unit include:

- payroll fraud
- theft by employees
- falsification of employee credentials
- criminal backgrounds of employees
- educational fraud or violations
- violations of rules requiring employees to live in Chicago
- tuition fraud
- violations of statutes or board policies.

Allegations of child abuse by employees and test-cheating are handled through the Office of Schools and Regions, specifically by its Office of Investigations. That office reports to Chicago Public School management and is separate from the Office of the Inspector General.

An overview of investigative agencies within Chicago Public Schools, including contact information, is available on Page 21.

## THE SUPPORT UNIT

The Support Unit accomplishes an array of administrative and technical tasks that support the rest of the office.

Within the office, it manages:

- budgeting
- purchasing
- board reports
- payroll
- hiring processes and other personnel issues
- OIG vendor contracts
- the creation and management of OIG investigative databases
- the OIG computer network
- computer hardware
- computer security
- acquisition and inventory of equipment and supplies.

Because of the extensive education and research background of its director, Dr. William Rice, the unit also provides invaluable technical reviews, policy analyses and interpretation, and efficiency recommendations.

# ACCOMPLISHMENTS

## CONTRACTS INVESTIGATIONS UNIT



The Contracts Investigations Unit investigates allegations of waste and fraud in Chicago Public Schools' five-year, \$3 billion construction program and in its procurement of approximately \$1 billion in other goods and services each year. The Unit uses an array of investigative and auditing techniques, integrating investigations and reviews that identify systemic problems.

## KEY REVIEWS AND INVESTIGATIONS

### *Student Transportation*

The Contracts Investigations Unit completed a year-long study of the Chicago Public Schools' student transportation program. The management of the student transportation program was privatized in 1996. The June 2000 report documented that program costs increased approximately \$13 million over three years even though fewer children were bused. The report recommended operational changes designed to increase efficiency and save the Chicago Public School system money.

The recommendations included:

- streamlined servicing of children through use of state-of-the-art computer software
- better collection and reporting of data
- more efficient routing of buses
- improved centralized planning
- better contractor evaluation systems
- improved management of private vendors
- a better complaint and inquiry resolution system
- surprise inspections of vendors involved in the program
- increased oversight of the managing vendor by CPS managers.

The recommendations did not include reducing services to children. The review was conducted by the Contracts Investigation Unit, with Russell Novak and Company, LLP, and Tactics, Inc. Additional assistance was provided by Ayton L. Taylor and Associates and Pinnacle Research, Inc.

After issuance of the report and discussion with the Office of the Inspector General, the Chicago Public Schools addressed deficiencies in the program by:

- expanding CPS management of the program
- increasing inspections and on site auditing
- continuing to impose significant fines and reducing routes for vendors whose drivers are improperly licensed
- increasing the emphasis on better use of state-of-the-art technology to make the bus routing systems more efficient
- laying plans to bid management of the student transportation program on the open market
- commissioning additional studies that confirmed many of the OIG findings, but disputed some findings, including the source of the cost increases and the best way to address them.

## ***Information Technology***

In January of 2000, the Contracts Investigations Unit completed the second phase of a major report on information technology systems in Chicago Public Schools. This review conducted with the assistance of KPMG LLP, revealed:

- weak management practices
- a pervasive lack of asset and business controls
- high costs and poor record-keeping in the area of telecommunications
- a lack of inventory control in the telecommunications area
- frequent sole sourcing of contracts
- excessive management authority given to vendors
- lax management of vendors
- a lack of disaster planning
- weak physical security of assets
- a new data center that was designed too small for the expanding needs of the Chicago Public Schools.

The report recommended consolidating the Departments of Information Technology and Learning Technologies to provide greater consistency and accountability. Partly in response to the report, a new Chief Information Officer was named to head the department, the departments were consolidated, and major improvements were underway throughout the year 2000.

## ***Major Contract Savings***

The Office of the Inspector General provided information to the Office of Procurement and Contracts that resulted in the system saving an estimated \$4 to \$8 million on a major contract.

## ***Prevailing Wage Violations***

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Illinois' Prevailing Wage Act requires contractors to pay employees in various trades minimum wage rates as set by the Illinois Department of Labor. Investigations by the Contracts Investigations Unit revealed:

- a construction company failed to pay its employees the prevailing wage.
- a contractor failed not only to pay three workers the prevailing wage, but also failed to keep accurate wage records, and admitted to falsifying certified payroll forms that inaccurately stated the payments made.

These cases were referred to the Chicago Board of Education Law Department and the Illinois Department of Labor for adjudication.

## ***Minority Front***

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An OIG investigation presented evidence that a contractor who obtained \$20.9 million in Chicago Public Schools' contracts established a front company through one of its minority employees to avoid minority-contracting requirements. The company also violated other provisions of the Revised Remedial Plan for Minority and Women Business Enterprise Economic Participation. As a result, the Chicago Board of Education moved to debar the firm, which did not contest the action.

Other investigations by the Contracts Investigations Unit did not reveal sufficient evidence to recommend civil or criminal action against vendors.

However, contract investigation cases cited in the last annual report of the Office of the Inspector General resulted in significant savings in the past fiscal year. In a case citing significant safety and contract violations in the installation of computer networks, the Law Department of the Chicago Board of Education negotiated a settlement with the contractor that reduced costs by approximately \$2 million. In the case of an unscrupulous supplier who took advantage of misdirected checks totaling more than \$100,000, the vendor has agreed to a voluntary three-year exclusion from participation in Board procurements. Additionally, a contractor that engaged in multiple instances of malfeasance, as discussed in last year's report, was debarred by the Board for a period of six months.

## **MEDIATION CASES**

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The Mediation Group addresses issues in an array of areas, ranging from interior to exterior construction and renovation projects to mechanical problems. The following summary describes the mediation cases closed from July 1, 1999 to June 30, 2000.

### ***Billing Disputes***

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- A vendor charged an elementary school \$3,733 for the purchase of 40 bags of rock salt and one snow blower, although it had quoted the school a price of \$868. Because of intervention by the Mediation Group, the vendor adjusted the billing amount.

- A vendor shipped 32 fire extinguishers to a school, although the school, in fact, had ordered only 16. The school returned 16 extinguishers but was charged for 32. The vendor deducted \$1,112 from the invoice for 16 extinguishers only after intervention by the Office of the Inspector General.
- A high school believed that it was overcharged for snow plowing and asked the Mediation Group to intervene. In conjunction with the Department of Operations, the area that was plowed was measured and the company reduced the bill by \$1,000 as a result.
- A computer company charged an elementary school for recalibrating settings that had been improperly set initially. As a result of intervention by the Office of the Inspector General, the vendor removed charges of \$125.
- A security company that repaired a metal detector at a school refused to withdraw a \$150 charge on its bill for travel time. As a result of intervention by the Mediation Group, the vendor removed the unauthorized charge.

## *Equipment*

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- An elementary school complained that a snow blower was sent to a hardware store for repairs but it did not operate after it was repaired. The school asked the store to pick up and repair the snow blower, but it refused to do so until the Mediation Group intervened.
- A janitorial company was contracted to repair vacuum cleaners at an elementary school, but failed to do so until the Mediation Group intervened.

## Exterior

### *Roofing*

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- Leaks from a newly installed roof at one high school caused damage to several classrooms, hallways, the lunchroom and kitchen areas, and the outside of the building. As a result of intervention by the Mediation Group, the damage was repaired at no additional cost to the school.
- A new roof at an elementary school was covered with standing water. In addition, roof lights were broken during installation of the roof. Although the company initially requested \$1,200 for the project, it repaired the problems at no cost to the school after the Mediation Group intervened.
- A roofing company spilled tar on the side of a school building and down the roof hatch over the custodians' work area in the school. The problem was corrected due to mediation efforts by the Office of the Inspector General.
- A roofing company failed to complete the work on a small roof at an elementary school until the Office of the Inspector General intervened.
- A plumbing subcontractor refused to repair a clogged drain from a roof, which caused water to accumulate on the gymnasium floor when it rained. Repeated calls were made to the company to no avail until the Mediation Group intervened.

## Windows

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- New windows were improperly installed at an elementary school building, creating an open space between the wall and the univents below the windows. This allowed air to enter the building. As a result of intervention by the Mediation Unit, a metal collar was installed for each univent to keep out the drafts.
- Newly installed windows at an elementary school could not be opened and others would not stay open. Numerous calls to the company went unanswered. The problems were resolved following intervention by the Mediation Group.
- The Office of the Inspector General received a complaint that employees of a company that installed air conditioner units at an elementary school kicked in the air conditioners in order to make them fit into a window. Subsequently, the units did not work. The vendor did not respond to calls to repair the units until the Mediation Unit intervened.
- A company failed to respond to numerous phone calls to adjust and repair window shades at an elementary school. As a result of mediation efforts by the Office of the Inspector General, the repairs were made. The vendor claimed that it had sent a repairman to the school, but no one was available to give him access to the building.

## Doors

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- A door leading to the wheelchair ramp at an elementary school did not close properly because the hinges sagged. No one had responded to the engineer's calls. After intervention by the Mediation Group, however, the doors were repaired.
- The Office of the Inspector General received a complaint that several newly installed doors were not hung properly and the hardware was improperly installed. This resulted in the doors having to be chained shut, in violation of the Chicago Fire Code. Numerous calls to the company went unanswered until the Mediation Group intervened. The doors were repaired.

## Masonry

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- A subcontractor did a poor job of installing masonry, with mortar falling out of some areas that had been tuckpointed. Also, the subcontractor removed an eight-foot section of fence and never replaced it. As a result of intervention by the Office of the Inspector General, however, the problems were resolved.
- Poor quality masonry work was redone at an elementary school as a result of intervention by the Mediation Group.

## Fencing

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- A fencing company failed to complete installation of a fence at an elementary school until the Mediation Group intervened.

# Interior

## Tiles

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- Renovation of an elementary school was completed without some floor tiles and window shades being installed, without a boiler room lock being repaired, and with several windowsill tiles that needed to be reinstalled. The school repeatedly and unsuccessfully raised these issues with the subcontractors until the Mediation Group intervened and the problems were resolved.
- Tile that was installed in a school's addition during the summer of 1997 began loosening. Attempts to correct the problem were unsuccessful until the Mediation Group intervened.
- Newly installed floor tile at an elementary school was loosening from the floor. As a result of intervention by the Mediation Group, the tile was replaced.

## Paint

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- Paint began to peel at a school six months after a construction company was paid \$100,000 to paint the first and second floor hallways and stairways in one of the school buildings. The company sent an employee to spot-paint several areas, but the peeling worsened. After intervention by the Office of the Inspector General, the company agreed to scrape and repaint all of the walls.
- Paint began to peel 16 months after a company painted the walls at an elementary school. When complaints were made, the company took samples of the peeling paint to have them analyzed and subsequently attributed the problem to the older paint. The matter went unresolved until the Mediation Unit intervened, the school was repainted, and the school system saved the \$35,000 it would have cost to repaint the area.
- A company that painted columns in a school lunchroom repainted them after the school complained that they were not properly treated and the paint began to peel. The company had not responded until the intervention by the Office of the Inspector General.

## Restrooms

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- A contractor was hired to upgrade all of the restrooms in a school, but after four months restrooms remained unusable because the upgrades had not been completed. The problem was resolved through intervention by the Mediation Group.

# Mechanical

## *Air and Heating*

- Three heating and air conditioning companies refused repeated requests to repair 16 roof top units at a high school, even though the units were under warranty. As a result of the Mediation Group's efforts, the repairs were made within a week.
- A vendor refused to repair 13 univents in seven classrooms until the Office of the Inspector General intervened.
- An elementary school was unable to obtain service to two boilers until the Office of the Inspector General intervened and facilitated the re-tubing of the boilers by a different vendor.
- A subcontractor would not honor its warranty for mechanical work it performed at a school until the Mediation Group intervened.
- A contractor began to make repairs to a boiler at a school but then failed to return to complete the work. After the Mediation Group intervened, the company completed the repairs as promised.
- An air conditioning and heating company failed to install a computer control for an elementary school's heating, ventilating and air-conditioning system in a timely manner. Over the course of several months, the company's technician would work on the system for several hours, provide minimal training on its operation, leave and not return for several weeks. The company reported to the Office of the Inspector General that it was waiting for another company to install a part. As a result of the Mediation Group's efforts, the part was installed and the training was completed.
- A company was slow to respond to an emergency request to replace a secondary ejection pump in the boiler room of a high school. If the primary pump had failed, the boiler room would have flooded, according to the school engineer. The Mediation Group intervened and arranged for the secondary ejection pump to be ordered to replace the non-functioning equipment.
- A contractor was slow in the installation of heating, ventilation and air conditioning equipment and calls by the school principal were met with no response. After the Office of the Inspector General intervened, the job was completed to the principal's satisfaction.

## *Electrical*

- An electrical company refused to complete the installation of exterior lights on the north side of an elementary school building until the Mediation Group intervened.

## *Intercom and Fire Alarms*

- An elementary school was without a school intercom because of a lack of communication between the contractor who removed the intercom and the Property Advisor (the company overseeing repairs), which was responsible for deciding whether to replace or repair the intercom. After the Mediation Group intervened, a decision was made and a new intercom was installed.

- A vendor stated it would take two weeks to install an intercom system but, in fact, the work had not been finished after two months and there were problems with the work that had been completed. After numerous contacts from the Mediation Group, the issue was resolved.
- An electronics company was slow in responding to requests to repair an intercom system until the Mediation Group intervened.
- The engineer of an elementary school was unsuccessful in getting repairs to a school fire alarm that had been inoperable for several months until the Office of the Inspector General intervened.

### *Pool Pumps*

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- A company contracted to repair four chemical pumps for a high school swimming pool rebuilt and returned only one pump because of a billing dispute. After the Mediation Group contacted the company, it apologized and returned the other three pumps, which had already been repaired.

### *Miscellaneous*

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- A food service company that delivered food to an elementary school drove a delivery truck onto the sidewalk of the school, endangering children and allegedly causing \$12,000 damage to the sidewalk. As a result of intervention by the Mediation Group, the truck no longer parked on the sidewalk and the damage claim was referred to the appropriate central office unit.
- An elementary school requested the removal of two modular units that had been condemned and went unused for five years. The units posed a health hazard to children. As a result of mediation by the Office of the Inspector General, the units were removed.
- A contractor working at an elementary school improperly used lumber that belonged to the school. After intervention by the Office of the Inspector General, the contractor replaced the lumber.



The Employee Integrity Unit investigates allegations of misconduct among the school system's approximately 46,000 employees. Allegations may include theft, payroll fraud, embezzlement, other criminal offenses and violations of Chicago Board of Education policies and rules.

### CRIMINAL OFFENSES



The Employee Integrity Unit investigates criminal offenses committed by staff on Chicago Public School premises, criminal offenses committed off school premises, and cases in which employees falsify their employment applications to conceal previous convictions.

Employees convicted of certain drug, sex and other felony crimes called “enumerated crimes” are prohibited by law from working in any school system in Illinois.

The Employee Integrity Unit has a “Court Watch” system that monitors court cases of employees arrested for various offenses.

Employee Integrity cases of criminal offenses concluded from July 1, 1999 through June 30, 2000, included:

- In February, the Employee Integrity Unit initiated the arrest by Chicago Police of a 30-year-old Chicago woman for allegedly cashing nearly \$30,000 worth of checks stolen from Chicago Public Schools. She was charged with forgery, theft by deception and possession of an altered identification card after allegedly cashing eight stolen school system reimbursement and payroll checks. The case was still being adjudicated in December, 2000, but the money was fully recovered through an insurance claim.
- A custodial employee at an elementary school admitted concealing felony convictions on his employment application with the school system. Additionally, he converted an unused restroom into a private area where he conducted inappropriate activities. He admitted spending one or two hours a day in the unauthorized rest area and engaging in sexual activity with a woman friend. The employee resigned and was placed on a “Do Not Hire” list.
- An engineer was being paid for working simultaneously at a Chicago high school and the Chicago Housing Authority (CHA). He represented that he worked at the Housing Authority from 11 p.m. to 6 a.m. when in fact his work hours there were from 7 a.m. to 3 p.m. He was scheduled to work from 8 a.m. to 4 p.m. at the high school. He pled guilty and agreed to pay restitution to the CHA. The employee was terminated.

- A teacher falsified his employment application in 1992 by stating he had never been convicted of a crime and that he worked as a substitute teacher when, in fact, he was incarcerated in Arizona at the time. The teacher admitted to having served more than three years in prison for theft and had been convicted also of possession of marijuana. Based on the OIG investigation, the Law Department moved to terminate the teacher and also filed a four count civil lawsuit against the teacher for recovery of fraudulently obtained public funds, fraud, unjust enrichment and breach of fiduciary duty. The teacher's termination was pending as of December 2000.
- A school assistant in a high school was caught on surveillance videotape taking money from a desk drawer. She subsequently was found guilty of theft and was discharged from her job. The employee was terminated on November 1, 1999 and placed on a "Do Not Hire" list.
- A security officer was arrested for possession of 27 bags of crack cocaine. He failed to appear at his court date and fled the state. Records show he later died.
- An elementary school clerk was convicted of aggravated robbery. She was terminated.
- A speech pathologist aide was found guilty of patronizing a prostitute.

## FINANCIAL OFFENSES



- A clerk at an elementary school cashed 15 warrants totaling \$5,400 that were not owed her. The employee was terminated on August 31, 2000 and placed on a "Do Not Hire" list. The money was recovered through an insurance claim.
- An elementary school librarian obtained 128 tickets to Great America Theme Park, valued at \$3,555, by forging teachers' signatures, submitting fraudulent rosters to Great America, and falsely representing that she was the duly authorized coordinator at the school to enroll students in the park's "Read to Succeed Program." Under the program, students who read 600 minutes were to receive free tickets to the theme park.
- A school community representative at an elementary school used sick leave to attend beauty school, resulting in a five-day suspension imposed by the principal.
- A senior control coder fraudulently obtained a supervisor's password to access the central computer system and without authorization issued to herself 10 reimbursement checks totaling \$1,370, which she cashed. She issued an additional five reimbursement checks totaling \$975, which were not paid and returned for insufficient funds. Additionally, she stated she attempted to cash and process checks in the amount of \$800. She was terminated as a result.
- A substitute teacher received \$1,541 for pay she was not entitled to receive. She subsequently agreed to pay back the money for one holiday and six unearned sick days.
- A high school teacher was erroneously overpaid \$9,314 after returning from maternity leave. She did not repay the money and was terminated as a result.
- A high school teacher falsified attendance records by "swiping in" another teacher in the school's Kronos timekeeping system when he left school early. The Chicago Board of Education issued warning resolutions as a result.

## PORNOGRAPHY



In 1997, the Chicago Board of Education adopted a policy outlining the acceptable uses of the Chicago Public School computer network, including the Internet. The policy prohibits using school computers for illegal, obscene or inappropriate purposes.

Cases involving violations of this policy included:

- A substitute teacher downloaded pornographic material from the Internet onto a diskette using a school computer. The disk contained numerous pornographic photographs. He was terminated and placed on a “Do Not Rehire” list.
- A Central Office employee sent a pornographic E-mail to several other employees. She was reprimanded as a result. The employee was terminated April 29, 2000.

## TUITION FRAUD AND RESIDENCY



The Employee Integrity Unit investigates tuition fraud and violations of the employee residency policy. Under allegations of tuition fraud, students who reside outside of the city limits and attend Chicago Public Schools must pay tuition as required by the Illinois School Code. Typically, these allegations involve falsification of documents to reflect a city address that is not the true domicile of the student. Most of the following cases were being adjudicated as of December, 2000.

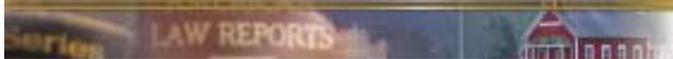
- A career service employee at an elementary school was in violation of the Chicago Board of Education’s residency policy and was found to owe \$43,792 in non-resident tuition for her children because they lived in Country Club Hills. The employee had falsely listed a Chicago address as her place of residence.
- A Cicero couple sent two children to Chicago public schools and consequently owed the Board \$48,316 in tuition.
- A Country Club Hills couple sent three children to Chicago schools without paying tuition, in the amount of \$102,659.
- An Evanston couple sent their children to a Chicago school without paying \$11,373 in required tuition. The case was adjudicated and settled in full.
- A Summit parent sent her children to a Chicago school without paying \$35,857 in required tuition.
- A South Holland couple sent their child to a Chicago school and failed to pay \$11,373 in tuition owed.

The Chicago Board of Education’s residency policy requires certain employees to reside within the city limits. The following cases involved alleged violations of this policy:

- An assistant principal was found to be living in Tinley Park.

- An elementary teacher resided in Tinley Park.
- An elementary teacher resided in Hazel Crest.
- An elementary teacher resided outside the city of Chicago.
- An elementary teacher resided in Westmont.
- An associate lunchroom manager at an elementary school was found to reside in Westmont, in violation of the Board's residency policy.

## OTHER POLICY VIOLATIONS



- A teacher issued a failing grade to a student for personal reasons despite issuing him six “A’s,” two “B’s,” and one C grade on class work. After questioning by the Office of the Inspector General, she recalculated the grades and assigned the student a “B” grade. The teacher was issued a warning resolution.
- A principal hired his brother to paint the school without having obtained an exemption from the Board of Education’s Ethics Policy. The brother was paid \$14,952 in the 1997-1998 school year for his services. Discipline was imposed as a result.

## MANAGEMENT ACCOMPLISHMENTS

As an agency charged not only with investigating waste and fraud, but also with recommending more efficient management, the Inspector General is dedicated to ensuring its own office operates in concert with the best practices of sound management.

As such, the office established extensive management initiatives, ranging from a recruitment drive that entailed sifting through more than 225 resumes to data-driven management and strong means of internal communications. The office in the year 2000 also conducted its annual marketing campaign to make schools aware of the existence and mission of the OIG.

The ongoing training program in the Office of the Inspector General consists of three areas:

- The craft of investigations, which covers skills such as interviewing, document analysis, report writing, computer seizure techniques, investigative procedures and testifying.
- The subject of investigations, which includes training in such areas as bid-rigging, cybercrime, and payroll systems.
- Management, computer, and other technical training.

Investigative training is presented through external organizations and in-house training sessions.

Managers and investigators have attended outside seminars conducted by:

- The Association of Inspectors General
- The Association of Certified Fraud Examiners
- The Construction Owners Association of America
- The Chicago Crime Commission
- The Council of Inspectors General

Internal training consisted of:

- A four-hour session on the Chicago Public Schools' payroll system
- A series of videotapes called, "Introduction to Fraud Examination" by the Association of Certified Fraud Examiners. Presented over six weeks, these included the craft of investigations as well as interviews with persons convicted of white-collar crimes.

- Training on the OIG case management system and investigative guidelines
- Guidelines on testifying
- The craft of interviewing
- An all-day session on employee investigations focusing on legal issues, presented by the Council on Education in Management.
- A forensic view of financial statements.

These sessions supplemented prior training that ranged from cyber-crime investigations, presented by the Federal Bureau of Investigation, and anti-trust violations by the Anti-Trust Division of the U.S. Department of Justice, to the Chicago Public Schools' policy on substance abuse.

Additional past training sessions encompassed procedures and systems of sister city agencies such as the Chicago Building Department, the City Department of Purchases, Contracts and Supplies, and the office of the Cook County State's Attorney.

As of December, 2000, the Office of the Inspector General laid plans to create the Illinois Association of Inspectors General with other inspectors general in the state. In what would be the first state chapter of the national association, the organization was under formation in late 2000 to exchange information about substantiated cases on contractors and employees as well as to create training programs on a large scale.

BOARD OF EDUCATION OF THE CITY OF CHICAGO  
INVESTIGATIVE RESPONSIBILITIES



## Introduction

The Chicago Board of Education and the management of Chicago Public Schools are dedicated to a system that operates with integrity and accountability.

The following document was developed to help other members of the school community determine what unit or individual is responsible for investigating different types of complaints.

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## OFFICE OF THE INSPECTOR GENERAL

Maribeth Vander Weele, Inspector General  
310 South Michigan Avenue, Suite 1300  
Chicago, Illinois 60604  
(773) 534-8711

Facsimile: (773) 534-8712

Hotline: (773) 48-FRAUD (483-7283)

E-mail address: [investigations@doi.cps.k12.il.us](mailto:investigations@doi.cps.k12.il.us)

Web Site: [www.cps.edu/aboutcps/departments/inspectorgeneral](http://www.cps.edu/aboutcps/departments/inspectorgeneral)

- Construction fraud
- Vendor fraud
- Payroll fraud
- Purchasing fraud
- Educational fraud and abuse
- Falsification of certificates or teaching credentials
- Criminal backgrounds of existing Board employees or vendors
- Theft of equipment or money
- Forgery
- Embezzlement of monies obtained through rental of school or Board property
- Drug-dealing by employees
- Violations of federal and state law
- Tuition fraud
- Residency violations
- Violations of the Board Rules and policies
- Violations of the School Code of Illinois

## OFFICE OF SCHOOLS AND REGIONS

Dr. Blondean Y. Davis, Chief of Schools and Regions  
125 South Clark Street, 10th Floor  
Chicago, Illinois 60603  
(773) 553-2150

- Allegations of abuse of students by Board employees, consultants, vendors, volunteers, or persons employed by firms or individuals working under the Board contract. This includes physical, sexual, verbal abuse, or other inappropriate conduct involving a student
- Achievement test cheating
- Day-to-Day school management issues
- Failure to report allegations of suspected child abuse
- Failure to report incidents of student misconduct

## OFFICE OF SCHOOL AND COMMUNITY RELATIONS

James Deanes, Director  
125 South Clark Street, 5th Floor  
Chicago, Illinois 60603  
(773) 553-1400

- Matters relating to Local School Councils (LSCs)
- Requests by LSCs to revoke a Principal's Contract
- Violations of the Open Meetings Act
- Violations of the principal selection process
- Code of Ethics policy violations by LSC Members
- Allegations of misconduct on the part of LSC members
- Allegations of misappropriation of discretionary funds, specifically funds spent contrary to a LSC vote
- Failure to implement School Improvement Plan allegations

## OFFICE OF ETHICS

Harriet Neely, Chief Ethics Officer  
125 South Clark Street, 13th Floor  
Chicago, Illinois 60603  
(773) 553-2260

- Nepotism
- Conflict of interest
- Enforcement of Ethics Code
- Vendor Disclosure Review

## REGION EDUCATION OFFICERS

### Region 1

Eva Nickolich, Region Education Officer  
6323 North Avondale, Suite 228  
Chicago, Illinois 60631  
(773) 534-1100

### Region 2

Domingo Trujillo, Region Education Officer  
2021 North Burling  
Chicago, Illinois 60614  
(773) 534-8230

### Region 3

Dr. Hazel Steward, Region Education Officer  
231 North Pine  
Chicago, Illinois 60644  
(773) 534-6284

### Region 4

Jose Rodriguez, Region Education Officer  
10 West 35th Street, 10th Floor  
Chicago, Illinois 60616  
(773) 534-9082

### Region 5

Garland Cleggett, Region Education Officer  
6130 South Wolcott  
Chicago, Illinois 60636  
(773) 535-9570

### Region 6

Sherye Garmony-Miller, Region Education Officer  
10541 South Aberdeen  
Chicago, Illinois 60643  
(773) 535-2600

- Mismanagement and parent mediation issues involving principals
- Appeals of student suspensions
- Appeals of employee discipline on local school level
- Allegations of mismanagement involving principals, Local School Council members and inquiries referred from various departments

## **TITLE IX OFFICER**

D. Corinne Leak, Title IX Officer  
125 South Clark Street, 2nd Floor  
Chicago, Illinois 60603  
(773) 553-2688

- Sexual harassment by and against employees, vendors, contractors, consultants and volunteers
- Sexual harassment training for administrators, teachers, and education support personnel

## **BUREAU OF LABOR RELATIONS**

Margaret Kostopulos, Director  
125 South Clark Street, 13th Floor  
Chicago, Illinois 60603  
(773) 553-1200

- Grievable issues pursuant to Collective Bargaining Agreements
- Discipline and termination hearings
- Discipline appeals
- Project labor agreements
- Inquiries from unions
- Extended pay hardship requests

## **DEPARTMENT OF TEACHER ACCOUNTABILITY**

Dr. Sandra Givens, Director  
125 South Clark Street, 11th Floor  
Chicago, Illinois 60603  
(773) 553-2430

- Monitoring of E-1, E-2, and E-3 process for poorly performing teachers
- Professional development on the teacher evaluation process for principals and assistant principals
- Teacher evaluation process

## **OFFICE OF SPECIALIZED SERVICES**

Sue Gamm, Chief Specialized Services Officer  
125 South Clark Street, 8th Floor  
Chicago, Illinois 60603  
(773) 553-1800

- Compliance with Federal and State special education rules
- Student-on-student sexual misconduct

## **BUREAU OF SAFETY AND SECURITY**

John Frangella, Director  
125 South Clark Street, Lower Level  
Chicago, Illinois 60603  
(773) 553-3010

- Student-on-student assault and battery
- Student-on-employee assault and battery
- Property damage
- Criminal background checks of job applicants
- Burglary, threats, bomb threats, arson and theft

## **AMERICANS WITH DISABILITIES ACT**

Michael Rowder, ADA Administrator  
125 South Clark Street, 2nd Floor  
Chicago, Illinois 60603  
(773) 553-2698 (Voice)  
(773) 553-2699 (TTY)

- Employee requests for reasonable accommodation
- Employee discrimination based on disability
- Title II discrimination based on disability in access to programs, activities, and services

## **BUREAU OF EMPLOYEE HEALTH SERVICES**

Michelle A. Quigley, M.S., R.N.,  
Medical Administrator  
125 South Clark Street, 2nd Floor  
Chicago, Illinois 60603  
(773) 553-1180

- Employee entrance physical examinations
- Medical and family leaves and reinstatements
- Reasonable suspicion testing
- Fitness for duty examinations
- Employee assault cases