

July 1, 2003 - June 30, 2004

Office of the

Inspector

General

of the Chicago Board of Education

2004
Annual Report

James M. Sullivan
Inspector General

Prepared pursuant to 105 ILCS 5/34-13.1(e)



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of the Chicago Board of Education

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Inspector General

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A Message from the Inspector General

This Annual Report is being provided to the Chicago Board of Education and the Illinois General Assembly pursuant to the Illinois School Code, specifically 105 ILCS 5/34-13.1(e). The School Code authorizes the Office of the Inspector General (“OIG”) for the Chicago Board of Education to conduct investigations into allegations of or incidents of waste, fraud, and financial mismanagement in public education within the jurisdiction of the Board. This Annual Report is a summary of reports and investigations for Fiscal Year 2004, the period between July 1, 2003 and June 30, 2004.

In FY 04, the OIG received 798 complaints alleging misconduct, waste, fraud and financial mismanagement within the Chicago Public School system (“CPS”), an increase of nearly 20% from the previous reporting year. Despite continued budget and staff reductions, the OIG issued 121 reports of investigations conducted in FY 04, its highest level of production to date. In addition, the OIG continued to mediate school complaints against vendors, successfully resolving 58 issues. The OIG also assisted CPS administration by reviewing proposed policies and policy amendments, as well as assisting in due diligence reviews of proposed contractors.

Based on investigations completed in FY 03, in an attempt to assist CPS in reducing the risk posed by corrupt contractors and unscrupulous employees, the OIG made specific recommendations to either strengthen established controls or to implement new practices and procedures. The recommendations included enhancing due diligence of vendors, increasing accountability of privatized construction managers and staff, improving procedures for contractors reporting minority compliance, and enhancing the enforcement and monitoring of the CPS Ethics Policy. Following the filing of this Annual Report, the OIG will review FY 04 investigations and again make necessary recommendations to improve the integrity and efficiency of CPS operations.

In the past year, two investigations conducted by the OIG and reported in the FY 02 Annual Report were successfully prosecuted resulting in convictions. In one case, a recently retired elementary school principal issued more than \$66,000 in school checks and pay-out transactions to herself during the same period of time that records revealed she lost in excess of \$170,000 gambling. The Cook



County State's Attorney's Office charged the former principal with theft. The former principal recently plead guilty and has agreed to pay CPS more than \$50,000 in restitution. Following another OIG investigation, a part-time elementary school security supervisor falsified timesheets to reflect hours that he did not work. The State's Attorney's Office charged the security supervisor with theft and official misconduct. The security supervisor plead guilty and was ordered to pay more than \$10,000 in restitution to CPS.

Also in the past year, two executives of a contractor previously investigated by the OIG and reported on in the OIG's FY 2000 Annual Report, were indicted in the United States District Court for the Northern District of Illinois and charged with four counts of mail fraud. The OIG investigation revealed that the executives created a bogus minority-owned business and used the sham company as a subcontractor to meet CPS minority participation requirements. The indictment alleges that the executives obtained a \$6 million contract extension after submitting forms to CPS proposing to use the sham company to perform more than 6% of the work. After receiving the contract, the company reported paying the subcontractor nearly \$600,000. As the OIG investigation revealed, the sham company was in fact controlled by the executives and was formed to maximize company profits and purportedly meet minority participation requirements. As of the writing of this report, the charges against the executives are pending in federal court.

In FY 02, the OIG reported on an investigation of a contractor that fraudulently misrepresented more than \$1 million of minority participation. The investigation revealed that the contractor represented, through affidavits and other documents, that it utilized and paid five minority or women owned subcontractors to perform on its contracts when in fact the subcontractors did not perform and were not paid. In the past year, CPS has successfully debarred or disciplined all entities involved in the fraudulent misrepresentations, with the general contractor, its officers and an employee being debarred for the maximum three-year period allowed by CPS policies.

A summary of reports and investigations for FY 04 is contained in the following pages.

The Office of the Inspector General would like to thank the Chicago Board of Education and CPS administration for continued cooperation and support.

James M. Sullivan
Inspector General



The logo features the letters 'OIG' in a large, stylized, gold-colored font. The 'O' is at the top, the 'I' is in the middle, and the 'G' is at the bottom. To the right of the 'OIG' is the year '2004' in a bold, black, serif font. Below '2004' is a horizontal line, and below the line is the text 'Annual Report' in a bold, black, serif font.

OIG 2004 Annual Report

Recommendations

The School Code mandates that the OIG make recommendations to the Board concerning its investigations. One goal of OIG investigations is to increase the efficiency and management of CPS operations. During the reporting year, the OIG made specific recommendations to CPS administration to enhance the efficacy of its management. Summarized below are some specific recommendations made during Fiscal Year 2004.

- The OIG received complaints that specific CPS employees were misusing CPS-owned or leased vehicles. After receipt of the complaints, the OIG attempted to identify the employees who may have been operating these vehicles and a rule or policy violation for vehicle misuse. Finding that neither CPS nor the specific user departments had a policy or rule describing acceptable and unacceptable use, the OIG recommended that CPS establish such a policy. The OIG identified numerous issues that CPS should address in the policy including, criteria for use of CPS owned or leased vehicles, insurance requirements, take home privileges and personal use.
- The OIG conducted an investigation of an allegation that an assistant principal of a CPS high school falsified his attendance records by working a second job during hours that conflicted with his CPS time. The investigation did not produce evidence that the hours worked by the assistant principal at his other full-time job conflicted with his CPS hours. However, the investigation revealed that the assistant principal had failed to notify CPS, pursuant to policy, that he had secondary employment despite apparently being sent yearly *Statements of Business and Financial Interests (ethics statements)*, a document that requires such disclosure.

As a result of the investigation, the OIG made specific recommendations that CPS begin enforcing penalties against those employees who do not file annual ethics statements

when required to do so. The CPS Ethics Policy requires certain employees to file annual ethics statements. Those employees who are required to file annual ethics statements and do not are subject to discipline. The OIG recommended that CPS implement a clear and consistent procedure to ensure the prompt filing of ethics statements and the imposition of discipline for those who do not.

- The OIG received an allegation that an elementary school teacher had a criminal history. The OIG conducted an investigation which revealed that in 1979 the teacher had plead guilty to the offenses of indecent liberties with a child and burglary and was sentenced to serve a four-year term of probation. The investigation also revealed that in 1980 the teacher again plead guilty to a charge of indecent liberties with a child and was sentenced to serve a four-year term in the Illinois Department of Corrections. When he subsequently filled out various applications with CPS, the teacher failed to disclose his criminal convictions. Following the OIG investigation, the teacher resigned from CPS employment.

Following the investigation, the OIG made a recommendation to CPS that a comprehensive and systematic review be conducted of all school-based employees to ensure that recent criminal background checks have been performed. As the above case indicated, the teacher, hired prior to the implementation of stringent controls, was never subjected to an appropriate background check.

- For six years the OIG mediated disputes between schools and contractors that performed rehabilitation, construction and repair work at schools. A unit within the OIG received and recorded complaints, and then attempted to bring the parties together to resolve disputes concerning shoddy workmanship, non-performance, unresponsiveness and other construction issues. Many of the issues mediated by the OIG involved interaction with the system's Property Advisors. The duties of the Property Advisors included providing property management services, ensuring procedural compliance with rules, policies and laws, soliciting work estimates from multiple vendors, initiating work orders, processing documents necessary for CPS to pay vendors and conserving physical and fiscal assets of CPS. During this period, the OIG maintained a database of complaint information and resolutions for the 608 cases mediated over a five and one-half year period. To assist the CPS Department of Operations in evaluating the work of the Property Advisors, the OIG reviewed and analyzed data it had acquired and reported on the findings. The OIG also reviewed and analyzed data maintained by the Department of Operations, Bureau of Asset Management.

The analysis performed by the OIG determined the number and type of complaints made specifically against each Property Advisor for failure to perform contractually obligated duties. The OIG also analyzed work order aging reports to determine which Property Advisors processed work orders in the most expeditious manner. The OIG also reviewed and commented on the property advisor selection process utilized by the Department of Operations up to that time.

As a result of its review and analysis of various data, the OIG recommended that the Department of Operations (1) capture comprehensive data sufficient to enable it to evaluate and monitor

Property Advisor performance, (2) include standards and measures in future contracts, (3) develop a training system to ensure that accurate information is provided to CPS by each Property Advisor, (4) audit its Property Advisor database to ensure that accurate and timely information is being provided by Property Advisors and (5) establish stringent controls over work order cancellations.

Miscellaneous Investigations

- The OIG conducted an investigation into an allegation that staff at a CPS high school had created fictitious classes and entered the classes into the CPS budget system to increase staff allotment. The investigation revealed that prior to the twentieth day of classes, schools can continually adjust class schedules and assignments to accommodate student and staff needs. The final class schedules and teacher assignments are entered into the CPS Budget Reconciliation and Control System (BRACS) which calculates appropriate teacher allotment. After receipt of this allegation, the OIG conducted numerous interviews of CPS staff, both at the central office and the high school. Investigators also reviewed data from the BRACS system and compared that to staffing and class scheduling documents at the high school. The OIG investigation revealed evidence that staff at the high school created 34 fictitious classes, entered the information into the BRACS system and increased the school's teacher allotment by more than four positions. At the conclusion of the investigation, the OIG recommended that CPS take the appropriate disciplinary action against the staff involved in the misrepresentations.
- The OIG received a complaint that a custodial worker at an elementary school had a criminal background that should have precluded his employment with CPS. The OIG conducted an investigation that revealed that the custodial worker was in fact convicted of possession of a controlled substance in 1995. Pursuant to the School Code such a conviction precludes employment with a school district. The OIG recommended that the employee be immediately terminated. The custodial worker resigned from CPS employment and was designated ineligible for re-hire.
- The OIG conducted an investigation of a school nurse assigned to serve emotionally and physically disabled students who primarily attended non-CPS facilities. The investigation was initiated after receipt of a complaint that the nurse was being paid for extended day hours that were not approved by a supervisor and that the nurse falsified extended day time sheets. The investigation revealed that during an eight-month period the nurse submitted extended day timesheets reflecting 169 hours of extended time worked and the timesheets contained falsified approval signatures. In addition, for much of this time, the nurse was not authorized to work extended time. The investigation further revealed that the nurse submitted extended day timesheets reflecting 72 hours in extended day time that overlapped or was otherwise inconsistent with hours she reported on regular timesheets. In total, the

OIG investigation revealed that the nurse received \$7,000 in pay based on timesheets with falsified approval signatures and more than \$3,000 in extended day pay for hours that overlapped or were otherwise inconsistent with her regular working hours. The OIG recommended the appropriate disciplinary action against the nurse and the appropriate legal action to recoup the losses incurred by CPS. The school nurse subsequently retired from CPS and the Law Department is reviewing the matter for potential affirmative litigation.

- The OIG conducted an investigation that focused on allegations that an elementary school assistant principal engaged in secondary employment on CPS time and that the assistant principal used a CPS computer to access pornography. The investigation revealed that both allegations were true. The OIG investigation included surveillances, numerous interviews, a review of records and an examination of the computer assigned to the assistant principal. The investigation revealed that the computer used by the assistant principal contained numerous pornographic images. Based on this finding and a determination that the conduct of the assistant principal violated the CPS policy dealing with the acceptable use of the internet and electronic mail, the OIG recommended the immediate termination of the assistant principal.

The OIG investigation also revealed that the assistant principal also ran a business that employed other school staff. The investigation further revealed that the assistant principal occasionally utilized two staff members to work for his company. Neither the assistant principal or the two staff members filed notices of secondary employment with CPS.

The assistant principal resigned from CPS employment and has been designated ineligible for re-hire. The Law Department referred the matter to the principal of the school where the staff members are employed for the issuance of school-based discipline.

- Following the receipt of an allegation dealing with a violation of the CPS Ethics Policy, the OIG conducted an investigation which focused on an elementary school teacher who had a financial interest in the sale of reading materials purchased by the school where she worked. The investigation revealed that the teacher and two other people developed, edited and produced a reading program and materials through a privately held enterprise. The elementary school, at the direction of its principal, purchased more than \$133,000 of these materials over a three-year period. Another school also purchased \$6,400 worth of these materials. The OIG investigation revealed that for her role in creating the materials, the CPS teacher was paid more than \$61,000 over this period. This conduct, the OIG found, violated the CPS Ethics Policy in that the teacher had a direct economic interest in the sale of materials to CPS and she used her influence as the school's curriculum coordinator to persuade the principal to purchase the reading materials.

The investigation also revealed that the teacher's son and daughter-in-law, also CPS employees, performed work for the private enterprise in developing and producing the reading materials that were sold to the school and were compensated. The investigation

further revealed that the school principal violated various Internal Account rules during this time period in his dealings with the teacher. Disciplinary proceedings against the principal and teacher are pending.

- A computer technician at a CPS high school was accused of receiving pay for hours she did not work. Following receipt of this allegation, the OIG conducted an investigation which included the review of CPS timekeeping records and comparing them to class schedules and attendance records from a local university. This analysis revealed that the computer technician received at least \$4,000 in pay over a three-year period for hours that she was scheduled to be attending her own college classes. The investigation revealed that on more than 400 days when she was scheduled to be working specific hours at the high school she was also scheduled to be attending classes at a local university at the same time. The teacher admitted to the OIG that she was given the opportunity to make up the time that she was not in the building and was attending university classes but had not done so. The computer technician resigned from CPS and has been designated as ineligible for re-hire.
- The OIG conducted an investigation of a school clerk at a CPS high school after an allegation was received that she provided a fraudulent social security number to obtain employment. The investigation revealed that the school clerk provided the wrong social security number when seeking employment. The OIG verified that the social security number was not assigned to the school clerk. The OIG also discovered that CPS officials did not review sections of a form completed by the school clerk when hired that are designed to verify employment eligibility. The school clerk resigned from CPS shortly after the allegation surfaced.
- The CPS Purchasing Department became aware of fraudulent CPS purchase orders that were being submitted to vendors attempting to obtain thousands of dollars of computer and electronic equipment. The OIG began an investigation that revealed that four vendors reported receiving questionable CPS purchase orders requesting the shipment of \$46,000 in merchandise to the same residence. With the assistance of the Financial Crimes Division of the Chicago Police Department and the vendors, the OIG coordinated a controlled delivery of items to the residence. Following the controlled delivery, the offender was identified and more than \$10,000 of items that had been shipped to the residence were recovered. It should be noted that the offender was the same person previously investigated by the OIG for perpetrating a similar scam in 2003. That investigation was reported in the OIG's FY 2003 Annual Report.
- An OIG investigation revealed that a computer lab assistant at a CPS high school provided a fraudulent social security number to CPS when he was hired. The investigation further revealed that the computer lab assistant was hired as a non-Board employee and was paid from miscellaneous payroll. These types of employees are required to fill out various

documents when hired, however, the investigation revealed that the high school was not in possession of any of these documents. The OIG also could not find evidence that the computer lab assistant ever submitted to a criminal background check. The investigation revealed that the computer lab assistant was aided in gaining employment at the high school by his girlfriend, a security officer at the school.

- The OIG received an allegation that for several months money was being stolen from the office of a school business manager for a CPS elementary school. The OIG installed a covert surveillance camera in a school office. A review of the videotape made from the surveillance showed that a porter assigned to the school entered the office and removed \$57.00 from an envelope in a cabinet in the office. The porter admitted to the OIG that he took the money on the occasion observed and that he had been stealing money for months. The porter was subsequently arrested by the Chicago Police Department and charged with the offense of theft. He plead guilty and was sentenced to six-months of supervision. The porter resigned from CPS employment.
- The OIG conducted an investigation of an allegation that a substitute teacher cashed a CPS check to which she was not entitled. The OIG investigation revealed that the substitute teacher was issued a payroll check in the amount of \$479.97. The substitute teacher informed CPS that she never received the check and she was issued a replacement check. The investigation further revealed that the substitute teacher subsequently cashed both the original check and the replacement check. The substitute teacher was discharged from CPS employment.
- The OIG was notified that a lunchroom aide was arrested while off-duty and charged with the offense of possession of a controlled substance after she was observed by Chicago police officers engaged in a drug transaction. The OIG investigation revealed that the lunchroom aide plead guilty to the charge and was sentenced to serve a two-year term of probation. The OIG had previously forwarded the results of another investigation that found that the lunchroom aide had been convicted of the offenses of possession of a controlled substance in 2001 and possession of cannabis in 1998. These convictions, pursuant to the Illinois School Code, preclude her employment by CPS. The lunchroom aide subsequently resigned from CPS employment and was designated ineligible for re-hire.
- A principal of a CPS high school was accused of violating various rules when constructing and purchasing items for a new teacher's lounge at the school. The OIG investigation revealed that the principal violated CPS purchasing guidelines by purchasing in excess of \$19,000 in furniture from one vendor without approval of the Board of Education. The investigation also revealed that the principal's wife, a self-employed interior decorator, designed the lounge and received \$2,700 in commissions from a furniture company for furniture purchases made on behalf of the school. More than a year after receiving the

commissions, but before the OIG investigation, the principal's wife returned the commissions to the furniture company. The OIG reported the technical purchasing violations and ethics violations to CPS. Following the OIG investigation, the principal received a written reprimand.

- The OIG received a complaint that funds collected at a CPS high school were allegedly stolen by employees of the armored car company hired to transport the money to the bank to be deposited. The OIG investigation included numerous interviews of bank employees, armored car employees and management personnel and a review of the procedures of each as they related to handling CPS monies. The OIG also conducted numerous interviews of high school staff with responsibility for collecting, counting and depositing funds collected at the school. Based on the investigation, the OIG found that neither the armored car company nor the bank were responsible for the missing money. The OIG investigation revealed that, in fact, the school's money-handling practices had violated Internal Account procedures. The investigation specifically revealed that money collected was not counted according to accepted practices, excess cash was stored in a desk, some money collected could not be attributed to specific providers, and receipting systems were not uniform. The OIG reported that school staff violated numerous Internal Account rules and the OIG recommended that money-handling procedures be reviewed by the appropriate CPS officials.
- Following an audit of a CPS high school by the CPS Department of Audit Services, the OIG followed up on that department's finding that poor management oversight of the school's internal accounts had exposed the school to misappropriation and theft. The OIG investigation revealed that two staff members did not follow procedures in handling money collected at the school. Specifically, money was not deposited on a daily basis with the school treasurer, money collected was not left in a secure place when held awaiting deposit, money collected was not deposited in the bank in a timely manner, and the two staff members did not follow receipting procedures. Following the audit, one of the staff members was laid off from CPS.
- The OIG investigated an allegation that a CPS licensed practical nurse received pay for days that she did not work. The investigation revealed that the licensed practical nurse informed supervisors that she needed to take an emergency sick leave, however she never applied for the leave and was paid for the next month although she did not show up for work. It was also revealed that there were additional days over the next few months that the licensed practical nurse did not report for work and was paid. The OIG determined that a payroll practice utilized by CPS allowed the nurse to be entered in the payroll system as working unless someone notified the department that the employee was absent. During the course of the OIG investigation, the payroll procedures utilized by the CPS department were changed and a new procedure was implemented to prevent paying staff for days not worked. The OIG reviewed payroll records for the licensed practical nurse and determined that the nurse was overpaid more than \$7,400 for at least 58 days that she did not report to work. The licensed

practical nurse resigned her position with CPS during the course of the investigation.

- The OIG followed up on an allegation that a CPS teacher was using a CPS computer to access sexually explicit images. The investigation revealed that after suspicions were raised at the school, a computer technician examined the computer assigned to the teacher and discovered that numerous images of women, some in explicit poses, were stored on the computer. The OIG investigation revealed that the teacher used the school computer to access explicit images and he also received pornographic pictures through a personal e-mail account. The teacher was discharged from CPS employment and was designated ineligible for re-hire.
- A CPS teacher was also assigned to run a CPS sponsored basketball camp at a local junior college. After the teacher was accused of submitting falsified time records misrepresenting time he worked at the camp, the OIG conducted an investigation. The OIG investigation revealed that teacher submitted timesheets reflecting that he worked 20 hours during one week at the camp when in fact he was out of town. The teacher is no longer employed by CPS.
- After receiving an allegation that a custodial worker assigned to a CPS high school had a criminal background that precluded his employment with CPS, the OIG conducted an investigation. The investigation revealed that the custodial worker was in fact convicted in 1995 of the offense of possession of a controlled substance. The OIG forwarded these findings to the Department of Law and recommended that the custodial worker be terminated immediately. The custodial worker retired from CPS and was designated ineligible for re-hire.
- A parent volunteer at an elementary school was arrested and charged with the offense of possession of a controlled substance. An OIG investigation revealed that the parent volunteer plead guilty to the charge and was sentenced to serve a two-year term of probation. Records indicate that the parent volunteer is no longer paid by CPS.
- The OIG conducted an investigation of an allegation that an employee of a CPS grammar school paid from miscellaneous payroll was arrested and charged with the offense of burglary. The OIG investigation revealed that the employee plead guilty to the offense of burglary and was sentenced to serve an eighteen-month term of probation. The OIG investigation further revealed that the employee had a prior criminal record which included convictions for attempt robbery and possession of a stolen motor vehicle. Records indicate that the employee is no longer being paid by CPS.

- An investigation was conducted that revealed that a guidance counselor aide was paid for 133 days of time to which he was not entitled. The investigation revealed that during different illness absences over a three-year period the guidance counselor aide was paid for working when sick days should have been deducted from his available bank of time. When his sick days were finally exhausted, the guidance counselor aide took a leave of absence, however, the investigation revealed that the guidance counselor aide was recorded as working for 133 days when he in fact was off from work due to his illness. The OIG investigation revealed that the school's timekeeper during the guidance counselor aide's absences is no longer employed by CPS. The OIG recommended the recovery of more than \$14,000 improperly paid to the guidance counselor aide.
- The OIG received an allegation that a guidance counselor aide assigned to a CPS elementary school had a criminal background. The OIG then conducted an investigation which revealed that the guidance counselor aide had previously been employed by a local government agency prior to CPS employment. The investigation also revealed that when employed at the other government agency she was charged with the offense of official misconduct. While her criminal charges were still pending, the guidance counselor aide began employment with CPS. Shortly after her CPS employment began, the guidance counselor aide was found guilty of the offense of official misconduct and was sentenced to serve a term of twenty-four months of probation. The OIG investigation further revealed that the guidance counselor aide did not report her conviction to the Department of Human Resources as required by Chicago Board of Education rules. The investigation also revealed that while employed at CPS the guidance counselor aide attended three court dates and received a full day's pay for each with no deduction of benefit time. Following the OIG investigation, the Law Department referred the matter to the principal of the school where the counselor aide is employed for the issuance of school-based discipline.
- A custodian at a CPS high school was accused of having a criminal background. The OIG conducted an investigation that substantiated the allegation. The investigation revealed that the custodian had recently plead guilty to the offense of possession of a controlled substance and was sentenced to serve an eighteen-month term of probation. The investigation also revealed that the custodian had previously been convicted of the offense of attempted possession of a controlled substance. Pursuant to the Illinois School Code, these convictions precluded the custodian's employment with CPS. The custodian subsequently resigned from CPS and was designated ineligible for re-hire.
- It was alleged that a contractual security officer at a CPS elementary school had obtained pay for hours that he did not work. The OIG conducted an investigation which revealed that over an eight-month period the security officer submitted two sets of time sheets, one set to the school reflecting accurate hours worked and one set to the Bureau of Safety and Security reflecting an additional 400 of hours of work he did not perform. These fraudulent time sheets caused the security officer to be paid in excess of \$6,000 that he did not earn.

In addition, for the next five months, the security officer submitted timesheets only to the Bureau of Safety and Security reflecting hours worked at the elementary school that he did not work. These timesheets caused the security officer to be paid in excess of \$5,000 for work that he did not perform. The investigation of the contractual security officer, who was a full-time Chicago Police Officer, was conducted with the assistance of the Chicago Police Department Internal Affairs Division. The investigation also revealed that the security officer had submitted timesheets to CPS for hours that conflicted with time he represented to the Chicago Police Department that he was in court and receiving overtime pay. The results of the investigation were forwarded to the Cook County State's Attorney's Office for prosecution. The security officer was subsequently charged with the offenses of theft, forgery and official misconduct. The security officer was recently convicted of the felony offense of theft and is awaiting sentencing.

- The OIG received notification that a substitute teacher was arrested by the Chicago Police Department and charged with the offenses of theft and forgery. A follow-up investigation revealed that the substitute teacher was arrested after forging more than fifteen checks. The investigation further revealed that the substitute teacher plead guilty to the offense of forgery and was sentenced to serve two years of probation. The substitute teacher was subsequently vacated from his position and has been designated ineligible for re-hire.
- The OIG received an allegation that an engineer at a CPS elementary school failed to possess the requisite stationary engineer's license required to hold the position. The OIG investigation revealed that the engineer was never issued a stationary engineer's license. After being called in to the OIG for an interview to discuss the allegation, the engineer resigned from his position with CPS. The engineer was subsequently designated ineligible for re-hire.
- The OIG conducted an investigation of a clerk at an elementary school which revealed that the clerk cashed a CPS check for more than \$200 to which she was not entitled. The investigation further revealed that the clerk also altered teacher's receipts used to record money collected at the school. Following the OIG investigation, the clerk was suspended for five days and was ordered to reimburse CPS.
- An investigation was conducted into an allegation that a porter at an elementary school had been arrested and charged with the offense of possession of cannabis. The OIG investigation revealed that the porter was arrested, charged and convicted of the offense of possession of cannabis and sentenced to serve a thirteen-month term of probation. The conviction, pursuant to the Illinois School Code, precludes the porter's employment by CPS. The porter subsequently resigned from CPS and was designated ineligible for re-hire.

- The OIG conducted an investigation which revealed that more than \$500 was stolen from a school safe. The investigation determined that after school staff learned that the money was missing, a licensed practical nurse was observed leaving a large brown envelope in a school bathroom. The Chicago Police Department was contacted and the licensed practical nurse was arrested after admitting that she committed the theft. The licensed practical nurse subsequently plead guilty to the charge of theft and was sentenced to serve a two-year term of conditional discharge and a six-month term of imprisonment in Cook County jail. The licensed practical nurse was terminated from CPS employment and has been designated ineligible for re-hire.
- The OIG received notification that a teacher's aide was arrested while off-duty and charged with the offense of forgery. An OIG investigation revealed that the teacher's aide deposited an altered check for the amount of \$51,250 into her bank account. The teacher's aide then withdrew more than \$12,000 from the account. The check had been altered to list the teacher's aide as the payee. After the bank learned the check was bogus, the Chicago Police Department was contacted and the teacher's aide was subsequently arrested and charged with the offense of forgery. In an interview with the OIG, the teacher's aide admitted her misconduct. The teacher's aide plead guilty to a lesser charge of theft and was sentenced to eighteen months of court supervision. The Law Department referred the matter to the principal of the school where the teacher's aide is employed for the issuance of school-based discipline.
- A school aide at a CPS elementary school was arrested and charged with the offense of attempt possession of a controlled substance. The OIG conducted a follow-up investigation which revealed that the school aide plead guilty to the charge and was sentenced to serve one day in jail. The school aide was subsequently laid-off by CPS and has been designated ineligible for re-hire.
- The OIG learned that a school treasurer of a CPS high school routinely kept money in a locked cabinet in her office and the money was being stolen. Based on the reported thefts, the OIG installed a video surveillance camera in the office. The video surveillance then monitored an unknown male entering the office, opening the cabinet with a key and removing money from the cabinet. The thief was later identified as a student at the school. Upon learning the identity of the offender, the OIG referred the matter to the Chicago Police Department and the CPS Bureau of Safety and Security.
- The OIG conducted an investigation of an elementary school playground attendant accused of having a criminal background. The investigation revealed that the playground attendant had recently been convicted in two separate cases of possession of a controlled substance. The investigation further revealed that the playground attendant had also been convicted

of possession of a controlled substance in 1996. Following the OIG investigation, the playground attendant was discharged from CPS employment and designated as ineligible for re-hire.

- The OIG learned that a custodial worker assigned to an elementary school had been arrested for the offense of attempt possession of a controlled substance. The OIG conducted a follow-up investigation which revealed that the custodial worker plead guilty to the offense of attempted possession of a controlled substance and was sentenced to serve two days in jail. The OIG investigation further revealed that the custodial worker had been convicted of the offense of armed robbery in 1964 and was sentenced to serve five years of probation. The custodial worker resigned from CPS employment and has been designated ineligible for re-hire.
- A school bus aide was arrested while off-duty and charged with the offense of possession of cannabis with the intent to deliver within 1000 feet of a school. The OIG conducted a follow-up investigation which revealed that the school bus aide plead guilty to the offense and was sentenced to a twelve-month term of probation. This conviction, pursuant to the Illinois School Code, precludes the school bus aide's employment with CPS. The OIG investigation further revealed that the school bus aide had a previous arrest for possession of cannabis wherein he was sentenced to supervision. Following the OIG investigation, the school bus aide was discharged from CPS employment and designated ineligible for re-hire.
- The CPS Audit Services Department conducted an audit at a CPS elementary school and noted numerous exceptions to accepted internal account procedures. The Audit Services Department referred its findings to the OIG and indicated the possibility of lost or stolen funds from the school. The OIG conducted an investigation which revealed that a clerk at the school had altered teacher's receipts and treasurer's receipts in preparation for the audit. In addition, the investigation revealed that the clerk failed to comply with established money handling procedures, however the OIG was not able to prove that money was missing from the school. Following the OIG investigation, the clerk retired from CPS employment.
- The OIG received a complaint that a substitute teacher had stolen the identity of another person and had used the name, social security number and educational background of the other person to obtain CPS employment. The OIG conducted an investigation that proved the identity theft. The OIG notified the Chicago Police Department of the crime and the substitute teacher was arrested and charged with the offense of identity theft. The substitute teacher was discharged from CPS employment. The substitute teacher was found guilty of the charge of identity theft and was sentenced to one year of probation.

- After receiving a complaint that CPS accounts payable checks were not being received by vendors, the OIG began an investigation. The investigation revealed that a large number of vendors had called CPS to complain that they had not received anticipated checks in the mail. Many of the checks, the OIG discovered, were being fraudulently endorsed and cashed at a south side currency exchange. The OIG further discovered that the checks being stolen were all made out to individually named vendors or companies which were a person's name. With the assistance of the Chicago Police Department, the OIG learned that a cashier at the currency exchange admitted to cashing numerous checks after receiving them from an unidentified male. The cashier received payment for cashing more than \$50,000 in checks at the currency exchange. The cashier was subsequently arrested and charged with the offenses of theft and forgery. She subsequently plead guilty to the charges and was sentenced to serve a term of twenty four months of probation and ordered to perform 100 hours of community service. No further leads were developed to determine the identity of the individual responsible for stealing the checks, however since the thefts, CPS has revised its practices concerning mailing checks to vendors.
- The OIG conducted an investigation which revealed that a high school teacher routinely swiped-in a co-worker on the CPS timekeeping system. The investigation began after the teacher was observed swiping two i.d. cards on the timekeeping system when she arrived at work in the morning. Through a review of records and interviews, the OIG learned that over a two-month period, the employees were swiped in at virtually the same time on numerous occasions. The investigation further revealed that on occasion one teacher would be at work when the other teacher swiped him in and on other occasions he would be late for work. Following the OIG investigation, each teacher was issued a warning resolution by the Board of Education.
- An elementary school teacher was charged in United States District Court with fraudulently obtaining U.S. Department of Education funds. The OIG conducted an investigation which revealed that the teacher had submitted student aid reports to obtain Pell Grants and knowingly and falsely understated family income and federal taxes paid. The investigation further revealed that the teacher then obtained more than \$16,000 in student loans for a child. After pleading guilty to the charges, the teacher was ordered to serve two years of probation and perform 100 hours of community service. The teacher was also ordered to pay the U.S. Department of Education more than \$16,000 in restitution. Following the OIG investigation, the teacher was issued a warning resolution by the Board of Education.
- The OIG conducted an investigation of an elementary school principal which revealed that the principal taught a local university class at the elementary school and was paid. The OIG investigation further revealed that the principal was an adjunct professor for the university and did not disclose her employment relationship with the local university in *Statements of Financial Interest* she was required to file with the CPS Ethics Manager. Disciplinary proceedings against the principal are pending.

- An elementary school assistant principal was accused of falsifying an *Application for Free and Reduced-Price Meals* on behalf of her son, a student at the same school. It was also alleged that the assistant principal enrolled her son at the school using the address of a co-worker since the assistant principal resided outside the school's attendance area. The OIG conducted an investigation which revealed that the assistant principal falsified information contained on her son's free lunch application by understating household income. The investigation further revealed that the assistant principal enrolled her son at the school using the address of a co-worker. As a result of the OIG investigation, the assistant principal was suspended for fifteen days.
- The OIG conducted an investigation which revealed that an elementary school teacher used a CPS tax-exempt letter to avoid paying taxes on personal purchases. The teacher and her husband, a former CPS employee, maintained an account at a local discount store and over a two year period made purchases of more than \$3,500 without paying sales tax. The teacher was issued a warning resolution by the Board of Education.
- The OIG conducted an investigation of a night watchman. The investigation provided sufficient evidence to show that the night watchman was absent from his assigned duties for more than two hours. The night watchman was subsequently dismissed from CPS employment and has been designated ineligible for re-hire.
- The OIG conducted an investigation of a custodian accused of having a criminal background. The OIG learned that the custodian had been arrested in 1989, prior to becoming a CPS employee, for the offense of possession of a controlled substance. The custodian plead guilty to the charge and was sentenced to serve a term of two years of probation. Pursuant to the Illinois School Code, the conviction precludes the custodian's employment with CPS. The custodian was subsequently dismissed from CPS employment and has been designated ineligible for re-hire.
- The OIG conducted an investigation of an allegation that a child welfare attendant assigned to an elementary school had a criminal background. The investigation revealed that the child welfare attendant had recently plead guilty to the charge of possession of a controlled substance after being found in possession of seven bags of cocaine while off-duty. The child welfare attendant was sentenced to serve a one-year term of probation. The child welfare attendant was subsequently discharged from CPS employment and has been designated ineligible for re-hire.
- A school bus driver was arrested off-duty and charged with the offense of driving under the influence of alcohol. The OIG conducted a follow-up investigation which revealed that the school bus driver was found guilty of the offense and was placed on supervision. The bus

driver worked for a privatized bus company and the OIG confirmed that he was no longer employed by the company.

- A high school teacher was arrested and charged with the offense of attempted murder. The OIG investigation revealed that while the criminal charges against her were pending, the teacher left CPS employment. The former teacher was subsequently found guilty of the charge of aggravated battery and was sentenced to serve a term of two years of probation and was ordered to undergo anger management training. The former teacher was also designated ineligible for re-hire.
- A teacher aide assigned to a CPS elementary school was arrested and charged with the offense of possession of a controlled substance. The OIG conducted a follow-up investigation which revealed that the school aide plead guilty to the offense and was sentenced to serve one year of probation. The investigation also revealed that the school aide, paid from miscellaneous payroll from the school, was no longer being paid.
- An instructor's assistant assigned to a CPS elementary school was accused of using a false address to register her two children at CPS schools. The OIG conducted an investigation which revealed that the instructor's assistant actually lived in the City of Chicago, but not at the address she reflected when registering her children at an elementary school and a high school. The instructor's assistant actually resided outside the attendance areas for the two schools and falsifying residence information for her children violated CPS policy.
- The OIG conducted an investigation which revealed that an elementary school teacher misrepresented her income when she submitted applications for student aid for her children. The teacher was charged by civil complaint in the United States District Court with filing false information to the U.S. Department of Education when applying for Pell grants. The teacher was ordered to re-pay more than \$7,900 in improperly received grant money. The Law Department referred the matter to the principal of the school the teacher is employed at for the issuance of discipline.
- An elementary school custodian was arrested and charged with the offense of possession of a controlled substance after Chicago police officers made a controlled delivery of a large amount of cocaine to a residence. The OIG investigation revealed that the school custodian, while on CPS time, left his assigned work location to go to the residence where the package was being delivered. After receiving the package, the custodian was arrested. The OIG investigation further revealed that the custodian also had a criminal history that was not disclosed to CPS. The OIG learned that the custodian was previously convicted of the offense of possession of a stolen motor vehicle and was sentenced to serve a four-year term of probation. Criminal charges against the custodian are pending. The custodian

subsequently resigned from CPS employment and has been designated ineligible for re-hire.

- The OIG conducted an investigation of a CPS security equipment technician after he was arrested for the offense of driving under the influence of alcohol after being involved in an accident while operating a CPS vehicle. The investigation revealed that the security technician was subsequently found not guilty of the charge of driving under the influence and was found guilty of a minor traffic offense. The OIG investigation also revealed that the security technician did not report the accident in a timely manner to his supervisors.
- The OIG conducted an investigation of an allegation that an elementary school principal allowed the school gymnasium to be used for the wake of a deceased local school council member without obtaining the prior approval of the local school council. The investigation substantiated the allegation and established that the principal violated the guidelines for school usage put forth in the Internal Accounts Manual. The investigation revealed that the deceased body was present at the school for less than one hour.
- The OIG conducted an investigation of an allegation that a prime contractor for CPS was failing to comply with the *Chicago Public Schools Revised Remedial Plan for Minority and Women Business Enterprise Economic Participation*. The investigation revealed that the company had agreed to comply with the M/WBE Plan in each of its recent contracts and contract extensions. Specifically, the M/WBE Plan requires M/WBE subcontractors to perform a commercially independent function. From September 2002 through March 2003, the investigation revealed, the prime contractor reported that a minority subcontractor performed 16% of the work on a contract and was paid in excess of \$3.6 million. However, the investigation revealed that the reported subcontractor had only received payment of \$60,000 to \$70,000 and had performed little if any work for the prime contractor. The investigation further revealed that the subcontractor's participation began to increase on the contract to include contacting the prime contractor's suppliers and placing orders. For this level of participation the subcontractor reportedly received a commission, a practice that the OIG contended still did not meet the requirements of the M/WBE Plan. CPS subsequently settled the dispute with the contractor resulting in increased M/WBE participation and a \$150,000 charitable donation which included a fine paid to the Board of Education.
- The OIG investigated two separate allegations that a vendor hired to conduct a community based employment training program at two schools failed to perform its contractual obligation. At one school, the vendor was retained to provide an adult job-training program. The vendor selected a teacher from the school to teach the program and informed the teacher that he would be trained to teach the class and would be provided materials to aid in instruction. The teacher never received adequate materials and was never paid for his services. The vendor also failed to pay another teacher who taught the class. At another

school, a principal purchased the vendor's community-based employment program and twenty six students from the school agreed to participate in the program designed to place the students in jobs at its conclusion. Again, a staff member from the school was selected to coordinate the program and she informed the OIG that the materials necessary to provide the job training were never provided by the vendor. The OIG forwarded the results of its investigations to the Law Department for the appropriate disciplinary action.

- A CPS general contractor was investigated for allegedly improperly benefiting from fees charged for overhead and profit on Capital Improvement Program change orders. The OIG investigation revealed that CPS agreements with general contractors allow the general contractor to add an additional 12% to the cost of a change order if the general contractor performs the work. Where a subcontractor performs the change order work, this same agreement allows the subcontractor to add 15% to the cost of the change order for overhead and profit and the general contractor to add an additional 6%. The OIG reviewed change order projects involving a specific general contractor. The OIG reviewed 16 jobs where the general contractor subcontracted change order work to two subcontractors. The cost of the change order work was more than \$600,000 and with the allowable markups added by the general contractor and subcontractor, the total cost of the change orders exceeded \$731,000. The OIG investigation revealed that the general contractor improperly benefited from the markups, since the general contractor owned and controlled the subcontractors as well. As such, the general contractor subcontracted the work to himself and added increased markups to the change orders improperly charging an additional \$59,000 to the change orders.

Court Watch

Throughout the year, the OIG receives notification that CPS employees or employees of privatized contractors have been arrested for various crimes while off-duty. The OIG is charged with the responsibility of monitoring the outcome of those criminal cases and reporting on those where a determination was made that the employees committed certain criminal offenses allowing for CPS administration to determine whether disciplinary action is warranted. During Fiscal Year 2004, the OIG monitored and reported on the following:

- A substitute teacher was arrested and charged with the offense of retail theft. The substitute teacher plead guilty to the offense and was sentenced to six months of conditional discharge. The OIG investigation also revealed that the substitute teacher had a previous arrest for the offense of possession of cannabis which resulted in a plea of guilty and a sentence of six months of supervision. The substitute teacher was vacated from her position and has been designated ineligible for re-hire
- A teacher was arrested and charged with driving under the influence. After being found guilty, the teacher was sentenced to two years of supervision.

- An assistant principal was arrested and charged with the offense of battery. The assistant principal was found guilty and sentenced to three months of supervision.
- A cook was arrested and charged with the offense of domestic battery. The cook plead guilty and was sentenced to serve eighteen months of conditional discharge.
- A former male mentor paid from miscellaneous payroll was arrested and convicted of armed robbery and possession of a stolen motor vehicle and was sentenced to serve a term of eight years in the Illinois Department of Corrections.
- A janitor for a privatized custodial company was arrested while off-duty for the offense of predatory criminal sexual assault. The janitor was convicted and sentenced to serve a term of four years in the Illinois Department of Corrections.
- A substitute teacher was arrested and convicted of the offense of reckless homicide. The substitute teacher was sentenced to serve a term of four years in the Illinois Department of Corrections. The substitute teacher was discharged from CPS employment and was designated ineligible for re-hire.
- A porter was arrested and charged with the offense of domestic battery. The porter plead guilty to the charge and was sentenced to serve one year of conditional discharge.
- A substitute teacher was arrested and charged with the offense of retail theft. The substitute teacher plead guilty to the charge and was sentenced to six months of court supervision.
- A teacher was arrested and charged with the offenses of theft, assault and unlawful use of a weapon. The teacher plead guilty to the charge of theft and was sentenced to six months of court supervision.
- A custodian for a privatized janitorial company was arrested and charged with the offense of theft after he stole a computer from the elementary school to which he was assigned. The custodian plead guilty to the offense and was sentenced to serve a term of eighteen months of probation. The custodian is no longer employed by the janitorial company.
- A school security officer assigned to an elementary school was arrested on a warrant for violating the terms of a previous sentence of conditional discharge for the offense of domestic battery. The security officer plead guilty to violating the conditions of his conditional discharge and was sentenced to serve a term of 42 days in the Cook County Department of Corrections. The security officer resigned his position with CPS and has been designated ineligible for re-hire.
- A teacher assigned to an elementary school was arrested and charged with the offenses of domestic battery and failure to register firearms. The OIG investigation revealed that the teacher plead guilty to the charge of failure to register firearms and was sentenced to two days of imprisonment and six months of court supervision. The teacher resigned his position with CPS and has been designated ineligible for re-hire.

- The OIG conducted an investigation which revealed that a teacher had twice been arrested for the offense of retail theft. The investigation revealed that the teacher plead guilty on two different occasions to the charge of retail theft and was sentenced on each occasion to two years of court supervision. The OIG learned that the teacher has resigned her position with CPS and has been designated ineligible for re-hire.
- The OIG learned that a teacher aide at an elementary school had four convictions for offenses related to domestic batteries with sentences ranging from conditional discharge to 113 days in jail. The teacher aide had been paid from a miscellaneous payroll position and the OIG could not find any indication that the teacher aide was still employed by CPS.
- A clerk assigned to a central office department was arrested after she removed credit cards from a co-worker's purse. The clerk was charged with the offense of theft. Upon her arrest, she was also found to be in possession of cannabis and was charged accordingly. The clerk plead guilty to the charges and was sentenced to six months of court supervision. The clerk was subsequently discharged from CPS employment.
- A former male mentor in a youth program was arrested and charged with committing two armed robberies. The male mentor plead guilty to the charge of armed robbery and was sentenced to nine years in the Illinois Department of Corrections.
- A substitute teacher was arrested and charged with the offense of soliciting for a prostitute. The substitute teacher plead guilty to the charge and was sentenced to serve a six-month term of supervision.
- A substitute teacher was arrested and charged with the offense of aggravated stalking. The substitute teacher plead guilty to an amended charge of violating an order of protection and was sentenced to serve a term of sixty days in the Cook County Department of Corrections and two years of probation. The substitute teacher was subsequently vacated from his position with CPS.
- An elementary school teacher was arrested and charged with the offense of public urination. The teacher plead guilty to the offense and was sentenced to two months of court supervision.
- A substitute teacher was arrested and charged with the offense of domestic battery. The substitute teacher plead guilty to the charge and was sentenced to serve eighteen months of conditional discharge. The substitute teacher was subsequently vacated from his position and has been designated as ineligible for re-hire.
- An elementary school teacher was arrested and charged with the offense of driving under the influence of alcohol. The teacher was found guilty and was sentenced to one year of supervision.
- An elementary school teacher aide was arrested and charged with the offenses of battery

and theft of services. The teacher aide plead guilty to the charge of battery and was sentenced to one year of supervision. The teacher aide was subsequently laid off from CPS.

- A watchman for a CPS high school was arrested and charged with the offense of possession of cannabis. The watchman plead guilty to the charge and was sentenced to six months of court supervision. The night watchman was subsequently separated from CPS employment.
- A man was arrested for the offense of possession of cannabis. The OIG conducted an investigation which revealed that when arrested, the man represented that he was a CPS employee. The OIG investigation determined that the man was not a CPS employee. The man plead guilty and was sentenced to six months of court supervision.
- A school aide assigned to an elementary school was arrested and charged with the offense of assault. The school aide plead guilty to the charge and was sentenced to nine months of court supervision. The school aide was discharged from CPS employment and was designated ineligible for re-hire.

Residency Investigations

To comply with the CPS residency policy, employees hired after November 20, 1996 must reside within the City of Chicago. The CPS Residency Policy mandates that employees, unless exempted because they teach in an identified “special needs” area, must maintain a City of Chicago domicile defined as the one true, permanent home to which, whenever they are absent, they have an intention of returning. The OIG has been delegated the responsibility of investigating allegations of non-residency and in FY 2004, substantiated the following allegations:

- An employee resided in Deerfield, IL. This employee subsequently resigned from CPS employment.
- An employee resided in Evanston, IL. This employee received a warning and, consistent with CPS policy, was given time to remedy the misconduct and move into the City of Chicago.
- A teacher was found to be residing in Park Forest, IL. while employed at a south-side school. The teacher subsequently resigned from CPS employment.
- A teacher was found to be residing in Oak Lawn, IL. despite representing that she lived in Chicago. A decision concerning discipline is pending.
- A regional business coordinator was found to be residing in Lake Forest, IL. despite representing that she resided in Chicago. A decision concerning discipline is pending.

- A project manager was found to be residing in Lake Forest, IL. after representing that he lived in Chicago. A decision concerning discipline is pending.
- The OIG conducted an investigation that proved that a high school teacher resided in Plainfield, IL. A decision concerning discipline is pending.
- A central office employee was found to be residing in Glenwood, IL. The employee was issued a warning and was given six months to remediate her misconduct and move into the City of Chicago
- The OIG conducted an investigation that revealed that a central office employee resided in Country Club Hills, IL. The employee was issued a warning and was given six months to remediate his misconduct and move into the City of Chicago.
- A central office employee was found to be residing in Matteson, IL. after representing that she resided in Chicago. The employee was issued a warning and was given six months to remediate her misconduct and move into the City of Chicago.
- A school aide assigned to an elementary school was found to be living in Oak Lawn, IL. after representing that she resided in Chicago. The school aide was subsequently issued a written reprimand. The school aide was also found to have had a child that previously attended CPS while living in the suburbs. As such, as part of her discipline, the school aide reimbursed CPS for non-resident tuition for her child.
- A teacher at a CPS elementary school was found to be residing in Dolton, IL. after representing that she lived in Chicago. The teacher was issued a warning resolution and was given time to remedy her misconduct.
- An elementary school teacher was found to be residing in Glencoe, IL. after representing that she lived in Chicago. Following the OIG investigation, the teacher was issued a written reprimand.
- An elementary school teacher was found to be residing in Lockport, IL. after representing that she lived in Chicago. The teacher subsequently resigned from CPS employment.
- An elementary school teacher was found to be residing in Palos Hills, IL. The teacher subsequently resigned from CPS employment.
- An elementary school teacher was found to be residing in Oak Lawn, IL. after representing that she resided in Chicago. The teacher subsequently resigned from CPS employment.

Tuition Fraud Investigations

The Office of the Inspector General has been delegated the responsibility of conducting investigations into allegations that various Chicago Public School students reside outside the City of Chicago, a violation of the Illinois School Code. During the course of FY 2004, the OIG conducted investigations which established the following:

- The parents of three southwest-side elementary school students, a first grader and two fifth graders, enrolled their children in CPS despite living in South Holland. The investigation established suburban residency for the family during the 2003-2004 school year. The OIG recommended that the CPS seek to recover the payment of non-resident tuition in the amount of at least \$19,411.95. This investigation also revealed that the mother of the children was a CPS employee. The mother was hired in 1995 and was not bound by employee residency restrictions. The OIG recommended the appropriate disciplinary action be taken against the mother for submitting false information to CPS regarding her children's residency.
- The mother of a fourth grade student at a southwest-side elementary school enrolled her child in the school despite credible evidence uncovered by the OIG which revealed that she and her son actually resided in Blue Island, IL. CPS made a determination of non-residency and is seeking payment of more than \$13,500 for non-resident tuition.
- Two siblings were found to be residing in Cicero, IL. while attending a west-side elementary school. The OIG investigation established that for at least two school years, the siblings attended the school while living in the suburbs. After being interviewed by investigators from the OIG, the parents of the children removed their children from the CPS school. The OIG recommended that CPS seek reimbursement for more than \$19,000 in non-resident tuition for the two school years.
- A fourth grade student enrolled at a south-side elementary school was found to have been residing in Alsip, IL. for at least three years. The OIG recommended that CPS seek reimbursement for more than \$22,000 in non-resident tuition for the three school years. A hearing officer determined that the student was a resident of Chicago and entitled to tuition-free education.
- A seventh grade student at a southeast-side elementary school was found to be living with his mother in Riverdale, IL. The OIG recommended that CPS seek reimbursement for non-resident tuition. After a hearing, CPS made a determination of non-residency and is seeking payment of more than \$9,700 for non-resident tuition.
- A second grade student and a seventh grade student who attended a southwest side elementary school were found to be residing in Summit, IL. with their parents. The OIG recommended that CPS seek reimbursement for non-resident tuition. After a hearing, CPS

made a determination of non-residency and is seeking payment of more than \$19,000 for non-resident tuition.

- A fifth grade student at an elementary magnet school was found to be residing in South Holland, IL. CPS subsequently made a determination that the student resided outside of Chicago and is seeking payment of non-resident tuition in the amount of more than \$25,000.
- A third grade student at an elementary magnet school was found to be residing in Whiting, IN. CPS subsequently made a determination of non-residency and is seeking payment of non-resident tuition in an amount of more than \$10,000.
- A first grade student at a west-side elementary school was found to be residing in Cicero, IL. The OIG recommended that CPS seek reimbursement for non-resident tuition in excess of \$6,400.

Mediation

Since 1998, the OIG, through the authority granted in Chicago Board of Education Resolution 98-0923-RS12, has mediated school complaints regarding vendors. Traditionally, school-based personnel have raised issues concerning the quality of work performed at the schools by contractors and the OIG has attempted to amicably resolve the disputes. In FY 2004, those disputes that the OIG successfully mediated include the following:

- An elementary school principal complained that large-scale work to be performed at the school was excessively delayed. The OIG intervened and the work was performed to the school's satisfaction.
- The principal of an elementary school questioned the quality of the work being performed, including tuckpointing, door, window and roof repairs. The OIG intervened and contractor completed the work to the school's satisfaction.
- A contractor at an elementary school failed to complete new door installation. After mediation, the door locks and handles were installed as required.
- Windows were not installed properly at an elementary school. It was further discovered that the windows might pose a safety hazard due to a manufacturer's defect. The OIG advised the Department of Operations which stopped window repairs or installations by the contractor city-wide. A new company was hired to complete the work in the school.
- A contractor attempted to install a playground at an elementary school without first removing

exposed piping from an old baseball field. After the principal complained, the OIG intervened and corrective measures were taken by the contractor.

- A contract to replace a concrete sidewalk was delayed without notice to an elementary school's engineer. The OIG was notified and the project was started as soon as funding was secured.
- A landscaper delayed installation of a playground and other landscaping work at an elementary school. The OIG intervened and the project was completed to the satisfaction of the school.
- A contractor delayed installation of parking spaces at an elementary school. The OIG intervened and coordinated other issues involved in the delay and the contractor was allowed to proceed.
- Installation of an elevator in an elementary school was delayed. The school's engineer complained to the OIG and installation was completed to the school's satisfaction.
- The OIG learned that a contractor hired to install new window shades at a high school failed to complete the project in a timely manner. The OIG intervened and work was completed.
- After a complaint from an elementary school, the OIG persuaded a contractor to complete work on a misaligned door.
- Despite being notified that it was installing the wrong color drapes in an elementary school gymnasium, a contractor continued the work. After more than one year trying to get the contractor to correct the problem, the school notified the OIG who discussed the situation with the vendor and the proper drapes were subsequently installed.
- An elementary school engineer noticed that a play lot installed at an elementary school was defective and potentially dangerous. The OIG was notified, settled the dispute and the defects were cured.
- A contractor delayed in installing lockers in a high school gymnasium locker room and the school's engineer could not get a date commitment from the vendor. The OIG mediated the dispute and the lockers were installed.
- A elementary school engineer could not get a window contractor to address and correct a problem which posed a potential hazard in case of fire. The OIG succeeded in getting the contractor to remediate the problem.
- An engineering company delayed in submitting plans for the installation of new modular units at an elementary school. The OIG intervened, the plans were submitted and the unit was built.
- A high school's security system was improperly wired. Vandalism also damaged the wiring. The OIG mediated the dispute and the work was completed to the satisfaction of all parties.

- An elementary school's engineer alleged that a mechanical company hired to clean and drain the school's boilers had overcharged for the job. The OIG mediated the dispute to the satisfaction of the parties.
- An elementary school's engineer questioned the delay of work in the school's boiler room. The OIG intervened and the work was completed.
- A junior high school's engineer notified the OIG that latches on several gates had been installed backwards. The OIG determined the fence installation was still under warranty and the contractor repaired the work at no charge to the school.
- Tractors belonging to a junior high school were not repaired in a timely manner. The OIG was notified and the vendor completed the repairs, returned the tractors, and lowered the repair bill by \$200 for the inconvenience.
- The OIG intervened and assisted an elementary school in getting repairs on an electrical power line feeding the school.
- Door frames installed at an elementary school were starting to rust. The OIG was notified after the contractor was unresponsive to the complaints of the school's engineer. The vendor then provided the materials necessary to make the repairs.
- An elementary school engineer noticed that a boiler system was not properly installed. The engineer notified the OIG. The vendor was contacted and made the necessary repairs.
- An engineer informed the OIG that a property advisor was unresponsive to allegations that a vendor overcharged for boiler repairs and improperly installed boiler equipment. The OIG intervened and work on the boiler was completed satisfactorily at the cost of the contractor.
- A principal asked the OIG to mediate a situation between a contractor, the school and a CPS construction management team. More than a year after payment was due, the school continued to receive invoices that were to have been paid by the construction management company. The OIG intervened and the management company paid the invoices.
- An elementary school had a dispute with a vendor over bills received for a copy machine contract that was purportedly cancelled by the school. The OIG mediated the dispute and billing issues were resolved.
- A CPS management company asked the OIG to intervene and resolve a dispute with a subcontractor that delayed in performing on a contract to install a fire alarm system. The OIG intervened and the job was completed after new management at the subcontractor performed the work.
- A contractor would not respond to an elementary school engineer's request to have boiler work completed satisfactorily. The OIG intervened and the work was completed.

- After waiting nearly a year for a contractor to install window air conditioning units in a high school, the engineer called the OIG. The OIG intervened and the work was completed.
- An elementary school engineer contacted the OIG to report that a contractor did not install an elevator properly and would not return to the school to correct the problems. The OIG intervened and the problems were corrected.
- A junior high school engineer contacted the OIG after a contractor would not repair a door it had installed. The OIG intervened and repairs were made.
- A elementary school clerk complained that materials ordered from a contractor were never delivered. The OIG intervened and was able to persuade the vendor to return the school's money.
- A construction company improperly installed partitions in an elementary school bathroom. The OIG intervened and the repair work was completed.
- An elementary school complained of old, dilapidated windows not opening or closing properly. The OIG worked to have the school included in an upcoming renovation project and the windows were repaired.
- An elementary school engineer noticed that architectural plans detailing renovations would have left too little space for the school's dumpsters causing a dispute with the project supervisor. The OIG intervened and the plans were adjusted.
- An elementary school engineer noticed that new playground installation posed safety concerns as construction progressed. The project manager was unresponsive to the engineer's concerns. The OIG intervened and the safety concerns were addressed.
- After an elementary school engineer tried unsuccessfully to have new school furniture delivered after repeated delays, he contacted the OIG for assistance. The OIG intervened and the furniture was delivered.
- An elementary school notified the OIG that a number of items were left unfinished after the installation of modular classrooms. The OIG intervened and the repairs were made.
- An elementary school's complaint of gas leaks in the school's lunchroom went unanswered. The OIG intervened and the appropriate repairs were made.
- A contractor failed to perform on a contract. The OIG intervened, a new contractor was hired and the work was promptly performed at the same price as the original contract.
- A contractor hired to do painting work at an elementary school did not finish the job as agreed. The OIG intervened and the contractor completed work on five rooms that were part of the original contract.

- A contractor hired to wire a high school walked off the job claiming the presence of students interfered with the work. The OIG mediated the dispute and the contractor returned to complete the job.
- An elementary school engineer notified the OIG that a contractor had improperly installed an air conditioning unit. The OIG intervened and the contractor repaired the air conditioner.
- A vendor failed to respond to a work order to repair an elevator at a high school. The OIG assisted the school engineer in arranging for immediate remediation of the problem.
- An elementary school engineer notified the OIG of a safety concern while the school awaited repair of a water main. The OIG intervened and the water main was repaired.
- An elevator was in need of repair at an elementary school. The school engineer could not resolve the problem. The OIG intervened and arranged a quick completion to the project.
- A elementary school engineer complained of over-billing by a plumbing contractor. The OIG mediated the dispute, which resulted in the reduction of the bill.
- The OIG became involved in a dispute between a vendor and an elementary school concerning the purchase of specialty items. The OIG mediated the dispute to the school's satisfaction.
- The OIG mediated a dispute between an elementary school and a contractor concerning the installation of doors at the school. The OIG mediated the dispute to the satisfaction of the school.
- A high school engineer notified the OIG of possible fire code violations at the school. The OIG assisted the school in prioritizing the needed work in the CPS Capital Improvement Program.
- A high school engineer informed the OIG that a contractor failed to finish work in a school bathroom in a timely manner. The OIG intervened and all work was finished to the school's satisfaction.
- The OIG assisted a high school resolve a dispute with a uniform supplier which had shipped unacceptable items.
- A property advisor failed to promptly pay a bill for work performed by a contractor. The OIG intervened and the bill was paid, relieving the school of responsibility.
- An elementary school engineer attempted to get a contractor to perform as required by a contract. After the contractor failed to do so, the engineer called the OIG. The OIG determined that, in fact, the contractor had performed as specified and no additional work was required from the contractor.

- An elementary school engineer questioned a contractor's bill for work purportedly still under warranty. The OIG mediated the dispute and resolved the billing issue.
- The OIG assisted an elementary school in resolving a billing dispute with a roofing contractor.
- An elementary school complained of possible over-billing by a contractor that repaired the school's lockers. The OIG mediated the dispute and the bill was appropriately reduced.

