

# Office of the Inspector General Chicago Board of Education

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## 2014 ANNUAL REPORT



DECEMBER 30, 2014

Cover Art: Exterior Photographs of Chicago Public Schools

## **Preface by the Inspector General**

December 30, 2014

I am pleased to report that, after serving as the Interim Inspector General since July 1, 2014, Mayor Rahm Emanuel appointed me to a full four-year term as the Inspector General for the Chicago Board of Education. I thank the Mayor for his vote of confidence and acknowledge the support of the Board during the interim period.

The attached Annual Report includes a summary of reports and investigations made by the OIG for the period from July 1, 2013 to June 30, 2014, and is filed pursuant to 105 ILCS 5/34-13.1(e). The investigations reported on by the OIG found major thefts of school funds; kickbacks to CPS employees; falsifications of student transfer data; fraudulent selective-enrollment high school applications; and violations of ethics, purchasing and residency rules. The OIG also identified over \$657,000 in tuition owed by suburban families whose children fraudulently attended CPS schools.

Of course, the investigations reported on in this Annual Report were all conducted under the tenure of Inspector General James M. Sullivan, who left CPS at the end of June to pursue other interests. I and the entire staff of the OIG warmly thank Jim for his fifteen years of dedicated service to public education in Chicago. Through his understated leadership, the OIG recruited a talented team of professionals and developed the office into the mature watchdog agency that it is today. During the next four years, this office will build upon the strong foundation Jim laid by further developing its investigative and analytical capacities. I wish Jim all the best in his future endeavors.

As always, the OIG continues to work with federal and local law enforcement, other oversight agencies and prosecutorial authorities to ensure that serious breaches of the law are properly investigated and prosecuted.

Finally, with your help, I look forward to fulfilling the OIG's challenging mission of rooting out corruption and waste within CPS. Please do not hesitate to contact me with your concerns.

Sincerely,

Nicholas Schuler  
Inspector General



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**Office of the Inspector General  
Chicago Board of Education**

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**2014 ANNUAL REPORT**

**SECTION 1 — OFFICE OVERVIEW**

**A. MISSION AND BUDGET**

The mission of the Office of the Inspector General is to ensure integrity in the operations of Chicago Public Schools by conducting meaningful, accurate and thorough investigations into allegations of waste, fraud, financial mismanagement and employee misconduct. The OIG also reviews CPS systems, practices and procedures to determine their effectiveness in preventing waste, fraud and financial mismanagement.

In FY 14, the OIG's budget was approximately \$1.8 million, which included 17 full-time positions.

**B. TRAINING**

Many employees of the OIG are members of the Association of Inspectors General, a national organization of state, local and federal inspectors general and their staffs. The AIG offers training seminars and certification institutes for members as well as networking opportunities. In FY 14, a total seven OIG employees held the designation of Certified Inspector General or Certified Inspector General Investigator. Participation in the AIG also offers employees continuing training in best practices related to the performance of the Inspector General mission. Locally, the OIG collaborates with IG offices from other state and local agencies to train all staff in a variety of areas related to investigations and audits.

**C. INVESTIGATION STANDARDS**

The OIG conducts its investigations in accordance with the AIG's Principles and Standards for Offices of Inspector General, generally accepted principles, quality standards and best practices applicable to federal, state and local offices of inspectors general. In addition, the OIG, at all times, exercises due professional care and independent, impartial judgment in conducting its investigations and issuing its reports and recommendations.

**D. COMPLAINTS RECEIVED IN 2014**

In FY 2014, the OIG received 1,335 complaints alleging misconduct, waste, fraud and financial mismanagement at Chicago Public Schools, including allegations of misconduct by CPS employees or vendors and allegations of students residing outside the City of Chicago and attending CPS.

The OIG received 458 anonymous complaints, 34.3% of the total complaints received during the reporting year. Although the OIG responds to anonymous complaints, it is far more challenging to begin an investigation without the ability to question the complainant and evaluate the credibility of the information received.

Of the 1,335 total complaints received, the OIG opened investigations into a total of 280 cases (20.9%). Several factors restrict the number of cases the OIG can open and investigate, including (1) a continuing focus on significant and often complex issues; (2) a particularly small staff size in relation to the OIG’s total oversight responsibility (CPS has over 41,000 employees and an annual budget of over \$5.5 billion), and (3) time consumed by post-investigation activities (e.g., preparation and testimony for hearings, trials and labor arbitrations). As previously reported by this office, the inability to investigate more complaints creates a substantial risk that instances of fraud and employee misconduct go undetected.

The table below reflects the types of complaints received by the OIG in FY 14.

| <b>Type of Complaint Received FY 14</b> |     |        |
|---|-----|--------|
| Residency                               | 269 | 20.15% |
| Mismanagement                           | 44  | 3.30%  |
| Inattention to Duty                     | 189 | 14.16% |
| Misappropriation of Funds               | 63  | 4.72%  |
| Criminal Background                     | 27  | 2.02%  |
| Conduct Unbecoming                      | 44  | 3.30%  |
| Falsification of Attendance Records     | 40  | 3.00%  |
| Falsification of Employment Records     | 2   | 0.15%  |
| Falsification of School Records         | 31  | 2.32%  |
| Test Cheating                           | 11  | 0.82%  |



**Type of Complaint Received FY 14**

|   |              |                |
|---|--------------|----------------|
| Tuition Fraud                                       | 64           | 4.79%          |
| Grade Changing                                      | 6            | 0.45%          |
| Violation of Acceptable Use Policy (computer/email) | 4            | 0.30%          |
| Violation of Magnet and Selective-Enrollment Policy | 6            | 0.45%          |
| Sexual Harassment                                   | 8            | 0.60%          |
| Contractor Violations                               | 70           | 5.24%          |
| Ethics  | 31           | 2.32%          |
| Discourteous Treatment                              | 140          | 10.49%         |
| Losing One's Professional License                   | 12           | 0.90%          |
| Preferential Treatment                              | 23           | 1.72%          |
| Fraudulent Leave of Absence                         | 8            | 0.60%          |
| Retaliation   | 11           | 0.82%          |
| Unauthorized Use of Board Property                  | 9            | 0.67%          |
| Off Duty Criminal Conduct                           | 61           | 4.57%          |
| On Duty Criminal Conduct                            | 95           | 7.12%          |
| Discrimination                                      | 5            | 0.37%          |
| Miscellaneous                                       | 62           | 4.64%          |
|   | <b>1,335</b> | <b>100.00%</b> |

## **SECTION 2 — UPDATES AND OTHER DEVELOPMENTS**

This section includes updates to significant OIG cases reported on in previous years, as well as a summary of a federal investigation in which the OIG assisted.

### **A. VENDOR SETTLEMENT IN ETHICS CASE**

In FY 12, the OIG reported on an investigation (10-9980) that determined a high-ranking educational administrator improperly accepted over \$16,900 in compensation, scholarships, dining, travel and entertainment from three vendors. One of those vendors, (referred to in FY 12's report as "Vendor A") improperly sought and entered into a quid pro quo business relationship with the administrator while seeking to make a district-wide sale to CPS through the inside help of the administrator. In order to win favor with the administrator and secure her aid, the vendor abused a \$10,000 scholarship that it awarded to the administrator by tying the scholarship — and an accompanying \$1,240 celebratory dinner for the administrator and her staff — to a major sales push and lavished the administrator and her staff with hundreds of dollars in additional meals and drinks. In response, the administrator improperly shared CPS information with the vendor and effectively became the vendor's inside sales representative. In the months following her scholarship award, the administrator steered at least \$287,692 of business to the vendor through no-bid, sole-source deals.

Following the investigation, the OIG recommended that CPS impose significant sanctions against the vendor, including appointing an independent monitor to oversee and report on all of the vendor's expenditures that relate in any way to CPS employees.

In FY 14, the Board settled with Vendor A. Under the terms of that agreement, Vendor A agreed to pay \$250,000 to the Board and consented to the appointment of an independent monitor paid for by Vendor A. Additionally, Vendor A will require training of its employees to ensure compliance with Board ethics policies.

### **B. PRINCIPAL DISCHARGED FOR FISCAL ABUSE AND MAKING A PROHIBITED CONTACT**

A principal was terminated and classified as a Do Not Hire (DNH) in FY 14 in connection with cases the OIG reported on in FY 12 and FY 13.

In FY 12, the OIG reported on an investigation (10-10015) of a selective-enrollment high school principal who attempted to enroll a student who had not taken part in the selective-enrollment application and testing process. The OIG investigation revealed that on an evening before the start of the school year, the principal called a CPS administrator to ask for an exception to the established CPS policy so that the

student could be enrolled despite not having taken part in the selective-enrollment and testing process. The next morning, after being told an exception could not be made, the principal phoned a state legislator and engaged in a 12-minute conversation. Later that morning, the OIG learned, the state legislator phoned the CPS administrator and advised the administrator that an exception could be made for the student. Attempts by the principal and state legislator to persuade the CPS administrator to make an exception were not successful, and the student was not enrolled in the selective-enrollment high school for the 2010-11 school year. The OIG recommended appropriate discipline for the principal. Discipline was pending when the FY 12 report was issued.

In FY 13 the OIG reported on an investigation (12-00998) into funds in a parent booster club bank account. The OIG discovered that a local bank inexplicably allowed the principal (and a former operations manager) to take control of \$186,235 of funds held in an account that was opened by a parent booster club for the Catholic school that formerly occupied the building where the principal's CPS school is now located. During the intervening years, the Catholic school failed to track the account and it was overlooked. After converting the account to the name of the CPS school, the principal and operations manager spent \$116,974 from the account, and those expenditures were never included on the school's internal account ledger and were never disclosed to or audited by CPS. The expenditure of funds were purportedly related to school activities, however, numerous questions remain unanswered as to the propriety of those expenditures. Following the investigation, the OIG recommended appropriate discipline for the principal. Discipline was pending when the FY 13 report was issued.

### **C. VOLUNTARY VENDOR EXCLUSIONS**

In FY 13, the OIG reported on an investigation (12-00079) that revealed that a former CPS employee opened purchase orders for a for-profit company in which she had an economic interest as a director on the company's board, while she was an employee.

The investigation also revealed that the employee had an economic interest in a not-for-profit company which conducted business with the Board of Education.

Among other things, the OIG recommended debarments for the two companies, and debarments were pending when the OIG issued its annual report last year. In FY 14, the Board accepted a three-year voluntary exclusion of the for-profit company and a voluntary exclusion until January 31, 2014 for the not-for-profit company.

#### **D. VENDOR DEBARMENT FOR USE OF TAX EXEMPT LETTER**

In FY 13, the OIG reported on an investigation (13-00284) in which a CPS vendor illegally attempted to exempt itself from \$2,524 in sales tax on a vehicle purchase from a local Cadillac dealer by fraudulently misrepresenting that the vendor was a CPS representative and by presenting a copy of a CPS tax exemption letter to the car dealership. The dealership contacted CPS and did not honor the letter. Following the investigation, the OIG recommended appropriate sanctions for the vendor. Debarment was pending when the OIG issued its annual report last year. In FY 14, the vendor was debarred for three years.

#### **E. OIG ASSISTANCE IN \$33 MILLION FEDERAL FRAUD CASE**

In April 2014, the U.S. Attorney's Office for the Northern District of Illinois announced its indictment of education companies Brilliance Academy, Inc. and Babbage Net School, Inc. and their executives for defrauding school districts in 19 states, including Illinois, of more than \$33 million. The companies and its executives were charged with mail fraud and federal program bribery as part of an alleged scheme that misrepresented the nature and quality of the educational services and material they provided, falsely inflated invoices submitted to school districts, and falsified student progress reports.

Also indicted for federal program bribery were school administrators in Texas and New Mexico who allegedly received cash, gifts, vacations and meals from employees of the indicted companies. The administrators were responsible for auditing and overseeing the performance of the educational companies in their school districts. While no CPS employees have been indicted, the OIG assisted the U.S. Attorney's Office in its criminal investigation.

### **SECTION 3 — INVESTIGATIONS REPORTED TO THE BOARD IN FY 14**

This section includes a summary of investigations and findings that the OIG reported to the Board of Education during the period from July 1, 2013 to June 30, 2014. These summaries also include the OIG's recommendations and the Board's responses to those recommendations. As described below, last year's investigations found, among other things, major thefts of school funds; kickbacks to CPS employees; falsifications of student transfer data; fraudulent selective-enrollment high school applications and enrollments; and violations of ethics, purchasing and employee residency rules.

#### **A. MAJOR PURCHASING AND REIMBURSEMENT SCHEMES AND RELATED CASES**

Together, four OIG investigations determined that between late 2009 and early 2014, a school operations employee (Employee A) who worked at two high schools (High School A and High School B) orchestrated multiple fraudulent purchasing and reimbursement schemes that resulted in the theft of \$876,427. The list of Employee A's accomplices includes CPS employees and vendors. The OIG has been working with the Office of the Cook County State's Attorney on these cases.

The OIG investigations into the main purchasing and reimbursement schemes and related cases are included below. Because these cases are interrelated and involve many of the same subjects, the OIG's recommendations and CPS's responses to them are grouped in a subsection that follows the case summaries.

##### *1. Case Summaries*

###### *o \$33,000 in False Reimbursements (13-01153 — Part 1)*

An OIG investigation determined that in 2012 and 2013, Employee A stole over \$33,000 by submitting fraudulent reimbursements. The purchases were purportedly for items needed by High School B. The OIG further determined that Employee A asked a co-owner (Business Owner 1) of a CPS vendor company (Vendor 1), for fake invoices to cover some of the missing paperwork. Business Owner 1 complied by making fake invoices reflecting nearly \$10,000 worth of (illegitimate) purchases.

The OIG also found that a principal (Employee B) at High School B improperly gave her computer password to Employee A, which facilitated his scheme.

###### *o Fraudulent Purchases of Cellular Phones and a Laptop (13-01153 — Part 2)*

The OIG also determined that in summer 2013, Employee A used nearly \$5,000 of High School B funds to fraudulently purchase two cellular phones and a laptop computer for his own personal use. Business Owner 1 knowingly participated in the

fraud by providing Employee A with fake invoices that reflected that Employee A had purchased office supplies.

- *Hundreds of Thousands in False Purchases and Kickbacks (13-01153 — Part 3)*

The OIG also determined that from 2009 to 2013, the owner (Business Owner 2) of two CPS vendor companies (Vendor 2 and Vendor 3) kicked back over \$111,000 to Employee A in connection with over \$216,000 worth of purchases from High Schools A and B.

On top of the kickbacks, either all or substantially all of the over \$216,000 in underlying purchases (purportedly for office supplies and professional services) were entirely fraudulent — which meant that Business Owner 2 and Employee A essentially stole the money and split it between them.

- *Over \$581,000 in False Purchases (13-01153 — Part 4)*

The OIG further determined that between 2010 and 2014, either all or substantially all of \$581,947 that CPS paid to two business owners (Business Owner 3 and Business Owner 4) via numerous CPS vendor companies was for goods and services at High Schools A and B that were never provided, and the money paid by CPS was simply stolen. The work and services in question were for office supplies and services. The fake purchase orders were originated by Employee A in furtherance of the scheme.

When the scheme began, Business Owner 3 was not a CPS vendor, so he asked to use the vendor numbers of Business Owner 4's four CPS vendor companies (Vendors 4 through 7). Business Owner 4 agreed, and Business Owner 4 issued invoices to CPS when Business Owner 3 told him to do so. Business Owner 4 performed no work, but took cuts averaging 35 to 40% of the payments that were passed through his companies before paying the remainder to Business Owner 3. Together, Business Owners 3 and 4 were paid \$529,527 by CPS through this scheme.

Business Owner 3 eventually obtained his own CPS vendor number under a company he formed (Vendor 8). Business Owner 3 was paid an additional \$52,420 by CPS for fraudulent work purportedly done by Vendor 8.

The OIG found that the evidence supports the conclusion that either all or substantially all of the \$581,947 was paid for goods and services that were never actually provided.

In addition to the large cut that Business Owner 4 was keeping, the OIG could not eliminate the possibility that Business Owner 3 or Business Owner 4 kicked back

portions of the \$581,947 to Employee A, who made over \$122,000 in cash deposits — usually in round amounts — during this scheme.

- *Over \$14,000 in False Reimbursements to a School Security Officer (14-00595)*

The OIG also determined that during the first half of 2012, Employee A steered over \$14,000 in fraudulent reimbursements for office supplies and technology hardware into the bank account of a school operations employee (Employee C) at High School B. On multiple occasions, Employee C then gave Employee A cash representing the bulk of the money that Employee A had steered into his account. Records show that although Employee C made cash withdrawals for most of the money that was deposited to his account, he kept approximately \$1,500 for himself.

- *Over \$19,000 in False Reimbursements to a High School Employee (14-00525)*

An OIG investigation determined that from approximately 2011 to 2013, Employee A steered over \$19,000 in fraudulent reimbursements for school supplies into the bank account of a CPS employee (Employee D), who at the time worked at High School A. Employee D's bank records show that the vast majority of the money was withdrawn in cash by Employee D.

- *Over \$6,500 in False Reimbursements to an Employee (14-00596)*

Records obtained in an OIG investigation showed that Employee A also steered over \$6,500 in fraudulent reimbursements to an employee (Employee E) at a high school.

- *Stringing by Business Owner 4 (14-00077)*

In a related investigation, the OIG concluded that Business Owner 4 owned four companies that provide office services and supplies to CPS. The OIG determined that Business Owner 4 created those companies and obtained vendor numbers for them to avoid CPS purchasing limits that interfered with his desire to fulfill large contracts with CPS schools.

- *More Stringing at other High Schools (14-00339 and 14-00079)*

During the course of the OIG investigations at High Schools A and B, the OIG discovered that Business Owner 2 and his companies (Vendors 2 and 3) were also engaged in a stringing scheme at another high school (High School C) with a school operations employee (Employee F) there. Specifically, Employee F and Business Owner 2 violated CPS Rules prohibiting stringing by structuring purchases across his two companies to avoid CPS non-competitive purchasing limits. (14-00339)

Additionally, the OIG determined that a school operations employee (Employee G), who worked at two other high schools (High School D and High School E), and Business Owner 2, and his companies (Vendors 2 and 3), violated CPS Rules prohibiting stringing by structuring purchases at High Schools D and E across the two companies to avoid CPS non-competitive purchasing limits. (14-00079)

The OIG identified still more stringing violations involving Employee G and three other businesses. (14-00079)

Employee G worked with a business owner (Business Owner 5) who owned a vendor company (Vendor 9) and also acted as the salesman for another company (Vendor 10) to structure purchases at High Schools D and E across the two companies to avoid CPS non-competitive purchasing limits.

Employee G worked with the owner (Business Owner 6) of a CPS vendor (Vendor 11) and the spouse of Business Owner 6 (Business Owner 7) and her CPS vendor company (Vendor 12) to structure purchases at High Schools D and E across the two companies to avoid CPS non-competitive purchasing limits.

Finally, Employee G worked with a business owner (Business Owner 8) who owned a CPS vendor company (Vendor 13) to split purchases at High Schools D and E to avoid CPS non-competitive purchasing limits.

- *Related Residency Case (13-01232)*

An OIG investigation determined that Employee F was also living in a Chicago suburb in violation of the CPS employee residency policy. He also intentionally misrepresented that he was living in Chicago. Employee F further lied during his OIG interview about material facts concerning his residency.

## *2. OIG Recommendations and CPS's Responses*

The OIG recommended appropriate discipline for all employees and debarments for all of the vendor companies and business owners.

| <b>Subject</b> | <b>CPS Action</b>  |
|----------------|--|
| Employee A     | Resigned under investigation and designated as a Do Not Hire (DNH) |
| Employee B     | Warning Resolution issued by CPS                                   |
| Employee C     | Terminated and designated as a DNH                                 |
| Employee D     | Terminated and designated as a DNH                                 |



| <b>Subject</b>      | <b>CPS Action</b>                                    |
|---------------------|--|
| Employee E          | Resigned under investigation and designated as a DNH |
| Employee F          | Terminated and designated as a DNH                   |
| Employee G          | Terminated and designated as a DNH                   |
| All Vendors         | CPS is pursuing debarments                           |
| All Business Owners | CPS is pursuing debarments                           |

### **B. KICKBACKS AND STRINGING AT A HIGH SCHOOL (07-5820)**

An OIG investigation determined that over a two-year period, a school operations manager at a high school illegally received over \$11,000 in kickbacks from a salesperson in exchange for making purchases from a group of interconnected office supply vendors. In addition, the school operations manager violated CPS purchasing rules and the Illinois Criminal Code by “stringing” the purchases across the vendors in order to avoid the annual \$10,000 per school limit on non-competitive purchases from a single vendor. The investigation further found that four business people deliberately created multiple office supply companies to facilitate the stringing scheme. Each of the companies created by the four people employed the same salesperson, who paid the kickbacks to the school operations manager.

The school operations manager told the OIG that the kickbacks she received were made with the knowledge of the primary owner of each of the companies as a reward for being a “good customer.”

The school operations manager was laid off during the course of the OIG investigation and had been previously designated as a DNH as the result of an OIG case reported in the 2013 Annual Report (see OIG 12-00998).

The salesperson and the four company owners did not cooperate with the OIG and failed to appear for interviews.

The OIG recommended debarment for the business owners and their numerous companies, as well as for the salesperson. CPS has initiated debarment proceedings against them all.

Additionally, this matter was closed by the OIG in FY 14 after being deferred due to a criminal investigation into the matter.

### **C. FRAUDULENT ADMISSIONS AT SELECTIVE-ENROLLMENT HIGH SCHOOLS**

Background: The selective-enrollment admissions process considers socio-economic status factors that relate to the census tract in which an applicant resides at the time of application. The census tracts are broken down into four tiers. Under the current policy, a total of 30% of the available seats are filled in rank order using only testing/academic criteria. The remaining available seats (subject to very limited exceptions) are filled from four rank-order lists that further categorize students by their respective socio-economic (i.e., census tracts) tiers, with each tier contributing 25% of the students to the remaining available seats. The policy is intended to increase opportunities for students from lower-income families to secure a seat in a selective-enrollment high school. Students from the higher tiers generally must have better scores than those in the lower tiers. Thus, lying about a student's address is one way to cheat the system and land a seat at a selective-enrollment high school. The cases in this sub-subsection involve the use of false addresses to gain an enrollment advantage.

- *CPS Teacher Committed Enrollment Fraud (13-00569)*

An OIG investigation determined that an elementary teacher falsified the December 2009 selective-enrollment high school application of her daughter by claiming that she lived at a Tier 2 address instead of the Tier 4 address where she actually lived. As a result, the daughter was admitted to a selective-enrollment high school. Based on selective-enrollment high school data, if the daughter had used a Tier 4 address, she would not have been admitted to the school. The teacher's fraudulent act denied a legitimate Tier 2 student of an extremely competitive and valuable seat in one of Illinois' top-rated public schools.

The OIG recommended appropriate discipline for the teacher and disenrollment from the selective-enrollment high school for the daughter. CPS has filed dismissal charges against the teacher. CPS did not disenroll the daughter/student. The OIG was informed that CPS determined that disenrollment of the daughter/student would be too disruptive to her education, as she was already in her senior year when the OIG issued its findings. The daughter/student graduated from the selective-enrollment high school in 2014.

- *Numerous Cases of Address Fraud in SEHS Application Process (13-00928)*

An OIG investigation determined that 12 students at 6 selective-enrollment high schools had claimed false addresses in a lower socio-economic tier for the purpose of gaining an advantage in the selection process. Those students were either

freshmen or sophomores during the 2013-14 school year. The OIG recommended that those 12 students be immediately disenrolled.

The OIG investigation also determined that six CPS employees who were also parents of children at selective-enrollment high schools (“employee parents”) were responsible for intentional falsifications on their children’s applications. In four cases, the children were admitted because the CPS employee parents falsified the applications. That is, if each employee parent had used his or her family’s true address, his or her child would not have been admitted (those four instances are included in the 12 referenced above). In two other instances, a CPS employee parent falsified his or her child’s application, but the falsification did not result in an improper enrollment, as the child would have been admitted even if the family’s true address was used. The OIG nonetheless recommended discipline against the parent employees for submitting false applications (these two instances are in addition to the 12 cases referenced above).

The table below summarizes the actions regarding the 12 students and 6 employees:

| <b>Subjects</b>    | <b>OIG Recommendations</b> | <b>CPS Actions</b>  |
|--------------------|----------------------------|---|
| 12 Students        | Disenrollment              | <ul style="list-style-type: none"> <li>○ 8 students disenrolled after discharge hearings</li> <li>○ 1 student voluntarily withdrawn by parent in lieu of hearing</li> <li>○ 2 students not disenrolled per hearing officers’ rulings</li> <li>○ 1 case dismissed by CPS</li> </ul>              |
| 6 Employee Parents | Appropriate Discipline     | <ul style="list-style-type: none"> <li>○ 1 terminated and designated as a DNH</li> <li>○ 1 resigned and DNH designation is pending</li> <li>○ 2 facing dismissal charges</li> <li>○ 2 cases resulted in no discipline as a result of the student’s disenrollment hearing (see above)</li> </ul> |

- *Tier Manipulation in the SEHS Enrollment Process (13-00995)*

An OIG investigation determined that a school clerk submitted a false selective-enrollment high school application for her daughter in December 2010. The application was false in that it represented that both the employee and her daughter lived at a Tier 1 address, when they actually lived at a Tier 4 address. To conceal the false address, the school clerk falsely changed both her own and her daughter's address in CPS records. The CPS employee was working at her daughter's school — during the critical 8th grade application year — when she changed those CPS records. The daughter was improperly admitted to a selective-enrollment high school, as her score was too low for acceptance using her true Tier 4 address.

The OIG recommended appropriate discipline for the CPS employee and disenrollment for the daughter. CPS has filed dismissal charges against the employee. A hearing officer recommended disenrollment for the daughter, but CPS exercised its discretionary authority and decided not to disenroll her because she was entering her senior year (she is a current senior).

#### **D. SCHOOL ENROLLMENT, TRANSFER AND ATTENDANCE MANIPULATION**

Background: According to CPS policy, student transfers must be “verified,” which means that the sending school must have proof that the student enrolled at a receiving school. Documentation sufficient to show that the student enrolled at the receiving school can be either a written request for the student's records from the receiving school or a written notification from the receiving school that the student has, in fact, actually enrolled there. The student records database must also be updated to reflect that the verification process has been completed.

Students who leave school for a General Educational Development (GED) program are supposed to be coded as dropouts, and should not be coded as transfers.

- *High School Dropouts Masked as “Transfers” (12-00465)*

##### **Part 1 — Improper Coding of GED Dropouts as Transfers**

An OIG investigation determined that from 2009 to the present, a high school systematically and improperly recorded 296 dropouts — who, according to internal school records, left school to attend a GED program — as Code 32 (transfer to a non-public school located in the City of Chicago) or Code 33 (transfer to a public or private school located outside the City of Chicago) transfers. The miscoding of purported GED dropouts as “transfers” appears to have been done to reduce the high school's reported dropout rate, as transfers are not counted as dropouts.

The miscoding of dropouts occurred on the watch of two separate principals (one of whom has since been promoted). Two school deans (one of whom is now an assistant principal at another high school) and another school administrator also participated in the miscoding of GED dropouts as transfers.

Although the high school had used Codes 32 and 33 to represent that the 296 students had transferred to other schools, the OIG reviewed internal notes that confirmed the students had actually left school — purportedly to pursue GED certificates. Illinois law and policy, however, make it clear that students who leave school to attend a GED program are dropouts and not transfers. Instead of being logged as transfers, the students should have been recorded under dropout Codes 86 (unable to locate student and school has followed the Lost Child process) or 87 (student is 17 years of age or older and the Consent to Withdraw form has been completed by the parent, guardian or emancipated student).

Critically, interviews with the two deans and the other school administrator showed that high school personnel frequently counseled students with chronic attendance problems to leave school because they would be better suited in a GED program. Thus, the miscoding of purported GED students as transfers appears to have been a tool used by the high school to remove students with attendance problems from its rolls while simultaneously underreporting its true dropout rate.

#### Part 2 — Possibility That Other Transfers Were Also Falsified

Additionally, a review of 123 of the high school's hard-copy files for students who were reported as Code 32 transfers (to a private school within Chicago) or Code 33 transfers (any school outside of Chicago) since 2009 found that 121 of the students were recorded as "verified" transfers on the student records database, but only 6 of the corresponding files (a mere 4.9%) contained adequate written proof of the transfers as required by CPS policy. In short, students were being recorded as transfers when there was generally no proof whatsoever in the files documenting the transfer, which means that the OIG could not eliminate the very strong possibility that many Code 32 and Code 33 transfers (separate and apart from the claimed GED "transfers" discussed above) were also being used to deliberately and improperly mask more dropouts.

Among the unverified transfers in this investigation, the OIG identified a large group of students who, according to the high school, transferred to school in Mexico. Those transfers to Mexico were particularly troubling because the OIG found that there was usually no school information listed on student records database or in the files for any of these students. Instead, notes on the database simply reflected that the student "transferred to Mexico" without listing the name or address of any school. In

other cases, handwritten notes in the student's file referenced hearsay reports from unidentified neighbors of the student as confirmation that the student moved to Mexico — with no mention of whether the student enrolled in school there. All of this is alarming because the vague assertion that the student “transferred to Mexico” could mean that the child may in fact be a dropout, because even if he or she moved to Mexico, the high school had no evidence that the student enrolled in school there.

In short, just like the so called GED transfers, the strong possibility exists that the unverified transfers to Mexico are deliberately masking dropouts with a hard-to-disprove pretext claim. Indeed, the OIG's investigation suggested that it would be easy to misclassify suspected dropouts in this fashion, as the OIG was told that the high school never made any attempt whatsoever to verify purported transfers to schools in Mexico before coding them as transfers.

### Part 3— OIG Recommendations and CPS Action

The OIG recommended appropriate discipline for the five employees. To date, CPS has not issued any discipline in this case, and it has advised the OIG that it is gathering additional information about transfers and dropout rates in order to make a disciplinary assessment.

The OIG also recommended that CPS ensure that everyone involved in recording student transfers receives clear, consistent and centralized training, which will help ensure that accurate data is captured and reported. The OIG has been informed that CPS will ensure that student transfer information is correctly recorded by schools.

- *More Dropouts Masked as Transfers (13-01086)*

A separate OIG investigation determined that another high school improperly recorded 18 students who purportedly left school to enroll in a General Educational Development (GED) program as Code 32 transfers (to a non-public school located in the City of Chicago) and Code 33 transfers (to a public or private school located outside the City of Chicago). Again, the miscoding of purported GED dropouts as “transfers” appears to have been done to reduce the high school's reported dropout rate, as transfers are not counted as dropouts. Significantly, the miscoding of dropouts began immediately after the arrival of a new assistant principal, who had been a dean at another school where the same thing was happening (see above OIG Case No. 12-00465). The miscoding of GED dropouts as transfers primarily involved three people: the principal, the new assistant principal and a clerk.

The impropriety of the GED “transfers” at issue here is compounded in most cases by the fact that there is no evidence whatsoever to support the school's claim that

the students enrolled in a GED program. Accordingly, the investigation strongly suggested that a GED transfer is largely a fiction intended to hide dropouts.

Additionally, the Code 32 and 33 transfers at issue here were not verified with proof of the transfers but were, nonetheless, falsely recorded as “verified” on CPS’s database. The OIG conducted a spot check of files for 31 students who were listed as transfers from the high school. This set included some of the GED transfers, as well as other Code 32 and Code 33 transfers to regular schools. Of the 31 files reviewed, only six included adequate transfer verification documents. In all six cases, the documents consisted of record requests sent by the receiving school. No requests were initiated by the high school. That review was consistent with statements obtained to the OIG in this investigation reflecting that the school does not verify transfers and supports a conclusion that database “verifications” were being fabricated.

The OIG recommended appropriate discipline for the three employees. To date, CPS has not issued any discipline in this case, and it has advised the OIG that it is gathering additional information about transfers and dropout rates in order to make a disciplinary assessment.

The OIG also recommended that CPS ensure that everyone involved in recording student transfers receives clear, consistent and centralized training, which will help ensure that accurate data is captured and reported. The OIG has been informed that CPS will ensure that student transfer information is correctly recorded by schools. The OIG has been informed that CPS will ensure that student transfer information is correctly recorded by schools.

- *Fraudulent Enrollments at Elementary School and Nepotism (12-01350)*

Part 1 — Fraudulent Enrollments

From approximately 2008 to 2012, an elementary school principal and assistant principal fraudulently enrolled at least nine students — including members of the principal’s family and the assistant principal’s extended family — for short periods of time, usually a matter of weeks. Each of the students was then “transferred” to a private or other out-of-district school shortly afterwards. Records from non-CPS schools and the Illinois State Board of Education, however, show that the students at issue actually attended other schools when they were supposedly enrolled at the CPS school. The enrollments were apparently falsified in order to artificially boost enrollment numbers.

Part 2 — Nepotism

Over a two-year period, the principal improperly paid \$10,800 for school events

hosted at a country club owned, in part, by her son-in-law. Those payments violated the CPS Code of Ethics, which prohibits an employee from letting contracts to family members.

#### OIG Recommendations and CPS Actions

The OIG recommended appropriate discipline for the principal and assistant principal. Dismissal charges against the principal are being filed by CPS, and a decision regarding the assistant principal is pending with the Law Department.

- *Coding of Tardy Students (13-00425)*

An OIG investigation determined that a high school did not report students who were more than fifteen minutes late as being tardy, but instead sent them to a first period detention and coded them as attending a “school function” for that period. This practice was directed by the principal and violated CPS policies and guidelines, which state that tardy students are to be sent to their regular class for instruction. The OIG’s investigation determined that during the 2012-13 school year at the high school, 10,306 “school function” codes were entered for students’ first period attendance records — an average of more than 55 per school day.

The principal told the OIG that he implemented a program called “morning detention” to help teach the kids to do the right thing. He explained that when students are more than fifteen minutes late, they are directed to the cafeteria by the security staff instead of interrupting their first period classroom. The principal stated that the goal of morning detention was to change student behavior by teaching them to arrive at school on time and avoid disruption to first period classes that were already underway.

Although the OIG investigation determined that principals are generally encouraged to be creative in solving attendance problems, it was clear that guidelines prohibit tardiness detentions from being served during instructional time. Accordingly, the OIG noted that the practice of sending an average of 55 students a day to morning detention gave rise to serious concerns. Most critically, students who show up for class — albeit late — miss the entire first period. In the 2012-13 school year alone, late students who were sent to morning detention missed hundreds of thousands of minutes of instruction. In addition, since tardies are not being recorded, parents of chronically tardy students are not being informed of their children’s behavior and, therefore, might not even know of the problem.

In light of the reporting and educational issues raised by the morning detention program, the OIG recommended that CPS implement a consistent, system-wide attendance and tardiness reporting training and practices to ensure that individual



school attendance improvement programs do not result (whether intentionally or unintentionally) in inaccurate attendance figures. The OIG also recommended appropriate discipline for the principal. The OIG has been advised that the matter is under review.

- *Fraudulent Recording of Attendance (13-01265)*

An OIG investigation determined that a school clerk fraudulently recorded, for attendance purposes, that three students had received homebound educational services when those services were not provided. The OIG also determined that the principal was partly culpable for the fraudulent attendance recording. Specifically, the principal claimed that he was not familiar with attendance guidelines and was not aware that a student could only be recorded as having received homebound services when a teacher actually provides those services.

The OIG recommended appropriate discipline for the clerk and the principal. The clerk was issued a Level 3 Warning. The principal was not disciplined but instead attended a non-disciplinary meeting with CPS to discuss proper homebound requirements.

#### **E. ADDITIONAL THEFT, FISCAL IMPROPRIETY AND RECORDS MISMANAGEMENT CASES**

- *Improper Use of Link Cards (11-01472)*

An OIG investigation determined that Link Cards (which have replaced food stamps) were improperly used to purchase food for events and parties at a grammar school. School personnel and parents of students were involved. The investigation also discovered other reimbursement irregularities.

##### *Part 1*

A school clerk (Clerk A) and a security guard were reimbursed for approximately \$735 of products purchased using the Link Cards of (1) another clerk (Clerk B); (2) Clerk A's mother; and (3) two school parents. The holders of the Link Cards offered their cards for the purchase of food items for school events and parties. After the purchases, Clerk A and the security guard submitted the receipts to CPS for reimbursement. Upon receiving their reimbursements, Clerk A and the security guard gave at least some of the money to the card holders. There were conflicting accounts about whether the card holders were paid back dollar for dollar.

Given that Link Cards are restricted to the purchase of food items and cannot legitimately be redeemed for cash, it appears that the motive for the cardholders was to convert food purchasing value on the cards to hard cash.

### *Part 2*

Clerk B fraudulently altered the dates of several receipts. Clerk B admitted to altering receipts that were submitted by Clerk A and the security guard. Clerk B told the OIG that she did it because the receipts had been submitted after the close of the fiscal year in which the charge was incurred. Thus, changing the date allowed Clerk A and the security guard to fraudulently circumvent the reimbursement policy's same-year requirement.

### *Part 3*

The security guard also submitted receipts for reimbursement that predated her hiring at CPS. The OIG discovered that the security guard was reimbursed for \$41.92 of such purchases. Those purchases were problematic because the two supporting receipts showed that the purchases were made well before she was even hired by CPS. The OIG was not able to determine whether this incident was simply a case of the security guard seeking reimbursement for a potentially legitimate purchase made by someone else (e.g., a parent), or whether it was a fabricated false reimbursement attempt that the security guard supported with whatever old receipts happened to be in her possession.

Finally, Clerk A, Clerk B and the security guard also had a combined \$2,000 of reimbursements for six purchases that were not supported by receipts. Four of the payments were all submitted on the same day and totaled an even \$1,000.

### *Recommendations and Action*

The OIG recommend appropriate discipline for Clerk A, Clerk B and the security guard. All three resigned under investigation and CPS designated them as DNHS.

- *Thefts by a School Clerk (11-01473)*

An OIG investigation determined that over a two-year period, a school clerk at an elementary school was fraudulently reimbursed \$2,387. To support those reimbursements, the clerk re-submitted receipts from vendors that had already been used to support the school's legitimate payments to those vendors. In addition, the clerk also received a reimbursement for \$450 without providing any supporting documentation, and she received a reimbursement for \$311 for purchases that had actually been made by the principal.

The clerk also admitted to the OIG that she stole cash she received from teachers who had turned in student fees, but claimed she later paid the school back via checks from her personal checking account to cover the cash she took. Because of deficient recordkeeping, the OIG was not able to determine the amount of student fees that the clerk stole, but it might have been as much as \$3,474.

The OIG recommended appropriate discipline for the clerk. CPS terminated her and designated her as a DNH.

- *Improper Payroll Payments by a School Clerk (12-00933)*

An OIG investigation determined that an elementary school clerk improperly paid herself more than twice the amount she was owed for working extended-day (overtime) hours. She paid herself for approximately 23 hours of extended-day time at a rate of \$35.10 an hour when she had already properly entered that time into the Supplemental Pay System under another budget line at her normal \$30.96 hourly rate. Through the improper double payments, the clerk misappropriated approximately \$807.

The clerk's timesheets failed to support another 23.5 hours of extended-day time worth approximately \$825.

The clerk also claimed 16 extended-day hours, and was paid \$522 for them, on days (1) she was sick or otherwise did not swipe in or out at her regular job; or (2) after she had already taken a half-day and presumably left work for the day. The OIG could not eliminate the strong possibility that the clerk never worked the 16 hours of extended-day time on the days in question.

Evidence further showed that the clerk improperly paid her mother (who worked at the school on an hourly basis) \$1,965.60 for 56 hours of work at the rate of \$35.10 an hour, when her mother's rate was actually \$14.09 an hour. As a result, the mother was overpaid a minimum of \$1,177.

The OIG recommended appropriate discipline for the school clerk and a DNH designation for the clerk's mother (who was laid off before the OIG report was issued). CPS subsequently terminated the clerk and designated her as a DNH. CPS also designated the clerk's mother as a DNH.

- *Improper Payroll Edits by a School Clerk (12-00934)*

An OIG investigation determined that over an approximately two-year period, an elementary school clerk self-edited both her regular and overtime pay records to improperly pay herself for approximately 169 hours that she was not authorized to work. As a result, she received \$6,060 in pay that was never authorized. The OIG made no finding regarding whether the clerk actually worked those hours — only that the time was not authorized.

During one summer, the clerk was also paid \$1,357 for 37.83 hours that was not supported by her time-clock swipes. The clerk was paid for the additional time

through self-edits that she made to her Supplemental Pay System records. The OIG could not exclude the possibility that she did not actually work some or any of those hours.

The OIG recommended appropriate discipline. CPS moved for termination, but after a discharge hearing was held, the hearing officer issued a Level 3 Final Warning.

In addition, the OIG recommended that CPS implement control features to the CPS Kronos and Supplemental Pay Systems that would prohibit an employee from editing his or her own time. The Law Department has since advised the OIG that it will follow up with the Payroll Department to ensure that employees cannot edit their own time.

- *Conflict of Interest and Double-Dipping by a Teacher (12-01237)*

An OIG investigation determined that a teacher at an elementary school was the paid Supplemental Educational Services (SES) Coordinator for the school while simultaneously acting as a paid employee of an SES provider. That arrangement — supervising a program as a paid CPS employee while at the same time being an employee of a company she was supervising — violated the ethical rules in the Illinois Administrative Code that prohibit an SES Coordinator from having any other role in the SES program.

In addition, the teacher was double-dipping during the same hours on 41 different days. During the hours in question, the teacher was paid a total of \$2,878 by CPS for being the SES Coordinator while she was also paid \$4,080 by the provider to teach.

The OIG recommended appropriate discipline. CPS subsequently filed dismissal charges.

- *Possible Theft of \$10,000 by Parent Employee (12-01416)*

An OIG investigation determined the following: At some point a few years ago, an elementary school principal (Principal A) placed a parent who also worked as a part-time employee in charge of the school's Parent Teacher Organization (PTO) account and a Student Social account. Although PTO accounts normally hold funds raised by outside "friends of" or other booster organizations, it appears that this school's PTO account improperly held a large amount of money that came directly from the school's own fundraising efforts, as well as fees associated with after school student activities. Exact details about the type of funds in the Student Social account are not known because, as explained further below, both Principal A (now retired) and the parent employee did not cooperate with the OIG.

Principal A subsequently retired and, because of numerous outstanding questions about the PTO and Student Social accounts stemming from Principal A's tenure, the new principal (Principal B) attempted to take custody of the funds in both accounts by asking the parent employee to transfer them to the school's internal account. In late October 2012, the parent employee gave Principal B a \$9,134 check from the PTO account, which was supposed to represent the balance of the funds in the two accounts. The \$9,134 check subsequently bounced.

In the wake of continuing questions from Principal B about the funds, the parent employee also gave some other documents to Principal B that purported to show that the parent employee had closed the PTO account with a closing balance of \$10,213. The parent employee represented that the \$9,134 check (that bounced) was funded with money from the \$10,213 closing balance.

Shortly thereafter, the parent employee stopped going to work, and she was subsequently fired for being absent without leave.

The OIG's investigation found that the parent employee falsified a bank document that made it appear as if the PTO account she controlled had a balance of \$10,213.13 when it actually only had a balance of \$0.31.

The parent employee failed to respond to an OIG subpoena to answer questions in this matter. Principal A also refused to answer questions in the OIG investigation.

Due to the lack of cooperation from both individuals, as well as sloppy recordkeeping, the OIG could not determine exactly how much money was missing. The OIG could not exclude the possibility that \$10,000 or more was stolen by the parent employee.

The OIG recommended a DNH designation for the parent employee, and CPS subsequently designated her as a DNH.

- *Improper Coaching Payments (13-00294)*

An OIG investigation determined that a high school athletic director and a multi-sport coach were involved in several schemes with other high school staff in which money for coaching stipends was fraudulently awarded to staff who were not involved in coaching the relevant teams.

In one scheme, the multi-sport coach and a teacher (Teacher A) split a \$1,233 (net pay) stipend that was given to Teacher A — a teacher who never coached any team at all. The multi-sport coach then lied by saying that he never received any money from Teacher A and never had an arrangement to split the stipend.

In another scheme, the multi-sport coach and the athletic director improperly attempted to funnel stipend money to a recently-fired coach (Coach A) via a fraudulent stipend to a teacher (Teacher B), who signed coaching timesheets knowing that they were false and that at least some of the money would be funneled to Coach A. The multi-sport coach also lied regarding this matter. In the wake of the OIG investigation, the athletic director also asked Teacher B to lie by stating that she had actually coached. The fraud attempt, however, did not result in a payment to Teacher B.

Similarly, the athletic director developed and executed a scheme to fraudulently pay a pom pon coach (Coach B) — a staff member who had worked as a coach but lacked a newly-required coaching certification for non-teachers — through a straw payment to another teacher (Teacher C). Coach B and Teacher C knowingly participated in the scheme, which resulted in an improper payment to Coach B of \$724.

In yet another scheme, the athletic director and another coach (Coach C) improperly conspired to award a coaching stipend to Coach C for time he never worked, and Coach C and the athletic director agreed to split the proceeds. As a result of the scheme, Coach C received \$1,391 (net pay) for work he never performed. It is unclear whether the athletic director ever received any split of the money from Coach C.

The OIG recommended appropriate discipline for the employees. The table below summarizes CPS's actions.

| <b>Subject</b>    | <b>CPS Action</b>                  |
|-------------------|------------------------------------|
| Multi-Sport Coach | Terminated and designated as a DNH |
| Athletic Director | Terminated and designated as a DNH |
| Coach A           | Terminated and designated as a DNH |
| Coach B           | Resigned and designated as a DNH   |
| Coach C           | Resigned and designated as a DNH   |
| Teacher A         | CPS has filed dismissal charges    |
| Teacher B         | CPS issued Level 1 Discipline      |
| Teacher C         | CPS issued Level 2 Discipline      |

The OIG further noted that the general CPS practice appears to be that coaching and other stipends are determined in advance, and hours are then simply entered on timesheets until the full stipend amount is reached, regardless of the amount of hours actually worked. As evidenced by this investigation, this practice is ripe for abuse, as there are no controls to ensure that coaches and others are putting in the time to justify their stipends. Accordingly, the OIG recommended that CPS review the manner in which coaching and other stipends are awarded to ensure that stipends are only paid to employees who worked enough verifiable hours to qualify for them. The OIG understands that Internal Audits has been made aware of this issue and is working on it.

- *Financial Mismanagement by a School Business Manager (13-00373)*

An OIG investigation determined that a high school business manager failed to follow proper accounting procedures regarding the receipt of cash, checks, credit cards and electronic fund transfers. As a result, thousands of dollars of internal account funds were not properly receipted and recorded. Due to her sloppy recordkeeping, the OIG could not eliminate the possibility that the business manager misappropriated or lost thousands of dollars. The OIG found that her failures amounted to a gross dereliction of her fiduciary duties.

During her OIG interview, the business manager admitted to commingling cash from various sources without recording what she had done. She also generally acknowledged the glaring problems with her recordkeeping, but attributed the discrepancies to honest mistakes, misclassifications and inadequate training.

The business manager was laid off before the OIG issued its report, and the OIG recommended a DNH designation. She was subsequently coded as a DNH.

- *Improper Purchases and Reimbursements (13-00560)*

An OIG investigation determined that an elementary school assistant principal gained an improper benefit of \$475 in credit card reward points by using her personal credit card to make school-related purchases for which she was reimbursed. The principal knew that the assistant principal was using her personal credit card to earn reward points.

In addition, the assistant principal received double reimbursements for the same purchase on three separate occasions. Together, those improper double reimbursements totaled \$389 dollars. One of the double reimbursements was caught by the school clerk shortly after it happened, and the assistant principal paid back the extra \$158 that was at issue in that instance. The assistant principal denied

that the double reimbursements were intentional, and blamed them on paperwork processing mistakes.

Finally, the assistant principal improperly used her personal credit card to purchase round-trip airfare for the daughter of the principal, who had planned to accompany her mother on a trip to Washington, DC for an education-related event. There appeared to be no justifiable reason why CPS would have paid for the daughter's travel. Due to a lack of specific details about the matter from the principal, the OIG was unable to substantiate her claim that she had obtained permission to purchase the ticket for her daughter. When the event was postponed, the principal's daughter was apparently no longer able to attend, and the assistant principal eventually used the airfare credit from the original ticket to purchase another ticket for herself so that she could travel with the principal to DC.

The OIG recommended appropriate discipline for the principal and assistant principal. Dismissal charges against the principal are being filed by CPS, and a decision regarding the assistant principal is pending with the Law Department.

- *Failure to Secure Checks and Cash at a High School (13-00756)*

The OIG investigated an incident in which a clerk claimed to have placed a bag containing \$16,579 in checks and cash in a closet overnight for safekeeping. The bag was purportedly missing the next day. After interviews of witnesses and potential subjects, the investigation was not able to determine what happened to the missing bag.

The bag contained \$5,903 in cash and \$10,616 in checks. Among the several checks, one was a \$10,000 check for a scholarship fund. After learning of the missing bag, a stop was placed on the \$10,000 check and it was subsequently replaced with a new one. The OIG made inquiries about the other \$616 in checks to see if they were negotiated and, if so, who negotiated them. The OIG, however, learned that the other missing checks do not appear to have been negotiated.

The OIG determined that the clerk was at least partly culpable because CPS procedures required her to secure the money and checks in the school's vault at the end of the day. The OIG recommended appropriate discipline for the clerk coordinator. CPS issued a Level 2 Warning.

- *Engineer in Possession of Stolen CPS Computers (13-01206)*

An OIG investigation revealed that a school engineer was in possession of computers stolen from another elementary school. In October 2012, the engineer brought home an Apple desktop computer that had been previously reported stolen. While it was



at his house, family members used the computer. Later, in the summer of 2013, the engineer again took the same Apple computer home where it remained for months and was used by family members. After tracking software locked the computer, the engineer returned it to the school. In addition, the engineer was also in possession of another computer that had been reported stolen from the same school. According to the engineer, the second computer was stored in his school office and was not used.

The engineer was arrested and charged with the felony offense of theft of school property. The engineer subsequently entered into a deferred prosecution program, and upon completion of the program requirements, the charges against him will be dismissed.

The OIG recommended appropriate discipline. CPS terminated the engineer and designated him as a DNH.

- *School Clerk's Failure to Secure Money (14-00019)*

An OIG investigation determined that a school clerk at least negligently failed to secure and deposit \$890 in student field trip cash that he had in his possession. The OIG could not eliminate the possibility that the clerk stole the money.

The OIG recommended appropriate discipline for the clerk. CPS has filed dismissal charges against the clerk.

- *Theft by a School Security Officer (14-00121)*

An OIG investigation determined that a school security officer stole at least \$150 that he collected from students and parents for basketball jerseys. The security officer never provided the jerseys, and he never turned in the money he collected to the school.

The school security officer also violated Board Rule 4-4(m), the School Code of Illinois and the CPS Employee Discipline and Due Process Policy by failing to cooperate in the OIG investigation.

The OIG recommended appropriate discipline for the security officer. CPS terminated his employment and designated him as a DNH.

- *Misuse of Tax Exempt Letter (14-00228)*

An OIG investigation determined that an elementary school clerk used the CPS tax exempt letter for a personal purchase at a jewelry store. The investigation revealed that the clerk used the letter to avoid paying sales tax on a purchase of \$375 silver

hoop earrings from Tiffany and Co. The OIG recommended that CPS take appropriate disciplinary action. CPS terminated her employment and designated her as a DNH.

- *Falsification of Time (14-00263)*

An OIG investigation determined that a teacher at an elementary school (Teacher A) was swiped in for the day before he arrived at work. The investigation revealed that a second teacher (Teacher B) had improperly swiped in Teacher A. The OIG recommended appropriate discipline. CPS issued a Level 3 Warning to Teacher A and a Level 1 Warning to Teacher B.

#### **F. “STRINGING” AND OTHER VENDOR MISCONDUCT**

Board Rule 7-12 prohibits “stringing,” which is defined as dividing or planning any procurement program, activity, transaction, invoice, purchase order or agreement involving the Board or any of its operational elements (including offices, departments, bureaus, programs, units and schools) to avoid either: (a) any of the competitive procurement processes set forth in Board Rule 7-2; or (b) any of the limitations on delegated authority set forth in Board Rule 7-15 or 105 ILCS 5/34-8.1.

- *Electronics Purchases at 19 Schools (13-00350)*

An OIG investigation determined that two vendor companies regularly worked together to “string” purchases between them in order to avoid the annual \$25,000 per school limit for non-competitive purchases of “non-biddable” items from a single company. Under the arrangement, one vendor (Vendor A) was the actual seller of smart boards but it structured smart board sales to individual schools in excess of \$25,000 a year between itself and a “pass through” second vendor (Vendor B). All of Vendor B’s sales to CPS were arranged by Vendor A, and Vendor B did not perform an independent commercial function in the transactions.

The OIG recommended debarment for both companies and their respective owners. CPS is pursuing debarment against Vendor A and its owners, and Vendor B and its owner have been debarred.

- *Forged Surety Bonds (13-00545)*

An OIG investigation determined that a CPS vendor forged at least three letters purporting to be from a bonding agent. Those letters falsely represented that if the vendor was awarded CPS work it had bid on, the bonding agent would procure a performance and payment bond for the vendor. The vendor subsequently failed to

secure performance and payment bonds on at least three CPS projects he was awarded.

The OIG also determined that the CPS Facilities Department does not always ensure that performance and payment bonds are obtained as required, and that CPS has insufficient controls to ensure compliance with CPS rules regarding bonding.

The OIG recommended sanctions, up to and including debarment, for the vendor, and that CPS implement controls to ensure that vendors comply with performance bond rules. CPS has initiated debarment proceedings against the vendor.

- *Stringing Across Three Vendor Numbers (13-00851)*

An OIG investigation determined that an individual solicited CPS school personnel with an advertisement claiming that a company of his was an “unrestricted vendor,” and stated that he had three vendor numbers and claimed that meant he was able to meet a school’s larger volume purchases without being subject to purchasing restrictions. The OIG investigation determined that the individual controlled three CPS vendor numbers.

The OIG investigation found that, on numerous occasions, each of the individual’s companies provided biddable items, including office supplies and school products to CPS. When schools approached the \$10,000 maximum purchasing limit from one of the vendors, purchases were then “strung” across his other vendor numbers to avoid the \$10,000 per school annual limit on non-competitive purchases from a single vendor.

The OIG recommended appropriate debarments. The individual and two of his vendor companies have been debarred. CPS determined that new ownership assumed control of the third vendor company and that debarment in that instance was therefore not appropriate.

- *Stringing by a Vendor (13-01110)*

An OIG investigation determined that a furniture company, which was not a recognized CPS vendor, improperly utilized four companies with CPS vendor numbers as “pass-throughs” to make a combined \$400,000 worth of sales in FY 13 and FY 14. Although the pass-through businesses were conducting separate, unrelated business with CPS, none of them were in the furniture business.

An independent salesperson who worked for the non-vendor company on a commission basis made sales at various CPS schools by improperly representing himself as a salesman of the four pass-through companies. The salesman was not

paid by the four pass-through companies and was only paid by the non-vendor company.

The salesman also deliberately structured sales through the four pass-through companies to improperly circumvent CPS's \$10,000 per vendor and per unit annual spending limit. He did so by directing school clerks to open purchase orders in the names of the pass through vendors in a manner that stayed under the \$10,000 limit.

The pass-through middlemen kept up to 7% of the sales price. In fact, two of the companies were actually double pass-throughs. In cases where two middlemen were used, the combined middlemen cut could be as much as 11% of the sales price.

School clerks interviewed by the OIG claimed that they did not know enough about purchasing limits or stringing to have questioned or stopped the purchases.

The OIG recommended appropriate debarments for the salesman, and the companies (and their respective owners). CPS is in the process of debarring all of the parties.

- *Improper Use of Tax Exempt Letter by a Vendor (14-00107)*

An OIG investigation determined that a CPS vendor improperly used a CPS tax exempt certificate for numerous purchases. The investigation revealed that in violation of Illinois Department of Revenue regulations, the vendor used the certificate for more than \$45,000 of purchases in 2013 and 2014. By using the CPS tax exemption letter, the vendor avoided paying sales taxes on the purchases. In addition, the vendor improperly used the CPS tax exempt letter to purchase a \$1,790 personal laptop computer for an employee of the vendor and avoided paying sales tax.

The OIG recommended appropriate sanctions for the vendor. CPS is pursuing debarment against the vendor.

- *Improper Conduct by a Privatized Custodian (14-00266)*

An OIG investigation determined that a privatized custodian repeatedly called two female students at a high school "sexy". The statements caused the female students to feel unsafe at school.

During the course of the investigation, the custodian was terminated by his employer, a CPS vendor. The OIG recommended that the custodian be prohibited from working for CPS vendors. CPS sent a letter to the vendor advising it that the individual is not allowed on CPS property.

- *Improper Conduct by a Not-for-Profit Vendor (14-00345)*

An OIG investigation determined that a CPS not-for-profit vendor of development programs verbally assaulted a female graduate student. The investigation revealed that the vendor sent inappropriate, shockingly graphic and salacious emails to a female graduate student who had interviewed him for her research project.

The OIG recommended that CPS take appropriate action against the vendor. CPS has initiated debarment proceedings against the vendor.

- *Stringing by Vendors (14-00394)*

An OIG investigation determined the owner of a CPS vendor company improperly utilized two other CPS vendor companies as “pass-throughs” for repair services and janitorial supplies so that he could improperly circumvent the \$10,000 per vendor and per unit annual spending limit. The three companies at issue here have made nearly \$600,000 of combined sales since 2006.

The OIG recommended appropriate debarments for the three companies and their owners. CPS has initiated debarment proceedings against all parties. (Note: the three companies at issue here were also subjects, along with other entities, under the above referenced furniture stringing case 13-01110.)

- *Stringing by Vendors (14-00431)*

An OIG investigation determined that four vendor companies owned by two siblings were engaged in stringing purchases from an elementary school to avoid annual limits on non-competitive purchasing by a single vendor. In addition, the company owners failed to cooperate with the OIG investigation.

The OIG recommended appropriate debarments for the owners and their companies. CPS has initiated debarment proceeding against the vendors. (Note that the siblings at issue here were also subjects in 07-5820, which is discussed above.)

## **G. ETHICS CASES**

- *Attempt to Influence a Special Accommodations Decision (12-01175)*

An OIG investigation determined that a director in Central Office improperly influenced a special accommodations decision for her nephew. The director sent an email to the nephew’s elementary school counselor advocating that special accommodations be granted to her nephew, which would allow him additional time on standardized assessments and give him a better chance of admission to a selective-enrollment high school. The director failed to disclose in her email

correspondence that she was the child's aunt. The director utilized the CPS email system to send the email and signed it with her official title and department — the very department that oversees selective-enrollment high schools and gifted elementary schools. The email exceeded the director's job duties and responsibilities, and it intimidated counselors and evaluators at the school.

The OIG recommended appropriate discipline. CPS issued a First and Final Warning.

- *Allegation of Conflict of Interest in Contract Award Process (13-00702)*

The OIG reported on an investigation into allegations that a major contract award process was improperly influenced by a CPS central office administrator who previously worked for the winning vendor (Company A).

The investigation determined that the CPS administrator engaged in questionable conduct throughout the award process. For example, the administrator twice dined with the president of Company A during the contract award process and told CPS staff members that she did not need to review Company A's RFP submission because she had written proposals for Company A in the past and Company A knew what she wanted. In addition, several members of the contract award committee recalled a meeting during which the CPS administrator stated that a high-ranking CPS official did not want a specific competing vendor to win the contract award.

Although such conduct raised alarms with the OIG and posed the possibility of undue influence, the investigation showed that Company A did not pay for the CPS administrator's meals and it could not show that the RFP was discussed at those meals. Both parties further claim that the meals were the result of chance meetings in public. Additionally, the investigation tended to show that the administrator's comments to CPS staffers did not influence the contract award.

The OIG also learned that the administrator prodded subordinates to participate in a party game that made people feel uncomfortable.

Because the investigation could not prove that the administrator had discussions about the RFP with her former employer during the contract award process, and because the evidence was not strong enough to support a conclusion that she was favoring or attempting to favor her former employer, the OIG could not make a disciplinary recommendation. Although the administrator's conduct was problematic, the OIG concluded her actions ultimately did not violate applicable ethics policies. The OIG recommended that CPS review the OIG's investigation to determine if any further action regarding the administrator is warranted. The OIG also recommended that CPS review its RFP policy and ensure adequate training for

those involved in the RFP process. The OIG has been advised that the case is under high-level review by CPS.

- *Use of Email to Circulate Invitations for Political Fundraisers (13-00911)*

The OIG completed an investigation that determined that a director-level employee violated both the CPS Ethics Policy and the CPS Acceptable Use of the CPS Network and Computer Resources Policy by using his CPS email account to circulate invitations for political fundraisers and otherwise engaged in partisan political activity. At the time the OIG issued its report, the employee had resigned from CPS. The OIG recommended the he be classified as a DNH. CPS subsequently designated him as a DNH.

- *Nepotism by a Principal (13-01096)*

An OIG investigation determined that a high school principal hired her husband to work security at the high school and also hired her stepson as a DJ for school parties. The investigation revealed that since 2012, the high school paid her step-son, \$2,088 for DJ services. The principal also admitted that she has paid her husband \$22 per hour in cash from internal accounts to work security at various high school events. Those payments to the stepson and husband violated the CPS Code of Ethics.

The OIG recommend appropriate discipline. CPS issued a written reprimand.

#### **H. EMPLOYEE RESIDENCY FRAUD AND STUDENT TUITION FRAUD**

The cases in this sub-section involve instances of (1) employee violations of the Board's residency policy (residency fraud) and (2) parents who owe CPS non-resident tuition because their children do not live in the City of Chicago but nonetheless improperly attended CPS schools by using a false City address (tuition fraud). Some cases involve both kinds of violations, i.e., CPS employees who live in the suburbs with their children and the children also attend CPS schools.

The families of students who live outside of Chicago but improperly attend CPS schools are normally responsible for non-resident tuition — in FY 14 the non-resident tuition rate was over \$10,000 a year per student. Accordingly, the OIG recommends that CPS recover non-resident tuition when appropriate.

In FY 14, the OIG identified a total of \$657,457 in non-resident tuition owed by families of students who improperly attended CPS schools while living outside of Chicago.

The OIG recommends “immediate termination” when employee residency violators also lie about their address. This is because, per the Board's residency policy (see

Board Report 08-0227-PO1), an employee who lies about his or her address in conjunction with a residency violation is deemed to have engaged in irremediable conduct, which means that termination is mandatory.

- *High School Teacher Living in Antioch (10-09662)*

An OIG investigation determined that a high school teacher was living in Antioch, Illinois, in violation of the CPS residency policy. The teacher intentionally misrepresented his residence by telling CPS that he lived in Chicago. The OIG recommended that the teacher be terminated. CPS has filed dismissal charges against the teacher.

- *Custodial Worker Living in Hazel Crest (11-00929)*

An OIG investigation determined that when a custodial worker began employment with CPS in 2007, he represented that he lived in Chicago. The OIG investigation revealed that he actually lived in Hazel Crest, Illinois. The OIG recommended that the custodial worker be terminated. He was subsequently terminated and classified as a DNH.

- *Residency and Tuition Fraud by Elementary Teacher (13-00246)*

An OIG investigation determined that an elementary school teacher lived in Homewood, Illinois, and that her children attended a CPS school. The teacher intentionally misrepresented her residence by providing a Chicago address to CPS.

In addition, the teacher enrolled five of her children, who all lived with her in Homewood, in a CPS elementary school for a year. Accordingly, the OIG determined that the teacher and her husband (not a CPS employee) are responsible for the payment of non-resident tuition in the amount of \$50,198.

The OIG recommended termination and that CPS seek recovery of \$50,198. CPS has filed termination charges. The Board also adopted a resolution to seek recovery of the non-resident tuition, and CPS is attempting to recover the money.

- *Senior Analyst Living in Downers Grove (13-00549)*

An OIG investigation determined that a senior analyst was living in Downers Grove, Illinois, in violation of the CPS residency policy. She intentionally misrepresented her residence by notifying CPS that she resided at a Chicago address.

The OIG recommended termination. CPS terminated her and designated her as a DNH.



○ *Residency and Tuition Fraud by Instructional Support Leader (13-00621)*

An OIG investigation determined that an instructional support leader resided in Calumet City, Illinois, and enrolled her son at two CPS schools over the last eight years. The son lived with the CPS employee in the suburbs. The investigation determined that the instructional support leader intentionally misrepresented her residence and that she also falsified school records to reflect that her son resided in the City of Chicago.

The OIG recommended termination and recovery of \$77,125 for non-resident tuition owed by the employee and her husband. The employee resigned under investigation and CPS classified her as a DNH. Based on revised non-resident tuition rate schedules, the Board adopted a resolution to seek a modified tuition amount of \$88,271. CPS settled the matter for \$39,907.

○ *Residency and Tuition Fraud by a Teacher (13-00643)*

An OIG investigation determined that a teacher misrepresented her address and was living in Burbank, Illinois, with her three children, all of whom attended CPS schools. The OIG determined that the teacher and her husband were responsible for the payment of non-resident tuition in the amount of \$169,137.

The OIG recommended termination and recovery of \$169,137 of non-resident tuition. The teacher resigned under investigation and CPS designated her as a DNH. Based on revised non-resident tuition rate schedules, the Board adopted a resolution to seek recovery of a modified tuition amount of \$172,088, and CPS is attempting to recover the money.

○ *Residency Fraud by Principal and Assistant Principals at the Same High School*

*Assistant Principal Residency and Tuition Fraud (13-00710)*

An OIG investigation determined that an assistant principal (Assistant Principal A) and his three children lived in Whiting, Indiana, from 2005 to 2013. The investigation also revealed that his three children attended CPS schools.

The OIG investigation revealed that Assistant Principal A falsified applications for free and reduced-price meals for his children by understating his income and by not reporting any income for his employed wife.

The investigation also determined that Assistant Principal A falsified his attendance records on numerous occasions by having another assistant principal (Assistant Principal B — see 13-00711) swipe him in for work when he was running late.

Finally, Assistant Principal A knew that Assistant Principal B was also violating the CPS residency policy but failed to report her violation.

The OIG recommended termination of Assistant Principal A and recovery of non-resident tuition in the amount of \$70,980. Assistant Principal A resigned under investigation and was designated as a DNH by CPS. CPS is awaiting the hearing officer's decision regarding the student residency issue before proceeding with non-resident tuition recovery.

*Residency Fraud by a Second Assistant Principal (13-00711)*

An OIG investigation determined that Assistant Principal B lived in Minooka, Illinois, in violation of the CPS residency policy. On numerous occasions, Assistant Principal B also improperly swiped in Assistant Principal A when he was running late for work.

The OIG recommended immediate termination for Assistant Principal B. Assistant Principal B resigned under investigation and was designated as a DNH.

*Residency Violation by a Principal (13-00712)*

An OIG investigation also determined that the principal of the same high school where Assistant Principals A and B worked, violated the CPS residency policy by living in Alsip, Illinois.

The OIG recommended immediate termination. The principal resigned under investigation and was designated as a DNH.

○ *Tuition Fraud at a SEHS by a Family Living in Burr Ridge (13-00998)*

An OIG investigation determined that a suburban parent fraudulently enrolled her son, who lives with her, at a selective-enrollment high school. The parent admitted to the OIG that she and her son lived in Burr Ridge while the son attended a selective-enrollment high school. As a result of the fraudulent enrollment, another selective-enrollment high school applicant was denied admission to the selective-enrollment high school.

The OIG recommended that the student be disenrolled and that CPS collect \$10,040 in non-resident tuition from the parent. A parent of the student subsequently established Chicago residency and the child was not disenrolled. CPS settled the tuition reimbursement matter for \$1,156.

○ *Residency and Tuition Fraud by a High School Counselor (13-01033)*

An OIG investigation determined that a high school counselor lived in Alsip, Illinois, with her two daughters who attended a CPS elementary school. The high school

counselor falsified multiple residency documents. The investigation also revealed that the high school counselor falsified a 2013 fee waiver form and a 2012 free and reduced-price meal application by understating her income by \$12,000 a year on each form.

The OIG recommended termination for the high school counselor and recovery of \$103,743 in non-resident tuition from the high school counselor and her husband. The high school counselor resigned under investigation and was designated as a DNH. CPS settled the non-resident tuition matter for \$25,000.

- *Residency and Tuition Fraud by a High School Teacher (13-01067)*

An OIG investigation determined that a high school teacher lived in Harvey, Illinois, with her daughter, and that the teacher fraudulently enrolled her daughter in a CPS elementary school. The teacher falsified documents in connection with the case.

The OIG recommended termination and recovery of \$20,079 in non-resident tuition. The teacher resigned under investigation and was designated as a DNH by CPS. The Board adopted a resolution to seek recovery of the \$20,079, and CPS is pursuing the matter.

- *Assistant General Counsel Living in Naperville (13-01227)*

An OIG investigation determined that a CPS assistant general counsel was living in Naperville, Illinois in violation of the CPS residency policy. He also intentionally misrepresented his residence by notifying CPS that he resided in the City of Chicago. The OIG recommended termination. CPS terminated him and designated him as a DNH.

- *Assistant General Counsel Living in Park Ridge (13-01228)*

An OIG investigation determined that a CPS assistant general counsel was living in Park Ridge, Illinois in violation of the CPS residency policy. He also intentionally misrepresented his residence by notifying CPS that he resided in the City of Chicago. The OIG recommended termination. CPS terminated him and designated him as a DNH.

- *School Counselor Living in Des Plaines (13-01337)*

An OIG investigation determined that a school counselor was living in Des Plaines, Illinois in violation of the CPS residency policy and that she intentionally misrepresented her address. The OIG recommended termination. The school counselor resigned under investigation and CPS designated her as a DNH.

- *Residency and Tuition Fraud by a Security Guard and Teacher (13-01338)*

An OIG investigation determined that a school security guard and teacher, who are husband and wife, lived in Elmwood Park, Illinois, with their two children who improperly attended a CPS elementary school. The OIG determined that the couple was responsible for non-resident tuition in the amount of \$93,703.

The OIG recommended termination for the security guard and the teacher, as well as recovery of the non-resident tuition owed. CPS has filed dismissal charges against the school security guard and the teacher. CPS agreed to settle the tuition recovery matter for \$20,000.

- *Tuition Fraud at a Selective-Enrollment High School (13-01365)*

An OIG investigation determined that two sisters, a selective-enrollment high school student and an elementary student at a charter school actually lived in Berwyn, Illinois. The OIG determined that the children's mother was responsible for \$62,451 in non-resident tuition.

The OIG recommended disenrollment of the students and recovery of the non-resident tuition owed. CPS is pursuing disenrollment and tuition recovery is pending the outcome of an administrative hearing on the non-residency issue.

- *Teacher Living in Lockport (14-00155)*

An OIG investigation determined that a high school teacher was living in Lockport, Illinois, in violation of the CPS residency policy. He also intentionally misrepresented his residence to CPS. The OIG recommended termination. The teacher resigned under investigation and CPS designated him as a DNH.

#### **I. OFF DUTY ARREST CASES**

- *Criminal Abuse or Neglect of an Elderly Person (13-00266)*

An OIG investigation determined that a CPS lunchroom attendant criminally neglected her mother who died as a result. The lunchroom attendant was also arrested and charged in connection with the death of her mother with the felony offense of criminal abuse or neglect of an elderly person resulting in death.

The OIG recommended that CPS take appropriate disciplinary action. CPS terminated the lunchroom attendant and designated her as a DNH. The lunchroom attendant was subsequently sentenced to four years in prison.

- *Assault and Aggravated UUW by a Child Welfare Attendant (13-00383)*

An OIG investigation determined that a child welfare attendant was arrested and preliminarily charged with the offenses of assault and aggravated unlawful use of a weapon. Specifically, Chicago police officers arrested the child welfare attendant after he threatened to kill his girlfriend. The police found the welfare attendant in possession of a semi-automatic handgun containing one live round. A Cook County Grand Jury subsequently indicted him, charging him with the felony offenses of unlawful restraint and aggravated unlawful use of a weapon. The criminal charges against him are pending in the Circuit Court of Cook County Criminal Division.

The OIG recommended appropriate discipline. The child welfare attendant was subsequently terminated and designated as a DNH by CPS.

- *Traffic and Resisting Arrest Charges against a Classroom Assistant (13-00771)*

A special education classroom assistant assigned to an elementary school was arrested and charged with numerous traffic offenses. While being processed at a Chicago police station, the employee allegedly assaulted a Chicago police officer by threatening to kill her. The employee was subsequently charged with resisting arrest. The employee pled guilty to the charge of fleeing or attempting to elude a police officer and was sentenced to serve a term of one year of conditional discharge.

In addition, the employee improperly used sick time on three days to attend court hearings.

The OIG recommended appropriate discipline. CPS terminated him and designated him as a DNH.

- *Traffic Violations and Criminal Obstruction by a Bus Aide (13-00785)*

A school bus aide was arrested in a suburb for traffic violations and for the criminal offense of obstructing identification. During the traffic stop, the bus aide presented false identification to the arresting officers and was then charged with the misdemeanor offense of obstructing identification. She was subsequently convicted of the offense of obstructing identification and sentenced to a term of conditional discharge.

The OIG recommended appropriate discipline. The school bus aide was subsequently terminated after she was found to be absent without leave from CPS.

- *Obstruction of Justice and Resisting Arrest (13-00787)*

A miscellaneous employee assigned to a high school was charged with obstructing justice and resisting arrest after he interfered with a battery investigation being conducted by a suburban police department. He subsequently pled guilty to the charge of resisting a police officer and was sentenced to serve a term of 12 months of conditional discharge.

The OIG recommended appropriate discipline. CPS terminated him and designated him as a DNH.

- *DUI by a Special Education Classroom Assistant (13-00829)*

A special education classroom assistant was arrested and charged with driving under the influence of alcohol. He was convicted of driving under the influence of alcohol and sentenced to serve a term of one year of conditional discharge.

The OIG recommended appropriate discipline. The special education classroom assistant was given school-based discipline.

- *Theft of Government Funds by a Guidance Counselor (13-00882)*

A guidance counselor was indicted in the United States District Court for the Northern District of Illinois. He was charged with theft of government funds after fraudulently collecting unemployment benefits while he was employed by CPS. The counselor entered into a plea agreement wherein he admitted to fraudulently misrepresenting that he was unemployed while he was working for CPS. He was sentenced to serve a term of one year of probation and he was ordered to pay \$13,543 in restitution to the Illinois Department of Employment Security.

The counselor resigned under investigation, and he was subsequently designated as a DNH.

- *PCS by a Special Education Teacher (13-00908)*

An OIG investigation determined that a special education teacher was arrested and charged with possession of a controlled substance. The special education teacher subsequently admitted to the OIG that he bought crack cocaine from a drug dealer and then attempted to smoke the cocaine.

The OIG recommended appropriate discipline. The special education teacher subsequently resigned and was then classified as a DNH.

- *PCS by a Custodial Worker (13-00950)*

An OIG investigation determined that a custodial worker was arrested and charged with possession of heroin. The custodial worker admitted to the OIG that he obtained a small zip lock bag of heroin from drug dealers and that the bag was in his possession when he was subsequently approached by the police.

The OIG recommended appropriate discipline. CPS terminated his employment and designated him as a DNH.

- *Aggravated DUI by a Custodial Worker (13-01136)*

A custodial worker assigned to an elementary school was arrested and charged with the offense of aggravated driving under the influence of alcohol. The worker pled guilty to the charge of aggravated driving under the influence of alcohol and was sentenced to serve a term of two years of probation. He was also sentenced to serve 90 days in jail. While in jail, the custodial worker was terminated for being absent without leave. The OIG attempted to interview him upon his release from Cook County Jail, but he did not respond.

The OIG recommended appropriate discipline. CPS terminated the custodial worker and designated him as a DNH.

- *Retail Theft by a Custodial Worker (13-01207)*

In 2013, the OIG learned that a custodial worker who worked at an elementary school had been convicted in connection with a 2010 retail theft incident. OIG research revealed that the custodial worker was originally found guilty of a misdemeanor charge and sentenced to two years of court supervision, which is not considered a criminal conviction. Based on a violation of her conditions of court supervision, the custodial worker was later resentenced to serve 24 days in DuPage County Jail, and a conviction was entered on the original retail theft charge.

The OIG recommended appropriate discipline. CPS issued a non-disciplinary memorandum.

- *A Teacher Charged with Criminal Sexual Assault (13-01233)*

A teacher assigned to a high school was charged with predatory criminal sexual assault of a victim under 13 years of age, as well as other sex crimes. The alleged incident involved a family member and the victim was not a CPS student.

When the OIG attempted to interview him, the teacher resigned.

The teacher pled guilty to aggravated criminal sexual abuse and predatory criminal sexual assault. He was sentenced to four years in prison and 36 months probation.

The OIG recommended that he be designated as a DNH. CPS followed the recommendation.

- *PCS Arrest by a School Security Officer (13-01039)*

An OIG investigation determined that a high school security officer was arrested and charged with the offenses of possession of a controlled substance and driving on a suspended license. The security officer was arrested while in possession of 1.1 grams of cocaine. He was also driving on a suspended license as a result of a prior arrest for driving under the influence of alcohol. Additionally, he falsified time records on two days and misused sick time on one occasion when he was actually attending traffic court following his DUI arrest.

In addition to his criminal conduct, the security officer lied on two occasions during an interview with the OIG.

The OIG recommended appropriate discipline. The school security officer was terminated and classified as a DNH.

#### **J. FALSIFICATION ON A JOB APPLICATION (13-00402)**

An OIG investigation determined that a child welfare attendant falsified a CPS job application by not responding to a question that asked if he had ever been convicted of a crime. At the time he filled out the application, he had two separate convictions related to “tagging” property with graffiti.

The child welfare attendant also intentionally omitted information from a Background Authorization Form by failing to fully disclose his criminal history.

The child welfare attendant told the OIG that he failed to accurately answer the questions, and explained that if he answered the questions correctly, he probably would not have been hired.

The OIG recommended appropriate discipline. CPS subsequently terminated him and classified him as a DNH.

#### **K. CHARTER SCHOOL ATTENDANCE BOUNDARY CASE (13-01191)**

An OIG investigation determined that a charter school admitted students from outside the school’s prescribed attendance enrollment boundary. The investigation revealed that the governing CPS Board Report failed to fully delineate the overlay boundary for the charter school. In addition, the charter school also mistakenly



extended the eastern boundary for the school, thereby improperly adding an additional 64 square blocks to the school's attendance enrollment area. As a result of the charter school's mistaken boundary enhancement, it appears that 31 students who would have not otherwise qualified to engage in the lottery process were enrolled into the school, and 21 of their siblings were also then subsequently enrolled in the school.

The investigation also revealed that, contrary to its CPS contract with the charter school, the school failed to provide CPS with its lottery records.

As a result of its investigation, the OIG recommended that CPS amend the relevant Board Report to clearly identify the enrollment boundaries for the charter school. The OIG also recommended that CPS impose appropriate sanctions against the charter school for mistakenly extending its boundary and for its failure to provide its lottery records to CPS. CPS amended the Board Report to reflect the correct attendance boundary.

#### **L. TEACHERS ALSO EMPLOYED AS POLICE OFFICERS (13-01259 AND 13-00706)**

The OIG investigated allegations concerning two full-time CPS teachers who were also concurrently employed as full-time Chicago Police Officers. Based on a review of CPS time records and CPD Attendance and Assignment sheets, the OIG investigations did not uncover evidence that either of the teacher/police officers was "double-dipping", that is, working both jobs at the same time. Accordingly, the OIG did not make disciplinary recommendations regarding the two teacher/police officers.

Because of the obvious questions about whether someone can honestly and fairly work two demanding full-time public service jobs — and be adequately prepared and rested for each — the OIG recommended that CPS prohibit teachers, assistant principals and principals from outside employment as police officers.

The OIG has been informed that CPS is working on a policy recommendation regarding this issue.

