

Porn, short days, kickbacks in inspector general's report

'SIGNIFICANT RISK' | Report cites \$23 mil. worth of irregularities

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A Chicago Department of Streets and Sanitation foreman who resigned after being caught spending several hours a day surfing the Internet and leering at porn sites.

City Health Department nurses and medical assistants who were suspended or fired after being accused of improperly swiping in and out of work, shortening their work days or charging the city for commuting time.

An assistant city aviation commissioner who was forced to resign after allegedly manipulating the awarding of a "large" contract to a company with whose executives he or she had golfed or vacationed with and solicited for campaign contributions.

City of Chicago Inspector General Joe Ferguson had a full plate again in the past few months, and those investigations — outlined in a report Monday — were among the reasons why.

One of the most troubling irregularities Ferguson uncovered: contract irregularities at the city's Office of Emergency Management and Communications that pose a "significant risk to the city's emergency preparedness." OEMC was accused of improperly routing a \$23 million sole-source contract to a company — identified by City Hall sources as Schaumburg-based Motorola — when the deal should have been competitively bid.

To justify the no-bid contract, OEMC officials cited an earlier \$2 million deal with Motorola for similar technology. In fact, the earlier expenditure was \$350,000. And that, too, was spent "without any contract or procurement process whatsoever," Ferguson wrote.

"As a result, the city is now committed to a digital radio system that has never been the subject of any competitive procurement process," Ferguson wrote.

The inspector general noted that his investigation was "ultimately frustrated" by the "debilitating combination" of "high turnover, endemic finger-pointing, poor or non-existent internal controls and missing paperwork."

"OEMC's long-running failure to effectively manage the procurement and contract process presents a significant risk to the city's emergency preparedness, fiscal security and grant compliance," the report states.

"The IGO is not suggesting that the city's current emergency preparedness is substandard. We did not evaluate that. We merely note that bypasses of competitive bidding and

purchase and contract protocols increases the risk of substandard outcomes in his critical realm.”

As always, the quarterly report withholds the names of the city employees and contractors involved, as required by law. But here’s a sampling:

- The former executive director of a city-funded agency allegedly stole more than \$250,000 in Head Start funds provided to the agency in 2005 by depositing the money into personal bank accounts and using it for personal expenses. The case was referred to the U.S. Attorney’s Office and the Illinois Attorney General’s Office, both of which declined to prosecute, citing statute of limitations issues and a lack of resources. The city has not yet taken action to recover those costs.

- A former employee in the internal audit section of the city’s Office of Compliance who allegedly accepted more than \$3,500 in gifts — including meals and sports tickets — from three vendors over whom that worker had contract-management authority.

During the course of the investigation, one of the vendors was accused of providing “false and misleading responses” to an IGO subpoena.

Ferguson recommended that the former employee be placed on the city’s do-not-rehire list, the three vendors be fined and placed on “deferred debarment for two years” and that four individual partners of the city vendors be permanently barred from doing business with the city.

- A “senior official” and two certification officers in the city’s Department of Procurement Services were suspended after it was found they “mistakenly certified” a construction company as a woman-owned-business enterprise, even though company revenues topped \$36 million — \$5 million more than what the city allows to get the certification.

The company in question got \$120 million in city contracts after “improperly receiving WBE certification.”

“The error resulted because the ... employees repeatedly applied the wrong standards, made basic math errors and appeared to have little to no understanding of the rules and regulations,” the inspector general wrote.

- A hoisting engineer assigned to the city Department of Water Management served a three-day suspension after being accused of using a city backhoe 10 times over a one-hour period to plow the snow in front of his or her home without authorization, on city time.

- A “delegate agency” and its president allegedly defrauded the city by falsely claiming to be current on its payroll-tax obligations. In fact, Ferguson’s investigation determined that the agency used the funding it got from the city for payroll taxes to mask its “chronic cash-flow” problems.

- Careless record-keeping by employees at Chicago’s Commission on Animal Care and Control resulted in an “unprocessed citation that never received an administrative hearing date.” An animal control officer was accused of lying to investigators, falsifying and misrepresenting city documents and adding an “after the fact” signature to a carbon copy of the citation to create the appearance that it had been properly executed. Ferguson recommended a 30-day suspension. Instead, the animal control officer was suspended for seven days.

The inspector general also recommended policy changes after discovering that the city was still paying the salaries and benefits of employees found guilty of alleged building and zoning shakedowns in the joint city-federal investigation known as Operation Crooked Code.