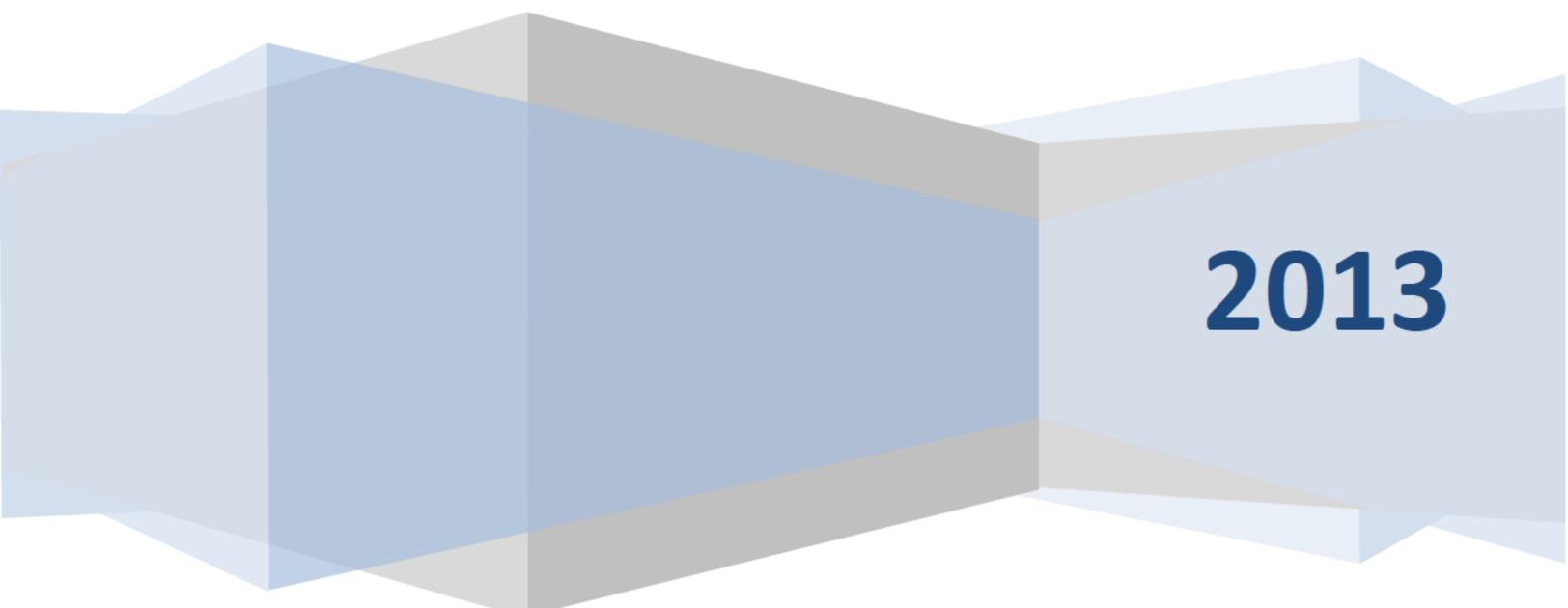


Chicago Board of Education
Office of the Inspector General

2013 Annual Report

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



2013

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INTRODUCTION FROM THE INSPECTOR GENERAL

This Annual Report summarizes investigations conducted by the OIG in Fiscal Year 2013, the period between July 1, 2012 and June 30, 2013. The School Code of Illinois, 105 ILCS 5/34-13.1(e), requires that the Annual Report be provided to the Chicago Board of Education and the Illinois General Assembly. This report also serves as a forum for communication with the General Assembly, the Board, and all CPS stakeholders concerning other relevant issues confronting the OIG.

As reported every year, the OIG's budget allocation fails to allow the OIG to perform its mandated function, as the OIG is critically under-staffed and under-funded. As repeatedly highlighted in previous Annual Reports, the OIG is the smallest local oversight office relative to the size of the agency it oversees. The OIG receives the smallest percentage of its agency's budget and has the highest ratio of agency staff to OIG staff of any local oversight office.

In addition, as the OIG continues to focus and report on significant issues, post-investigation activity stemming from those investigations, including document reproduction, preparation for and testimony at administrative hearings, labor arbitrations and criminal trials and other necessary tasks, continues to burden OIG staff and resources. As a result, in FY 13, only 22.2% of complaints received resulted in any type of OIG investigation, which creates a substantial risk that waste, fraud, financial mismanagement and employee misconduct go undetected.

The OIG has been making recommendations for enhancements to CPS oversight offices — Ethics, Internal Audit and OIG — for years. CPS contracts are lucrative and hundreds of employees at central office and in schools have contract management authority and the ability to request and approve payments to vendors. The OIG continually reports on misconduct, incompetence and corruption related to these issues. However, without an increase in budget and staffing levels, the risk of issues going undetected increases every year.

In FY 13, OIG investigations identified significant deficiencies in internal controls and examples of detrimental employee misconduct. Specifically, in one instance, CPS employees allowed a vendor to provide inferior, substitute products and charge the same price as the item the vendor contracted to provide, costing CPS nearly \$100,000 in unnecessary charges. In addition, CPS received far inferior products. Another investigation revealed that school administrators falsified invoices supporting reimbursements, misspent school funds and were double-reimbursed. The OIG also discovered that a high school technology coordinator stole more than \$400,000 by creating fake vendors he purportedly paid for supplies and diverting the money to his own bank account. Finally, a high school principal and a staff member enrolled ghost students to inflate the school's enrollment numbers to qualify for additional positions, including an additional assistant principal position. These cases and others are summarized on the following pages.

As always, the OIG continues to work alongside federal and local law enforcement and prosecutorial authorities, when appropriate, to ensure that serious breaches of the law are properly investigated and prosecuted. The OIG also cooperates with other local oversight offices on cross-agency issues.

The following Annual Report begins with an introduction to the OIG, an analysis of complaints received and a brief discussion about recently amended Board Rule 3-8 (pp4-6). The next section (pp 6-8) of the report provides updates to investigations reported in prior Annual Reports. Summaries of Fiscal Year 2013 investigations begin on page 8.

James M. Sullivan
Inspector General

ANNUAL REPORT

MISSION

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 efficacy in preventing waste, fraud and financial mismanagement.

BUDGET

During Fiscal Year 2013, the OIG continued to perform its statutorily-mandated function, despite continued budget and staffing constraints that severely limit the OIG's ability to effectively serve the taxpayers. In FY 13, the OIG was allocated \$1.82 million and was staffed with 17 full-time employees. Compared to other oversight offices with similar responsibilities, the OIG is extremely under-funded and under-staffed. Despite these shortcomings, the OIG continues to conduct accurate, thorough and meaningful investigations resulting in increased integrity in CPS operations.

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. Currently, seven OIG employees have earned the designation of Certified Inspector General or Certified Inspector General Investigator after undergoing training by the AIG. Participation in the AIG also allows the OIG to be trained in best practices related to the performance of the Inspector General function. 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.

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.

FISCAL YEAR 2013 COMPLAINTS RECEIVED

In FY 13, the OIG received 1,460 complaints alleging misconduct, waste, fraud and financial mismanagement within the Chicago Public School system, including allegations of misconduct by CPS employees or vendors and allegations of students residing outside the City of Chicago and attending CPS.

In FY 13, the OIG received 532 anonymous complaints, 36.4% 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.

The table below reflects the types of complaints received by the OIG in FY 13.

Type of Complaint Received FY 13		
Residency	265	18.15%
Mismanagement	40	2.74%
Inattention to Duty	190	13.01%
Misappropriation of Funds	73	5.00%
Criminal Background	42	2.88%
Conduct Unbecoming	78	5.34%
Falsification of Attendance Records	65	4.45%
Falsification of Employment Records	2	0.14%
Falsification of School Records	66	4.52%
Test Cheating	12	0.82%
Tuition Fraud	77	5.27%
Grade Changing	8	0.55%
Violation of Acceptable Use Policy (computer/email)	8	0.55%
Violation of Magnet and Selective Enrollment Policy	10	0.68%
Sexual Harassment	20	1.37%
Contractor Violations	55	3.77%
Ethics	28	1.92%
Discourteous Treatment	99	6.78%
Losing one's professional license	8	0.55%
Preferential Treatment	19	1.30%
Fraudulent Leave of Absence	7	0.48%
Retaliation	14	0.96%
Unauthorized Use of Board Property	16	1.10%
Off Duty Criminal Conduct	81	5.55%
On Duty Criminal Conduct	125	8.56%
Discrimination	15	1.03%
Miscellaneous	37	2.53%
	1460	100.00%

Since the OIG is critically under-staffed given its mission and the size of CPS, the OIG was able to initiate 324 investigations, meaning 22.2% of the complaints received by the OIG resulted in some type of investigative action.

BOARD RULE 3-8

In FY 13, the Board of Education clarified the OIG's statutory powers and duties by amending Board Rule 3-8 with Board action 12-1219-RU1. The Board action clarified the OIG's delegated responsibility to investigate employee misconduct. The Board action also acknowledged the full force and effect of Board Resolution 03-0423-RS20, which acknowledged the initial appointment of James M. Sullivan as Inspector General. The 2003 Resolution requires that the Board's General Counsel enforce subpoenas issued by the Inspector General when necessary. More significantly, acknowledgement of the full force and effect of 03-0423-RS20 further codifies the OIG's ability to resolve conflicts with the Board or its General Counsel by utilizing outside legal counsel and requires that the Board retain outside legal counsel for the OIG in such circumstances.

UPDATES FROM PREVIOUSLY REPORTED INVESTIGATIONS

CRIMINAL CONVICTIONS

- In FY 11, the OIG reported on a central office manager who engaged in a scheme through which he stole money from CPS by purchasing items for programs run by his department from a "big-box" retailer and subsequently converting much of the money used for the purchases to personal use. In the scheme, the manager either returned items that he purchased in exchange for cash or exchanged the items for personal items. In one part of the scheme, the manager stole at least \$8,729 in cash and merchandise. Following the investigation, the OIG referred the matter to the Cook County State's Attorney's Office. In FY 12, the central office manager was indicted, and in FY 13 the manager plead guilty to theft of government property and official misconduct. The manager was sentenced to serve a term of two years of probation, pay \$8,729 in restitution and perform 40 hours of community service. Following the conviction, the OIG notified the Municipal Employees Annuity and Benefit Fund of Chicago that it should cancel any pension annuity due the manager. (10-10287)
- In FY 12, the OIG reported that an elementary school guidance counselor assistant stole \$21,625 from the school's internal account by writing 14 separate checks to herself and depositing them into her personal bank account. In order to hide the fact that she was stealing from the internal account, the guidance counselor assistant created fraudulent invoices to make it appear as if the money she was diverting for her personal use was being spent on legitimate vendors. The OIG referred its investigation to the Cook County State's Attorney's Office which subsequently indicted the guidance counselor assistant for the felony offense of theft. In FY 13, the guidance counselor assistant plead guilty to the Class 1 felony charge of theft from a school and was ordered to serve a term of four

years of probation and pay \$25,544 in restitution. Following the conviction, the OIG notified the Public School Teacher's Pension and Retirement Fund of Chicago that it should cancel any pension annuity due the guidance counselor assistant. (10-10259)

VENDOR MISCONDUCT

In FY 12, the OIG reported that 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 last year'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 sole-source deals. Following the investigation, the OIG recommended that CPS take 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. Appropriate sanctions are currently being negotiated. (9980)

FAILURE TO PAY RENT

In FY 09, the OIG reported that a local elected public official occupied CPS-owned property for seven years after the termination of a lease of the property without paying rent or significant leasehold taxes. Based on its investigation, the OIG recommended CPS take immediate action to evict the official from CPS property, collect all rent owed to CPS by the official since the expiration of the lease, and seek all legal remedies to force the official to pay leasehold taxes owed to Cook County. In FY 10, CPS filed a Forcible Entry and Detainer Action in the Circuit Court of Cook County. CPS was then directed to file the action in the Illinois Court of Claims since the defendant was an elected official. That matter is still pending in the Court of Claims.

In FY 12, the Cook County Collector filed a complaint against the elected official alleging that the official is personally responsible for \$467,000 in leasehold real estate taxes. In that pending matter, the Cook County Collector is represented by the State's Attorney of Cook County.

In all of the pending litigation, the elected official is represented by the Illinois Attorney General's office. The official continues to occupy CPS property rent free.

Currently, both matters — the Court of Claims litigation and the County action — are pending. In essence, in FY 13, nothing happened to resolve the disputes and taxpayers continue to pay for seemingly never-ending litigation. (7504)

APPELLATE COURT DECISION — DUTY TO COOPERATE

In FY 09, the OIG reported on an OIG investigation of a high school teacher who was arrested and charged with the offenses of public indecency, resisting arrest, and violating the Chicago Park District Code. During an interview with the OIG, after being advised of administrative rights, the teacher refused to answer questions by OIG investigators regarding certain details surrounding his arrest in violation of Board Rule 4-4(m), the School Code of Illinois and the CPS Employee Discipline and Due Process Policy. The teacher was convicted of misdemeanor charges and was sentenced to 12 months conditional discharge and 100 hours of community service. After a hearing before the Illinois State Board of Education, the teacher's termination from CPS for failure to cooperate with the OIG and other violations was upheld.

On administrative review, a judge in the Circuit Court of Cook County affirmed the ISBE decision upholding the teacher's termination. The teacher appealed challenging the OIG's authority to investigate his arrest and compel him to cooperate in the OIG investigation and answer questions about his arrest to avoid disciplinary action. The Illinois Appellate Court upheld the teacher's termination. The Appellate Court further ruled that the OIG could compel the teacher to speak about his arrest or be disciplined, and that the Board Rule mandating employee cooperation with OIG investigations was constitutional. (7293)

FISCAL YEAR 2013 OIG INVESTIGATIONS

FRAUDULENT VENDOR SCHEME

The OIG conducted an investigation at a high school after learning that the school's technology coordinator had received over \$144,000 in suspect reimbursements during a 22-month period. During the course of the investigation, the OIG learned that the technology coordinator was also involved in a scheme in which he created fictitious vendors and caused \$419,748 in payments to the vendors, much of which the technology coordinator pocketed. Specifically, the OIG investigation revealed the following.

- The OIG identified nine individuals who were listed as CPS vendors who had ties to the technology coordinator. The majority of those vendors were either classmates of the technology coordinator when he attended the high school or were students at the school when the technology coordinator worked there.
- Since 2001, those nine individuals were issued combined payments of \$419,743 for items purportedly purchased by the high school. The technology coordinator initiated all of the transactions at issue — either by creating the relevant purchase orders himself

or, in fewer instances, by asking a clerk to create the purchase orders. In the vast majority of instances, the technology coordinator was also the one who triggered payment from CPS by recording on the Oracle system that ordered materials had been received.

- Significantly, none of the nine vendors ever transacted CPS business with any other CPS school or unit except the high school where the technology coordinator worked.
- On their face, the approximately 750 vendor invoices connected with the \$419,748 in payments were problematic because they contained vague product descriptions, lacking any specific information that would identify the items purportedly delivered.
- Six of the nine vendors had a common address — a Post Office Box in Evanston. Records show that the technology coordinator opened the P.O. Box and included the names of the six vendors as authorized mail recipients.
- Bank records revealed that the technology coordinator actually directed most of the vendor payments to his own account. An analysis of the transaction histories of the checks shows that \$330,975 worth of checks issued to the vendors were subsequently diverted to the technology coordinator's own bank account. In essence, the technology coordinator (1) took possession of the checks, usually after they had been delivered to the Evanston P.O. Box; (2) forged the name of the vendor the check was issued to; (3) countersigned his own name under the forged signature; and (4) deposited the check into his own personal bank account.
- Two vendors also diverted checks that were issued to other vendors into their own accounts in a similar manner. Specifically, vendor #1 diverted \$56,820 worth of checks issued to other vendors into his own account, and vendor #2 diverted \$5,876 worth of checks issued to others into his account. Both appear to have used the same system of forgery and countersignature. It is probable that the technology coordinator gave vendor #1 and #2 the checks after they were delivered to the P.O. Box or another address that the technology coordinator controlled. Based on this evidence, it is clear that vendor #1 and #2 were actively involved in a conspiracy with the technology coordinator.
- On top of the checks that were issued to other vendors and diverted into their own accounts, vendor #1 and #2 received checks that were issued to them in their names. Vendor #2 received another \$11,568 in checks that were issued to him, and vendor #1 received another \$5,349 in checks issued to him.
- Evidence shows that on at least one occasion, the technology coordinator gave some vendors a "cut" of the money being stolen. A handwritten note found in the technology coordinator's office at the high school reflects that on one occasion, he intended to pay a total of \$3,200 to six vendors, in essence a 20% commission. Bank records confirm that

the technology coordinator actually transferred \$2,133 to five of the six vendors named in the handwritten note.

- The OIG learned that vendor #3 worked for a sister agency and was issued a total of \$16,971 in payments. Records show only \$3,419 actually went to vendor #3 and the rest was diverted to the technology coordinator's account. Vendor #3 told the OIG that after he received the \$3,419 payment, he told the technology coordinator he no longer wanted to be a vendor, as the arrangement appeared suspicious. Nonetheless, vendor #3 told the OIG that he continued to accept airline tickets to Costa Rica and money for tuition, as well as building and vehicle repairs from the technology coordinator.
- The OIG also determined that during a two year period, a total of \$114,477 in checks were cut from the high school's internal account directly to an American Express account in the technology coordinator's name. The address associated with the account was not the technology coordinator's home address, but instead was the address of the high school, including the school's name. The OIG determined that the American Express account was not a school account, and was the technology coordinator's own personal account dressed up to look as if it were an official school account.
- Those \$114,477 in reimbursements were mainly for items such as power cords, memory cards, ink cartridges, and surge protectors. The technology coordinator and the high school, however, did not keep an accurate inventory of these items and the technology coordinator failed to add the few higher ticket items he purchased (such as the computers) to the school's asset register. Accordingly, due to the lack of an accurate inventory and asset register, the OIG was unable to determine whether any of the items the technology coordinator claimed he bought were actually delivered to and used at the school.
- A hearsay statement by the technology coordinator indicates he was intentionally and knowingly submitting false reimbursements. The school's principal reported to the OIG that the technology coordinator told her he was submitting false paperwork in order to receive disguised backdoor payments for what he termed as "overtime." In light of this statement and other facts it is highly likely that the technology coordinator was being reimbursed for personal items and that a large amount of the \$114,477 in American Express reimbursements were fraudulent.
- The OIG also found that the high school's clerk facilitated the technology coordinator's fraud by failing to ensure that any of the items he claimed he purchased were in the school. The clerk told the OIG that she never questioned any purchases made by the technology coordinator and she simply issued checks for the technology coordinator's American Express account.
- The clerk also facilitated the technology coordinator's fraud by deliberately avoiding Local School Council review for the unusually high amount of his reimbursements. The

clerk told the OIG that she regularly issued multiple small checks in a month — instead of one large check over \$2,500 or more — to pay the technology coordinator’s American Express account. The clerk told the OIG that she did so because checks over \$2,500 would trigger Local School Council review.

- Another clerk facilitated the technology coordinator’s fraud by giving the technology coordinator her Oracle password. Her action allowed the technology coordinator to effectively bypass the separation of duties controls built into Oracle, and allowed him to approve his own purchase order requests.

During the course of the OIG’s investigation, the technology coordinator (1) withdrew \$70,000 from a personal bank account; (2) refused (on the advice of counsel) to speak with OIG; (3) resigned from CPS; (4) fled to California; and (5) was found dead in Tijuana, Mexico a short time later.

Seven of the nine “vendors” did not cooperate in the OIG’s investigation, so the OIG was unable to interview those seven.

The OIG recommended permanent debarment for all nine fraudulent vendors, as well as discipline for one clerk and a permanent Do Not Hire (DNH) designation for the other clerk, who retired during this investigation. In addition, the OIG recommended that CPS initiate legal actions to recover the fraudulent payments.

The OIG worked with federal law enforcement on this matter. To date, there have been no criminal charges.

The clerk who retired during the course of the investigation has been designated ineligible to be rehired. The second clerk has since retired from CPS. (11-01107)

PRODUCT SUBSTITUTION INVESTIGATION

The OIG conducted an investigation after it received a complaint regarding a contractor who substituted an inferior product rather than what it had contracted to provide to CPS. The investigation found that the contractor’s provision of an inferior product to CPS was aided by weaknesses in the CPS purchasing process. Specifically, the OIG found the following:

- The contractor bid to provide numerous products, including the product at issue in this investigation. The contractor bid to provide the product from a specific manufacturer, however at the time of the bid, the contractor was not authorized to resell the product because of a pre-existing bad relationship with the manufacturer.
- After the contractor won the contract, CPS ordered 111 units of the product for a high school. Instead of providing the product the contractor had contracted to provide, the contractor shipped a different product to the school.

- The improper shipment was caused by a mistake on the part of the contractor which ultimately ordered and delivered the wrong product. The contractor was not able to explain why the wrong product was ordered, however, evidence revealed that the contractor was not familiar with the manufacturer's product line it had contracted to provide. The product provided by the contractor did not meet code requirements.
- There is no question that the manufacturer's product met the bid specification and code requirements.
- After it was discovered that the product provided did not meet code, the contractor attempted to cure the situation by offering to supply an additional piece for the product.
- The additional piece was rejected by CPS personnel who were apparently unaware that the delivered product was not the one ordered, and that the ordered product met code.
- In sum, the contractor and CPS employees failed to identify the simple problem at hand — *i.e.*, the fact that the product ordered was code-compliant, but the wrong product was shipped. The OIG determined that the failure of both parties to identify the real problem — originally caused by the contractor — was due to a lack of attention to detail and unfamiliarity with the products in question.
- Because of the above-referenced failure to identify the simple problem they faced, the contractor and CPS employees compounded the problem by setting out to find a substitute product. CPS employees decided to replace the specified product with one that was assembled from parts by another manufacturer.
- This decision to modify the contract and supply the new product was an oral agreement, and as such, the modification of the contract was a violation of the contract which states that any modification or amendment shall be in writing and signed by the Board and the Bidder. Accordingly, CPS personnel had no authority to modify the contract without written Board approval.
- The new product proved to be greatly inferior to the product specified in the contract and lacked numerous features of the specified product.
- In addition, CPS kept and paid for both sets of the product that were delivered to the school by the contractor. Purchasing records showed that CPS paid \$90,030.99 — \$811.09 each — for the 111 units of the product that were initially delivered. The school kept those items even though they were not ordered.
- Purchasing records further showed that the contractor charged — and CPS paid — another \$90,030.90 for the replacement product.

- The investigation revealed that CPS decided to keep the original shipment of the product on the grounds that the product could always be used. An inspection by the OIG, however, showed that many of those items were not being used as intended or were not being used at all, which strongly suggested that CPS wasted all of the over \$90,000 it spent on the first shipment of the product that it did not need.
- Even without regard to the question of whether CPS should have kept the original shipment, it is clear that CPS actually overpaid for them. CPS should have only paid the contract price for the product it received, which was not the product ordered. The OIG determined that CPS paid \$8,714.60 more than it should have because it was billed for — and paid for — the product that was not ordered.
- The investigation further determined that due to supply problems, the contractor subsequently stopped using the new manufacturer as its source for the replacement product and began sourcing further replacement products from two other manufacturers. This switch was done without notice to or approval from CPS.
- The contractor had no authority to unilaterally change manufacturers.
- The new replacement products were also inferior to the originally specified product.
- Records show that the contractor always charged CPS the full contract price of \$811.09, that is the per unit price for the originally specified product, regardless of what the substitute products cost the contractor — and without regard to the significant deficiencies of the substitute products.
- The evidence showed that the first substitute product cost the contractor more than the specified product, which, of course, meant that it would make less money by selling that product at the contract price.
- As stated above, the contractor subsequently switched to providing another replacement product which cost the contractor less than the specified product. Thus, by switching to new manufacturers, the contractor was able to bolster its profit margin on the tables. This is particularly important because — unlike its original decision to go with the first replacement product — the contractor never consulted with or obtained permission from anyone at CPS to begin providing another replacement product.
- In addition to the product substitution mentioned above, the OIG determined that CPS provided very little oversight on other areas of the contractors work with CPS. Specifically,
 - The OIG determined that there was no structured or organized process for verifying the delivery and quantities of items ordered for schools. Instead, items were usually simply “received” unless an individual principal complained about

the order. Two CPS employees were both responsible for the lack of process and, given their key roles as buyers for a central office department, should have done more to ensure that proper items and quantities had been received.

- On at least three occasions, CPS ordered a large amount of products from the contractor for new schools or school renovation projects. In those cases, principals later decided their schools did not need all of the products that had been ordered and cancelled large portions of the order. A problem ensued when the principals failed to notify anyone in central office about their intentions. Instead, the items were cancelled and the principals then used the remaining balance of the purchase order — created by the cancellation — to purchase other items for the school. The OIG uncovered no evidence that the principals were ordering lavish or otherwise improper items, and there is no evidence of improper self-dealing in these transactions. Nonetheless, these situations were addressed because principals were effectively purchasing thousands of dollars of items without any review or approval. Such practice is ripe for abuse.

As a result of the OIG's investigation, the contractor entered into an 18 month voluntary exclusion agreement with CPS, prohibiting the company from working on CPS contracts for 18 months. The contractor also agreed to pay CPS a \$225,000 fine. Three employees, who left CPS before or during the course of the OIG investigation, were designated ineligible to be rehired and were also debarred. (11-00243)

FINANCIAL IMPROPRIETIES AT ONE CPS HIGH SCHOOL

The OIG conducted two separate, but closely related, investigations of financial improprieties at one CPS high school.

- The first investigation primarily involved the principal. In that investigation, the OIG issued the following findings.
 - The principal falsified three hotel invoices that were used to support reimbursements for purportedly work-related travel. The invoices were apparently falsified near the time of an audit of the school's internal accounts that was scheduled in the wake of news reports about excessive travel and lavish entertaining at the school. Specifically:
 - The principal falsified a \$562.65 invoice for a two-day stay at an out-of-town hotel, however, on the dates in question, the principal was on another school-paid trip to another city.
 - The principal fraudulently altered another hotel invoice to hide room service charges that most likely included alcohol purchases.
 - The principal fabricated an invoice for a purported stay at another out-of-town hotel. The OIG confirmed that the principal did not stay at the hotel on that date,

- and there was no other evidence that the principal stayed there on the date claimed.
- The principal told the OIG that he was reimbursed by CPS for alcohol purchases, and the evidence shows he took efforts to hide those purchases on the receipts he submitted.
 - The principal explained that he tore off portions of receipts to hide the fact that he had purchased alcohol. The OIG identified 39 receipts submitted by the principal that had been torn in such a way as to hide the place of purchase or the details of the purchase.
 - The principal stated the items on the torn receipts were more than likely alcohol. When questioned about a specific torn receipt that listed two \$11.99 purchases, the principal said the receipt and others like it were from a corner supermarket he frequents on travels to an east coast city. The principal further said the two items costing \$11.99 were two bottles of wine.
 - The 39 torn receipts — suspect alcohol purchases — identified by the OIG were for approximately \$991.71 (U.S. dollars and converted foreign currencies).
 - Records show that on at least three occasions non-Board personnel took trips with the principal and those trips were paid for with Board funds.
 - The Board paid \$690.71 in airfare so that an associate of the principal could travel from out of the country to an east coast city to attend a professional development conference with the principal and others. It is not clear why the Board paid for this trip. According to the principal, the associate worked for a book publisher and is affiliated with the CPS high school's sister school.
 - The Board paid \$1,445 for a consultant to travel out of the country. It is not clear why the consultant, who worked on starting up a program at the high school, needed to travel out of the country. According to the principal, the consultant's travel was paid through a start-up grant for the program.
 - The high school opened an \$8,735 purchase order for seven staff members, including the assistant principal and principal, to travel out-of-town for professional development. The tickets that were actually purchased varied from the purchase order and invoice. Significantly:
 - The tickets for the workshop actually cost about half of the price listed on the purchase order and invoice.
 - The tickets for the workshop were also significantly less than the prices listed on the purchase order and invoice. In addition, the principal and assistant principal did not travel as indicated on the purchase order and invoice.

- The difference between the invoiced costs of travel and the actual costs was spent on travel (1) out of the country by the assistant principal and two students and (2) to an east coast city by the principal and his associate — a friend and sister-school colleague from out of the country.
- Other problems related to this travel included the fact that the invoice was dated two days before the purchase order and the money used for all of this travel was charged against a professional development grant, which means that student travel and travel for friends and colleagues was not permitted with the money used.
- The principal stated that at times he upgraded hotel rooms and that the Board reimbursed him for those upgrades.
 - Specifically, upon arrival at a hotel, the principal purchased upgrades when specials were being offered. The principal stated he charged his upgrades on his P-card and personal credit card and he submitted all the charges for reimbursement.
 - Because the room bookings and the room upgrades were separately made and separately reimbursed, the room upgrades generally appeared on bills as a room charge. Therefore, it was not immediately clear to a potential reviewer that the principal was being reimbursed for upgrades. Without a time-consuming review that could identify and match up both receipts (such as the one conducted by the OIG), the principal was able to pass off the upgrades as simple room charges.
 - The OIG identified \$1,613 in such room upgrades by the principal.
- The assistant principal inappropriately booked travel for the principal's companions and stated he knew it was wrong to book travel for the principal's guests, but did as he was told.
- The school operations manager failed to review the principal's reimbursement requests. The operations manager told the OIG that he routinely made assumptions about the principal's non-itemized receipts and indicated that things undoubtedly "got through," but he was following his superiors' directions. The operations manager stated it was the culture of the school and he did not deny his superior's reimbursements.

Following the OIG investigation, the principal resigned from CPS and was designated ineligible to be rehired. He also paid back \$5,100 of identified fraudulent reimbursements. The assistant principal also resigned and was designated ineligible to be rehired. (11-01093)

- The OIG conducted another investigation at the same high school after learning the assistant principal had received \$350,000 of reimbursements over a three year period. In that investigation the OIG found the following:
 - On 19 separate instances, the assistant principal submitted two sets of reimbursement requests for the same expenditure. In each instance, the assistant principal was paid twice for the same expenditure, collecting \$9,090 in extra reimbursements that he had no right to receive. The assistant principal claimed the double-reimbursements were accidental, however, the evidence showed that in some instances when the assistant principal received large reimbursements, he actually submitted different supporting documentation in two different months for the same large reimbursement.
 - The assistant principal gamed the purchasing system to gain an approximately \$6,516 personal benefit for himself, in that his \$350,733.36 in reimbursements for purchases made on his personal credit cards earned him approximately 651,601 credit card reward points. In addition, the assistant principal told the OIG that he would not have used his personal credit cards if he was not earning reward points.
 - The principal and school operations manager facilitated the dual reimbursements to the assistant principal by failing to conduct any meaningful review of the reimbursements. Records show that the principal signed off on all of the assistant principal's double reimbursements. The principal stated that he failed to review the reimbursements submitted by the assistant principal because he trusted the operations manager to review them. The operations manager told the OIG that he did not deny his superior's reimbursements.

This investigation was concluded contemporaneous with the one mentioned above. Following the investigations, the principal and assistant principal resigned and were designated ineligible to be rehired. Negotiations to recoup the assistant principal's double-reimbursements are ongoing. (11-01317)

FALSIFYING STUDENT ATTENDANCE — GHOST STUDENTS

The OIG conducted an investigation which revealed that a high school administration enrolled ghost students to inflate its enrollment numbers to qualify for additional positions, including an additional assistant principal position. Specifically, the OIG found the following:

- In the first semester of the 2010-11 school year, a high school principal and a programmer engaged in a scheme whereby they fraudulently enrolled students in the school. The fraud was committed so that the high school would qualify for a Board-paid assistant principal position, which required a minimum student enrollment of 501 students. A Board-paid assistant principal position was, in fact, provided to the school on the basis of the falsified enrollment numbers.

- The programmer enrolled 94 “ghost” students in August and September 2011 — the start of the 2011-12 school year. The programmer stated that, at the direction of the principal, he falsely enrolled students who had been projected into the high school but who were automatically dropped from the enrollment roster after they failed to show up after the second day of the school year (the “Code 99” students).
- The programmer and principal later falsified grades for the ghost students they had enrolled. The programmer told the OIG that a Network Chief questioned the freshman progress numbers for the school and according to the programmer, the progress numbers were very low because he had forgotten to enter grades for the false students, which meant that the ghost students defaulted to having failing grades. The programmer told the OIG that the principal subsequently ordered him to enter grades for the false students in order to improve the freshman progress numbers. Records and interviews confirm that numerous ghost students received grades.
- The programmer further stated that in the end of September 2011, the Network Chief visited the high school and questioned the legitimacy of the enrollment numbers the school was reporting. In the wake of the inquiry, the programmer dropped approximately 30 ghost students who were still on the school’s enrollment roster. (The programmer explained that many of the 94 ghost students he originally enrolled had since been dropped because they turned up at another school or, in a few cases, were subsequently and legitimately enrolled at the high school.)
- Finally, the programmer stated that in October 2011, the principal again wanted to bolster enrollment in order to secure school staffing levels. The programmer told the OIG that at the principal’s direction, he again added 20 to 25 students from the original “99” list — many of whom came from the group of ghost students he originally enrolled.
- The OIG found that the programmer acted at the direction of the principal and with her full knowledge and he had no other motivation to initiate and carry out the scheme on his own. When all of the evidence was evaluated it was clear that the principal knew of and directed the falsification scheme.
- The fraudulent enrollment scheme caused CPS to improperly fund a \$105,000 a year assistant principal position that was not justified.
- In addition to the assistant principal position, the fraudulent enrollment figures allowed the high school to retain approximately seven non-teaching staff positions (e.g., security officers, attendance clerk, etc.). The improper retention of so many unnecessary positions constituted a waste of hundreds of thousands of dollars in salaries and benefits paid by CPS.

- The outright fabrication of grades and enrollment numbers also corrupted student records and a key student performance measure. Not only were students who never attended the high school recorded as having attended the school, but some students also had false grades created for them. Of course, such falsifications could create innumerable problems for students who may have to explain the false data to officials at future times. Additionally, the critical “Freshman on Track” numbers, which provide key information for judging whether a child is on a path to graduation, were corrupted, thereby tainting the integrity of the other reported data.

Based on the OIG investigation, the principal retired and was designated ineligible to be rehired. Disciplinary action against the programmer is pending. (12-00683)

DUAL EMPLOYMENT, NEPOTISM AND OVERTIME WASTE

The OIG conducted an investigation which revealed that the head engineer at a high school was also employed full-time by a sister agency creating the need for the engineer to schedule subordinates to cover his shift when he was absent. This schedule manipulation caused more than \$244,000 of unnecessary overtime to be paid to the other engineers who were also related to the head engineer. The OIG investigation revealed the following:

- The head engineer accepted a full time position with a sister agency in 2005, and for eight years was employed full-time by CPS and the sister agency.
- In 2005 — immediately before the head engineer started with the sister agency — his first cousin moved from another CPS school to the high school and worked under the head engineer’s immediate supervision. At the request of the head engineer, the school principal at the time knowingly hired the head engineer’s first cousin, causing a direct violation of the CPS policy against nepotism.
- The head engineer attended a six-month training at the sister agency on weekdays from 7 a.m. to 3:00 p.m. In order to make himself available for the training, the head engineer changed his hours at the school from days to evenings, and his first cousin worked at the school during the day.
- By working evenings during this period of time, the head engineer violated the engineers’ Collective Bargaining Agreement, which requires the engineer-in-charge to work eight consecutive hours on weekdays between the hours of 6:00 a.m. and 6:00 p.m.
- After the head engineer completed the training he worked a schedule that gave him some weekdays off; however, there were frequent occasions when the head engineer was scheduled to work at both the high school and the sister agency on a given day.
- As such, the head engineer was often forced to use vacation or personal time at CPS in order to work at the sister agency. After he ran out of vacation and personal time, the head engineer was forced to take days off without pay (or “zero days”) from the

high school. Since 2006, the head engineer used 277 zero days — which amounted to over a year's worth of working days. The end result was that the head engineer was a de facto part-time CPS employee, who nonetheless received full-time benefits and who still occasionally earned overtime.

- In addition to the problems with no pay days, the head engineer's schedule created needless overtime for his first cousin.
- After the head engineer completed training for the sister agency, both he and his first cousin worked a 7:00 a.m. to 3:00 p.m. weekday schedule at the school.
- Because both engineers assigned to the school were working during the day, both were able to collect overtime by working evenings and Saturdays during a regular Chicago Park District program and occasional CPS events at the school. This staffing arrangement was self-interested, abusive and wasteful. Of course, the only fiscally responsible schedule would have had the head engineer working days (as required) and his first cousin working evenings.
- In November 2010, the head engineer's first cousin left the high school and the head engineer asked the new principal to hire another relative, a first cousin once removed, as the replacement engineer.
- Again, both the head engineer and the replacement engineer worked days at the school and all evening and weekend hours had to be covered with overtime. Accordingly, both engineers were able to collect overtime by working evenings and Saturdays during a regular Chicago Park District program and occasional CPS events at the school. Again, this staffing arrangement was self-interested, abusive and wasteful. Of course, the only fiscally responsible schedule would have had the head engineer working days (as required) and the replacement engineer working evenings and/or Saturdays.
- Although the head engineer's advocacy for hiring another relative and supervision of that relative technically did not violate the nepotism policy (which only extends to first cousins), it certainly violated its spirit.
- Since 2007 (the last full year for which records are available), the three engineers cost CPS \$244,385 in unnecessary overtime that could have been avoided by fiscally responsible scheduling.
- Clearly, the head engineer would not have been able to work two publicly-paid full-time jobs without the aid of his cousins. The head engineer was often unavailable for work during regular school hours, which left his two relatives as the only engineers in the school. Thus, during those times, the relatives were effectively covering for their much higher paid superior and, presumably, doing his work. The OIG found that the relatives tolerated the situation for two main reasons: (1) they were family

members, which meant they were less willing to report the situation than a regular employee would have been; and (2) they received copious amounts of overtime, which offset the inconvenience of having to cover for the absences of the head engineer. In short, without the essentially paid silence of the family members who worked under him, the head engineer's dual-employment situation could not have continued for as long as it did.

- In 2009, the head engineer used 11 consecutive weeks of CPS sick time. At the same time, he was also on sick leave from the sister agency. This situation amounted to improper "double dipping" because he was receiving full pay from two jobs that he could not have simultaneously worked if he had been well. As discussed above, because no one can physically be two places at once, the head engineer was regularly forced to use no-pay (zero) days to be absent from CPS in order to work at the sister agency. When it came to this analogous period of sick leave, the head engineer took advantage of the fact that his presence was not required at the school and improperly used the sick leave policy to his full advantage in order to receive full pay for both jobs — at least on days that he would have been scheduled to work both at the sister agency and the high school.
- In addition, the OIG investigation found that the school's principals facilitated the nepotism by hiring the head engineer's relatives and allowing him to supervise them.
- The two principals also tolerated huge amounts of unnecessary overtime.

Based on the OIG investigation, the head engineer resigned from CPS employment and was designated ineligible to be rehired. The two principals are no longer employed by CPS and have also been designated ineligible to be rehired. The cousins of the head engineer each received two-day suspensions. (10-10281)

FREE AND REDUCED PRICE LUNCH FORM FRAUD

- The OIG conducted an investigation which determined that the daughter of a CPS administrator improperly qualified for Free or Reduced-Price meal benefits in three different school years because her father's income was fraudulently omitted from the applications. The administrator was the household's primary breadwinner with relevant annual salaries of more than \$144,000. Although the three fraudulent applications at issue bear the apparent signature of the administrator's wife, the OIG was not able to interview her because she asserted her 5th Amendment right against self-incrimination. Further, the administrator repeatedly denied knowing who completed the forms or how they were completed. In addition, the administrator's complete unwillingness to openly and frankly discuss the serious issues involving the clearly fraudulent applications for federal meal benefits is wholly inconsistent with and

inappropriate for his highly-positioned and highly-paid role as an administrator. The OIG's recommendation to discipline the administrator is under review. (12-00909)

- In another investigation of meal fraud, the OIG determined that for four school years, the son of a CPS teacher improperly received meal benefits because the teacher's CPS income was either excluded from or under-reported on Free and Reduced-Price Meals Applications. The OIG determined that the teacher was squarely culpable for at least one of the applications since she told the OIG that she was responsible for the person who signed the application, but she would not disclose who signed the application. Further, the teacher accepted responsibility for all of the forms but she was not forthcoming with the OIG about the how the applications were completed and who completed them.

In addition, the OIG investigation determined that between 2010 and 2012 the teacher improperly received \$15,448 in governmental needs-based assistance (*i.e.*, housing assistance, food stamps, and unemployment) that she was ineligible to receive because she was either employed or earned income that disqualified her. The teacher also completed a Supplemental Nutrition Assistance Program (SNAP) application when she was laid off from CPS, but when she was rehired, she failed to report the change in her employment status to the SNAP program as required, and subsequently began improperly collecting food stamp benefits.

The teacher resigned during the course of the OIG investigation, and, based on the OIG's recommendation, she was subsequently designated ineligible to be rehired. The OIG has also referred the matters regarding the teacher's improper receipt of housing assistance, food stamps, and unemployment to the Inspectors General for the U.S. Department of Housing and Urban Development, the U.S. Department of Labor, and the Illinois Department of Health Care and Family Services. (12-00952)

- The OIG investigated 17 other allegations regarding free or reduced-price meal benefits being received by children of Central Office staff members or, in some cases, now-former Central Office staff members. These investigations were conducted to determine whether the benefits were properly received, as it would be highly unusual for children living with generally highly-paid Central Office staff members to qualify for meal benefits. The findings in those cases range across a spectrum, including cases of misconduct that warrant discipline, insufficient evidence to support discipline and determinations that meal benefits were proper under the circumstances.

Because of a higher level of culpability and egregious conduct, two Central Office meal benefits cases warranted individual treatment and are discussed above.

The OIG recommended discipline in the following matters.

- A central office manager failed to list her significant CPS income, ranging from \$86,000 to \$90,000 a year, on three consecutive Free and Reduced-Price Meals

Applications. Based on the manager's confusing and contradictory assertions, the OIG concluded that it was implausible the manager did not know her child was receiving free lunch. As such, the OIG determined that the manager either lied when she said she had no part in filling out the forms or she was remiss in not inquiring into the situation. The OIG recommended that the manager be disciplined and the manager was issued a written reprimand. (12-00961)

- An OIG investigation revealed that children of an assistant principal improperly qualified for free or reduced-price lunch in three different school years. According to the assistant principal, her husband falsified the forms by excluding her significant income because they were going through a foreclosure and were having some financial problems at the time. The assistant principal claimed she did not know the applications were false until she spoke with her husband the night before the interview with the OIG. Even if true, the OIG determined that under the circumstances, she should have at least inquired into the situation to find out if the forms had been completed accurately. Following the OIG's recommendation for discipline, the assistant principal received a written reprimand. (12-00962)
- An OIG investigation determined that a high school special education classroom assistant completed a Free and Reduced-Price Meals Application and failed to include over \$10,000 of support income that she received from her ex-husband, a CPS Director. That exclusion caused her child to improperly receive reduced-price meal benefits. The OIG recommended discipline for the classroom assistant and she was issued a non-disciplinary memorandum. (12-00964)

In other matters, the OIG recommended that former employees be designated ineligible to be rehired. Specifically:

- A former elementary school clerk, who was married to a former central office manager, excluded her husband's income on three Free and Reduced-Price Meals Applications for her son from a previous marriage. The clerk told the OIG that she was unaware that she should have included her husband's income on the meal applications for her son. Under the applicable rules, however, her husband was properly classified as a household member and his income should have been included. The clerk was designated ineligible to be rehired. (12-00950)
- While an employee, a central office worker under-reported her income on a Free and Reduced-Price Meals Application and excluded her husband as a household member on other forms. The employee was designated ineligible to be rehired. (12-00965)
- A former teacher excluded her husband's income on a Free and Reduced-Price Meals Application for her children from a previous relationship, qualifying her children for free lunch. The teacher's husband was also a CPS employee. The former teacher was designated ineligible to be rehired. (12-00967)

In the remaining eleven cases, the evidence did not support a discipline recommendation for various reasons. (12-00951, 12-00953-60, 12-00963, 12-00966)

LACK OF INTERNAL CONTROLS

- The OIG conducted an investigation and found that a \$1.25 million internal accounts check was mistakenly issued at an elementary school. The check was intended to be written as a \$1,253 reimbursement check to a teacher, but a typo by the school clerk caused it to instead be issued for \$1.253 million. The error was apparently not noticed, and the check was signed by the clerk and principal, and then deposited by the teacher at an ATM. The teacher alerted the school and her bank of the error when she checked her balance a few days later and discovered that over \$1 million had been posted to her account. There is no evidence that anyone attempted to steal any money. The OIG recommended that the Oracle system be modified to prevent checks of such high dollar amounts from being issued from school internal accounts. (12-00888)
- An OIG investigation determined that during a three-year period, a retired CPS teacher, classified as a substitute teacher, was paid approximately \$34,102 for various substitute positions that he never actually worked at a high school. The teacher was regularly paid as a substitute for teachers assigned to non-classroom roles, such as a librarian or the athletic director, but neither he nor anyone else filled in for the absent teacher or staff member. Instead, the teacher purportedly worked in an administrative capacity with his wife in a school administrative office and was paid with the substitute teacher funds. The evidence showed that both the former principal and current assistant principal knew of and approved of the payment arrangement. The former principal indicated such a funding arrangement was common practice at CPS.

Because the money for substitute teachers came from Central Office budget lines, instead of local school lines, the scheme by which the substitute teacher was paid effectively allowed the high school to fund a purely internal administrative position by quietly tapping into the pool of money meant to replace absent classroom staff.

In addition, evidence showed that in order to ensure the substitute teacher was paid, a school clerk frequently changed the substitute teacher's Kronos history to make it appear as if he worked at the high school on days he was not even there. Through after-the-fact system edits, the clerk regularly deleted the substitute's Kronos swipes for a day that he was at the school — because no unused substitute position was open for that day — and then credited him with hours on a different day, so that he could be paid from an unused substitute position on the other day.

Finally, the OIG determined that no controls were in place to ensure that substitute teachers (1) are actually required for classroom positions, and (2) fill the actual roles of the teachers they are replacing. Accordingly, CPS is vulnerable to the risk that other schools will divert classroom teaching funds to non-essential administrative tasks.

Following the investigation, the substitute teacher was terminated and designated ineligible to be rehired. The substitute teacher's wife was laid-off and the school clerk was issued a written reprimand. Disciplinary action against the assistant principal is pending. (12-01177)

- During an investigation of alleged improprieties at a high school auto shop, the OIG learned that CPS does not have procedures governing the repair of private vehicles in auto shop classes and, as such, the practice of repairing private vehicles is not expressly prohibited. The lack of procedures and guidelines raised serious issues, such as (1) liability for faulty repairs and accidents caused by them; (2) damage to private vehicles while in CPS care and control; and (3) the potential for improper personal profit by auto shop teachers and/or students. Because the situation was obviously ripe for fraud and abuse — not to mention the looming liability questions — the OIG recommended that CPS immediately develop written procedures and guidelines governing the intake and repair of private vehicles in CPS auto shops. (13-00231)
- The OIG determined that an elementary school clerk received a shipment of CTA fare cards and did not immediately open the shipment. When she finally opened the sealed package, she discovered \$1,120 worth of cards were missing from the shipment. Central office staff, contrary to prior OIG recommendations to do so, failed to record the serial numbers on the cards shipped to the elementary school. Because of the insufficient record keeping, the OIG could not determine if the shortage was simply a shipping mistake or whether the missing cards were stolen — either before or after shipment. (13-00473)
- In another investigation regarding potentially lost CTA fare cards, the OIG found that an elementary school principal could not properly account for \$2,300 worth of fare cards that had been shipped to the school. The principal told the OIG he had been very lax about the fare card record keeping and stated he frequently gave cards to students without verifying their eligibility or recording the fact the issuance of the card. The principal also reported that he had given out fare cards to students who needed transportation home from an extracurricular activity and to parents who have fallen on hard times. The OIG recommended that the principal be disciplined. The principal's supervisor subsequently discussed appropriate record keeping with the principal. (13-00611)
- In an investigation reported below, the OIG recommended that CPS immediately implement control features to the CPS Kronos system that make it impossible for an employee to edit his or her own time. This is at least the third time the OIG has made this recommendation to CPS administration in the last few years. (12-00976)
- As reported below, an OIG investigation revealed that an employee of a vendor stole more than \$6,900 of lunchroom deposits from four high schools. The investigation revealed a critical lack of controls by the central office department responsible for

monitoring the collection and deposit of those funds. The department did not have a mechanism to monitor deposits and respond to variances — shortages from what the lunchroom manager wrote on a deposit slip and what was actually received by the bank. In this instance, despite being notified by the bank of two shortages totaling \$166, the department failed to react and the thefts continued. After being notified of three additional shortages, the department again failed to react. Despite additional emails and phone calls from the bank, the thefts continued for two more months. It was only after the bank contacted the vendor that the thefts were uncovered.

The OIG recommended that CPS audit the money collection and deposit process and establish sufficient controls to monitor and respond to deposit variances. The OIG recommended that, at the very least, frontline staff, including school personnel and central office department managers, should be notified of deposit variances by banks receiving deposits. It is also essential that specific personnel in the department be assigned to respond to issues related to deposit shortages.

In addition, since the thefts were facilitated by defective bank bags, the OIG also recommended that CPS remove all defective bank bags from circulation.

A central office employee who failed to respond to the theft alerts from the bank retired following the investigation and was designated ineligible to be rehired. (13-00065)

GRADE CHANGING

An OIG investigation determined that on two days at the end of a school year, an elementary school principal was responsible for improperly changing 28 grades of 10 students at the school. Those grades were more than 30 days old when they were changed — some were actually three semesters old — and the changes were made without the requisite written authorization. The grade changes were as follows: 8 Fs were changed to As; 8 Fs were changed to Cs; 4 Fs were changed to a “No Grade”; 6 Ds were changed to Cs; 1 D was changed to a B; and 1 B was changed to an A. Evidence shows that the changes were made to allow students to graduate.

Additionally, the assistant principal also made an unauthorized grade change. She changed a grade from a D to a B. That grade was 35 days old when she made the change without written authorization.

Prior to the conclusion of the investigation, the principal resigned from CPS employment. Based on an OIG recommendation, he was designated ineligible to be rehired. The assistant principal was issued a non-disciplinary memo. (9674)

VENDOR MISCONDUCT

- The OIG conducted an investigation of a vendor who was a former high school dance instructor. The vendor falsified a school purchase order for a downtown hotel in the amount of \$42,661.60 and an accompanying Board of Education tax exempt letter in

order to host a three day dance conference, which purported to be a fund raiser for the school's dance team but was not an officially-sponsored school event. On the basis of the fraudulent purchase order, the hotel entered into a contract with the vendor in which the vendor improperly held herself out as an agent of the school. The vendor had no authority to enter into such a contract. At the time of the investigation, the vendor owed the hotel \$45,667.87 in charges and fees related to her dance conference.

Based on the OIG's recommendation, the vendor was designated ineligible to be rehired as an employee. The OIG also recommended that the vendor be barred from doing business with CPS. Those sanctions are pending. (11-01103)

- An OIG investigation determined that a high school violated Board procurement rules by stringing purchases of gym and sports uniforms from a vendor. A prominent high school alumna was the sole owner of the vendor. Significantly, the alumna also ran a school booster club and was a board member of a charitable foundation that aids the school. School purchases from the vendor totaled more than \$59,000 in FY 2010, \$89,000 in FY 2011, and \$95,000 in FY 2012. The purchases were not awarded pursuant to a competitive bid process as required by Board Rules. Evidence revealed that the purchases were regularly and deliberately kept below \$10,000 to avoid bidding requirements. The purchases were made under the supervision of and with the knowledge of the high school's former principal.

The investigation also revealed that the former principal improperly allowed the school's booster club to have the cash receipts from sporting events. It is probable that from 2005 to 2011 the gate receipts given to the booster club totaled approximately \$82,698. Despite violating internal account guidelines, the principal said she allowed the arrangement because the booster club was buying equipment and paying for scholarships. The arrangement ended in 2011, and the booster club paid back \$11,377.11.

Finally, the investigation revealed that the former principal had hired the vendor's nephew as a physical education teacher at the school.

Following the OIG investigation, the former principal was designated ineligible to be rehired. Disciplinary sanctions against the alumna and his company are pending. (12-00039)

- The OIG conducted an investigation regarding the theft of more than \$6,900 of lunchroom deposits from four high schools. The investigation revealed that an employee of a vendor was fired after he admitted to stealing money from deposits he picked up from lunchrooms and transported to a bank. The Chicago Police Department also investigated the theft. The OIG investigation further revealed a critical lack of internal controls concerning lunchroom revenue collection. That portion of the investigation will be summarized in the *Lack of Internal Controls* section of this report.

Following this investigation, based on OIG recommendations, CPS barred the vendor's employee from working on any CPS contracts and CPS recovered \$6,900 from the vendor to recoup the money stolen by the employee. (13-00065)

- An OIG investigation determined that a man defrauded several local businesses out of hundreds of dollars through a scheme in which he represented that his company would hang banners at a high school advertising the names of local area businesses in exchange for money. After soliciting payment from several local area businesses, neither the man nor his company provided any banners to the school.

The investigation further revealed that as part of the scheme, the man convinced the school's athletic director to sign a contract with the company. Under the terms of the contract, the company was to provide a total of \$3,500 a year to the school and solicit advertisers and provide banners. The company was to make a profit by keeping the money that was solicited from businesses. No money was ever provided to the school in connection with the contract. The athletic director did not follow proper contracting procedures and had no authority to contract with the company. As such, he was issued Level 2 discipline.

The OIG recommended permanent debarment for the man and the company and those sanctions are pending. CPS also notified all schools to be on the alert for the company and others attempting to engage in similar schemes. (13-00098)

- The OIG investigated a CPS vendor who 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. Disciplinary action against the vendor is pending. (13-00284)

FAILURE TO COOPERATE WITH THE OIG

- The OIG learned that an elementary school security officer was arrested by federal law enforcement authorities and was charged with one count of conspiracy to commit bribery of a public official. The charges stemmed from the security officer's involvement with a not-for-profit agency and did not involve CPS. During an interview with the OIG — and after being advised of administrative rights which mandated his cooperation with the OIG — the security officer refused to answer questions from OIG investigators regarding the charge against him. That action violated Board Rule 4-4(m), the School Code of Illinois and the CPS Employee Discipline and Due Process Policy. Based on his failure to cooperate, the OIG recommended that the security officer be terminated. Based on the OIG investigation, the security officer was terminated and designated ineligible to be rehired. (12-00937)

- A parent worker / bus monitor was charged with one count of gunrunning, three counts of illegal transfer of a firearm, and three counts of selling a firearm without a valid Firearm Owner's Identification Card. When the OIG questioned the bus monitor about her criminal conduct, she refused to answer questions. That refusal violated Board Rule 4-4(m), the School Code of Illinois, and the CPS Employee Discipline and Due Process Policy. The OIG recommended that the bus monitor's employment be terminated. Following the investigation, the bus monitor was terminated from employment and designated ineligible to be rehired. (12-00901)

FRAUDULENT REIMBURSEMENTS

During an investigation, the OIG learned that over a three year period, an elementary school engineer was reimbursed \$22,686, purportedly for expenditures on cleaning supplies and materials at a local hardware store. A review of the receipts submitted by the engineer in support of the reimbursements were suspicious on their face due to vague and generic product descriptions (*i.e.*, "black wax" or "light bulbs") and were for whole dollar amounts just under \$500, which is the monthly limit for employee reimbursements. The OIG investigation revealed a very small minority of the engineer's hardware store reimbursements were legitimate and the engineer was fraudulently reimbursed approximately \$21,712.

After two interviews with the OIG, the engineer admitted that he falsified the receipts as part of a scheme to pay a friend as an off-the-books school custodian. The engineer claimed the school's principal and assistant principal knew the engineer was somehow paying his friend, however, the principal and assistant principal both claimed they believed the engineer's friend was a volunteer. Regardless of whether they knew the friend was being paid by the engineer, the friend was allowed to work at the school without having submitted to a criminal background check.

The OIG investigation further revealed that the principal, assistant principal and school clerk failed to review the reimbursements submitted by the engineer.

Based on the facts uncovered during the investigation, the engineer retired from CPS and was designated ineligible to be rehired and the principal resigned and was designated ineligible to be rehired. (12-01298)

CPS ACCEPTABLE USE POLICY

The CPS *Acceptable Use of the CPS Network and Computer Resources* policy demands that CPS employees must use the CPS network and computer resources in a professional, ethical and lawful manner in compliance with all Board Rules and policies. The policy explains that computer resources are intended for Board business, with limited personal use permitted. Such personal use must, in all circumstances, comply with the acceptable use and conduct provisions in this policy, and must not result in costs to the Board, cause legal action against or cause embarrassment to the Board. Such use must also be appropriate as to duration

and not interfere with the user's duties and the Board's business demands. The policy further declares that users shall not use the CPS network or computer resources including access to the Internet, Intranet, Collaboration Systems or E-mail to use, upload, post, mail, display, store, or otherwise transmit in any manner any content, communication or information that constitutes use for, or in support of, any obscene or pornographic purpose including, but not limited to, the transmitting, retrieving or viewing of any profane, obscene, or sexually explicit material.

In FY 13, the OIG investigated the following violations of the Acceptable Use Policy.

- An OIG investigation determined that an elementary school employee accessed hardcore pornography from a CPS computer. A review of the employee's web browsing history revealed that the employee was logged in when several pornographic sites were accessed from his computer. In addition, there were numerous instances when pornography was accessed or searches for pornography were conducted under the employee's logon ID within minutes of when the employee logged-in to internal CPS databases, such as the student information system. Following the OIG investigation, the employee retired and was designated ineligible to be rehired. (12-01258)
- An OIG investigation of a high school teacher determined that the teacher was alone behind a classroom computer during a free period when a school counselor entered the room with some students. The school counselor approached the teacher and she observed a picture of a naked woman displayed on the computer screen. The teacher later told the OIG that the naked woman on the screen was his ex-girlfriend. In addition, a CPS hard drive containing 29 pornographic videos and hundreds of pornographic images was also found plugged into the teacher's classroom computer. A series of approximately 40 photos on the drive depicted full frontal nudity of the teacher and an adult woman. Some of those photos depicted the teacher and the woman engaged in sexual acts including bondage. Another series of photos on the drive, depicted the woman engaged in sexual acts with another man. Following the OIG investigation, the teacher was suspended without pay pending disciplinary action. (13-00405)

VIOLATIONS OF THE CPS CODE OF ETHICS

- The OIG conducted an investigation which 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. In addition, the employee lied when she told the OIG that she was not officially associated with the company, which was contradicted by business records.

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. In addition, the employee used an administrator's login information to create purchase orders and may have created more than \$25,000 of purchase orders to both companies.

The employee's actions violated the CPS Ethics Policy, which states that no employee shall have an economic interest in any business of the Board. The OIG further determined that three CPS administrators were on the Board of the not-for-profit, but each failed to obtain permission from the Ethics Director. Under the CPS Ethics Policy, an employee must seek permission to serve on a not-for-profit board if the employee knows or has reason to know that the not-for-profit is doing or seeking to do business with the Board of Education.

The OIG recommended permanent debarment and a Do Not Hire (DNH) designation for the employee, as well as permanent debarments for the not-for-profit and for-profit companies. In addition, the OIG recommended appropriate discipline for the three CPS administrators. Two of the administrators have resigned from the not-for-profit's board and disciplinary action against the third administrator is under consideration. The employee was designated ineligible to be rehired and disciplinary action against the companies is pending. (12-00079)

- In another case, an OIG investigation determined that an elementary school principal violated the prohibition against nepotism by hiring his father, on two occasions, to perform \$500 of professional development training. The OIG's recommendation to discipline the principal is under consideration. (12-00843)

FALSIFICATION OF EMPLOYEE ATTENDANCE

- An OIG investigation determined that a high school security officer falsified his attendance records on at least two occasions by having a privatized custodian swipe him out when in fact the security officer had already left work. The OIG recommended discipline for the security officer, and recommended that the privatized custodian be barred from working in CPS schools or on any other work with the Board of Education. The security officer was terminated from CPS employment and was designated ineligible to be rehired. (12-00568)
- The OIG conducted an investigation which revealed that a high school custodial worker was improperly absent from his work location for over four hours. Following the OIG investigation, the custodial worker was suspended for three weeks. (12-00582)
- An OIG investigation determined that a high school clerk claimed to have worked and was paid for hundreds of hours of extended-day time that she was never authorized to work. In addition, hundreds of the clerk's extended-day hours were not supported by Kronos swipes. The OIG's investigation determined that those unsupported hours were added through manual edits that the clerk made to her own time record resulting in the clerk receiving thousands of dollars in fraudulent pay for time that she did not work. At the onset of the investigation, the clerk resigned from CPS and was subsequently designated ineligible to be rehired.

The OIG also determined that the clerk's daughter, a school clerk assistant at the high school, was also paid for hundreds of hours of extended-day time that were not supported by swipes and were manually edited into Kronos by the clerk. Because the clerk assistant frequently to document her time by swiping and because the clerk was editing her daughter's time, there is a strong likelihood that the clerk assistant was paid for thousands of dollars of time that she did not actually work.

Finally, the investigation found that the clerk's supervision of her daughter violated the prohibition against nepotism in the CPS Policy Manual (§ 503.1).

Following the investigation, the clerk assistant was terminated from CPS employment and designated ineligible to be rehired. (12-00976)

- At the same high school, the OIG investigated another school clerk and determined that the clerk claimed to have worked and was paid for hundreds of hours of extended-day time that she was never authorized to work. In addition, hundreds of the clerk's extended day hours were not supported by Kronos swipes. The OIG's investigation determined that those unsupported hours were added through manual edits made by the other school clerk (the same as noted in the previous investigation). Again, the clerk's failure to support her claimed time with swipes and the other clerk's highly suspect manual edits, created a strong likelihood that the clerk was fraudulently paid for thousands of dollars in time that she did not work. This clerk resigned from CPS employment and was also designated ineligible to be rehired. (12-01009)
- The OIG conducted an investigation of an elementary school clerk and determined that the clerk stole \$130 of school funds, then admitted her theft and paid back the stolen money. The investigation also revealed that after admitting her theft, the clerk fraudulently entered 79 hours of extended day time for herself into the Supplemental Pay System. After the principal discovered the fraudulent time entries, the clerk's extended day pay was recalled. The clerk never returned to work after repaying the school funds she stole and was terminated from CPS during the course of the investigation. Following the OIG investigation, the clerk was terminated from CPS employment and designated ineligible to be rehired. (13-00075)
- An OIG investigation of a miscellaneous employee working in a central office department found that the employee falsified his attendance records by being absent from work for long periods during the work day, while he was swiped-in and being paid by CPS. In addition, the employee went to bars while on duty and, at least on one occasion, drank alcohol during his workday. The employee resigned from CPS following his interview with the OIG and he has been designated ineligible to be rehired. The investigation also revealed that the employee's brother, a manager in the department, violated the CPS Code of Ethics by influencing the hiring of his brother, and by occasionally supervising his brother. Following the investigation, the manager was issued a non-disciplinary memo. (13-00209)

- The OIG conducted an investigation which determined that an elementary school principal gave preferential treatment to a teacher by assigning her a vague reading schedule in her home — during a period of childbirth, recovery, and newborn childcare — and classifying it as “professional development.” The principal told the OIG the purpose of assigning the teacher home professional development work was so she could have enough hours to qualify for FMLA leave, which had been previously denied. Aside from the fact that legitimate professional development does not occur in a home, self-study setting during regular school days, the overlap of childbirth/childcare and simultaneous professional development raised serious and glaring questions about the quantity and quality of the claimed “development.” The OIG investigation found that given the very strong possibility that whatever professional development occurred was of such low educational value that it was essentially worthless, the principal’s efforts to secure an FMLA leave for the teacher amounted to preferential treatment and sent the wrong message about the need for substantive professional development. The OIG recommended that the principal be disciplined and CPS issued the principal a warning resolution. (13-00297)

MISAPPROPRIATION OF FUNDS

- An OIG investigation determined that an elementary school lunchroom manager stole cash from the lunchroom during the 2011-12 school year. She told the OIG that she stole approximately \$200. Documentary evidence and witness statements further show the lunchroom manager routinely stole the cash school staff members paid for meals and drinks. Additionally, the lunchroom manager lied during her first OIG interview when she stated she never stole any money from the lunchroom. Following the OIG investigation, the lunchroom manager retired from CPS employment and has been designated ineligible to be rehired. (12-00257)
- The OIG conducted an investigation and determined that an elementary school clerk stole almost \$3,000 in student fees that were paid by kindergartners and 8th graders. In addition, the OIG investigation revealed that the clerk was paid \$4,490 for 145 hours of overtime she was never authorized to work and was paid \$3,003 for 97 hours of overtime not supported by her Kronos swipes. Following the OIG investigation, the clerk retired from CPS employment and has been designated ineligible to be rehired. (12-00986)
- The OIG conducted an investigation and determined that on the last day of the 2011-12 school year, a high school principal improperly spent \$7,132 of internal account money derived from the rental of school property on food, beverages, parking and room charges at a downtown hotel. A total of 13 CPS staff members; 12 from the high school and one from central office, spent the night at the hotel. The OIG found that the overnight stays at a deluxe downtown hotel were completely unwarranted and the expenditure of \$7,132 for a faculty retreat that included food, refreshments, and hotel

rooms is a prohibited expenditure pursuant to the internal accounts manual (Insider's Guide to School Business and Internal Accounts). Disciplinary action against the principal is under consideration. (12-01111)

MISCELLANEOUS INVESTIGATIONS

- An OIG investigation determined that a now-former director in a central office department demanded a \$2,000 bribery payment from a CPS subcontractor who paid the money through a third party, as instructed by the director. In addition, the director subsequently demanded an unspecified amount of additional money, but after the subcontractor refused to pay it, the director retaliated and stopped using the subcontractor's firm.

When questioned by the OIG, the director, who left CPS employment during the course of the lengthy investigation, asserted his 5th Amendment right against self-incrimination.

It should be noted that the OIG worked jointly with a federal law enforcement agency during this investigation. Shortly after the federal agency took an overt investigative step and interviewed witnesses with a contractual relationship with CPS, the director announced his resignation from CPS.

In addition to the bribery investigation, the OIG also determined that contractual relationships with the director's central office department included layers of contracts and subcontracts that appeared to have unnecessarily increased the cost to CPS for the contract work. In this instance, the subcontractor who paid a bribe to the director appears to have been little more than a middleman who marked-up costs without adding any value.

The federal investigation did not result in the director being charged with a crime and based on the OIG's recommendation, the director was classified as ineligible to be rehired. The OIG also recommended permanent debarment for the subcontractor. In addition, the OIG recommended that CPS review its contracting arrangements to determine whether (1) other contracts or work appear to have been improperly let under the director's tenure, and (2) other contractor arrangements contain non-essential middlemen that drive up CPS's costs and enrich people who contribute little or no value to the project. (8593)

- An investigation determined that a former high school clerk told an online university she was student teaching whole days at a CPS elementary school when in fact she was only student teaching for approximately two hours a day on some occasions and not teaching at all on other occasions. The school clerk also failed to take a leave of absence from her full-time position as a clerk, as recommended under CPS guidelines. Instead, she performed student teaching at the elementary school while she was on the clock at the school where she worked.

The investigation further revealed that a number of the clerk's supervisors, both where she worked and where she performed her student teaching, were negligent regarding their supervision.

The clerk left CPS employment during the course of the OIG investigation and, based on the OIG's recommendation, was designated ineligible to be rehired. (12-00366)

- An OIG investigation determined that a retired elementary school principal and a school clerk each stole at least two Apple iPads from the school. The investigation also produced evidence that several iPads, including the ones stolen by the principal and clerk, were falsely reported as being stolen during a burglary at the school to hide the fact that they were missing and to prevent discovery at an upcoming principal transition audit.

The clerk resigned two days after her OIG interview. A separate investigation also found that the clerk resided outside the City of Chicago. That investigation is reported below. The clerk was designated ineligible to be rehired.

During her interview, the former principal turned in two iPads that had been reported stolen. The principal claimed she had kept the iPads into retirement out of laziness and procrastination. The principal was also designated ineligible to be rehired. (12-00902)

- An OIG investigation revealed that a high school child welfare attendant repeatedly and improperly used a CPS tax exempt letter for personal purchases, including car repairs and purchases at Home Depot and Lowes. The CPS Law Department recommended that the attendant be issued a written reprimand or a short suspension. (12-00944)
- Following a high school principal's removal from the school for disciplinary reasons, school staff discovered the existence of a previously undisclosed parent booster club bank account. The OIG conducted an investigation into the history of the account and discovered that a local bank inexplicably allowed the principal and the school's former operations manager to convert \$186,235.46 of funds held by the former catholic school that occupied the school building before it was purchased by CPS. After converting the account, the principal and operations manager expended \$116,973.50 from the account, which was never included as part of the school's internal account and therefore never disclosed to or audited by CPS. The expenditure of funds purport to be related to school activities, however, numerous questions remain unanswered as to the propriety of those expenditures.

Disciplinary actions against the principal are pending based on other acts of misconduct as well as the misconduct in this matter. The operations manager was previously terminated from CPS employment and has already been designated ineligible for rehire.

In addition, the OIG recommended that the CPS Law Department review applicable law to determine the true ownership of the funds currently held in the converted account. (12-00998)

- An OIG investigation revealed that an elementary school principal began an extended day program which incurred over \$86,000 in costs without having funds to cover the vast majority of these costs. The principal told the OIG that when she started the program, a charitable organization had agreed to donate funds for the program. The investigation revealed no such commitment was made by the charitable organization. When it was learned there was no funding for the program, it was shut down and the principal was removed from her position, pending the outcome of the OIG's investigation.

In the wake of the OIG investigation, the outstanding costs the principal incurred were addressed with the administrative help of the network office. The costs were eventually paid by transferring money to cover the costs from other budget lines.

In addition, the investigation revealed that the principal's attempt to fund the extended day program included an arrangement with a local church whereby the church would rent school space. However, the church gave the rental income directly to a "Friends of..." organization affiliated with the school, instead of depositing the money into the school account as required by CPS internal account guidelines. Further disciplinary action against the principal is pending. (12-01463)

- The OIG conducted an investigation which revealed that two central office employees were responsible for improperly posting a copyrighted book to a central office department website. Specifically, the two employees posted a link to a book on a website without first obtaining the author's permission. This constituted a violation of federal copyright law. The OIG determined that the book had been accessed 39,932 times during the two years it was on the website. The actions of the two employees also violated the Acceptable Use of the CPS Network and Computer Resources Policy, which specifically prohibits materials from being uploaded or transmitted on CPS computers or networks in violation of copyright laws. (13-00145)
- An OIG investigation determined that a CPS administrator improperly invoked his authority at an LSC meeting at the elementary school his son attended, a school over which he had no supervisory authority. The OIG recommended appropriate discipline for the administrator and also recommended an addition to the CPS Ethics Policy that would expressly prohibit CPS officials from exercising or invoking their authority in processes or proceedings that are outside their CPS duties and responsibilities, including situations where CPS employees or officers are appearing solely in their role as parent of a CPS student. Discipline for the administrator is under consideration. (13-00232)

- An OIG investigation revealed that a central office director, for nearly four months, failed to repay \$1,262.90 in deferred pay that was erroneously deposited into her bank account. The investigation also revealed that, on another occasion, the director pressured subordinates to issue her a replacement check when she thought she had not been paid. The OIG investigation further determined that the director lied to the OIG numerous times during her interview concerning the issues identified in this investigation. Near the completion of the OIG investigation, the director resigned from CPS employment and has since been designated ineligible to be rehired.

In addition, the OIG learned during the course of its investigation that the director, who supervised a department that dealt with large amounts of CPS funds, had a questionable personal financial history. As a result, the OIG recommended CPS establish a protocol for performing necessary due diligence to check the personal backgrounds of applicants for sensitive, money handling positions. (13-00290)

RESIDENCY

To comply with the CPS Residency Policy, employees hired after November 20, 1996 must reside within the City of Chicago. The CPS Residency Policy mandates that employees, unless granted a waiver because they teach in an identified “special needs” area, must maintain a City of Chicago domicile defined as the one true, permanent home to which, whenever they are absent, they have an intention of returning. The OIG has been delegated the responsibility of investigating allegations of non-residency and in fact, the OIG receives more complaints of employees violating the Residency Policy than any other rule violation. In FY 13, the 265 complaints of alleged residency violations received by the OIG totaled more than 18% of all complaints. To help ensure all employees are treated fairly, consistently and equitably; to reduce animosity between those employees who abide by the residency requirement and those who do not, thereby enhancing employee productivity; and, to set the tone that CPS rules and policies must be adhered to, the OIG delegates resources to investigate alleged violations of the Residency Policy.

The Residency Policy reflects that employees who intentionally submit a false residential address to avoid the requirements of the policy have engaged in irremediable conduct punishable by discharge. In FY 13, the OIG issued the following reports on employees who intentionally submitted false residential addresses reflecting that they lived in the City of Chicago when in fact they did not.

- An OIG investigation determined that a high school teacher lived in an Itasca, Illinois home co-owned with the teacher’s spouse. The teacher also failed to notify CPS that he moved to Itasca when he purchased his home in June 2010. The OIG recommended that the teacher be terminated for his irremediable conduct. Following the OIG investigation, the teacher resigned from CPS employment. (7740)

- The OIG found that an elementary school principal resided in Country Club Hills, Illinois in violation of the residency policy. The OIG recommended that the principal be immediately terminated based on her intentional misrepresentation of her residence. Following the OIG investigation, the principal resigned from CPS employment and was designated ineligible to be rehired. (8657)
- An elementary school teacher resided in Evanston, Illinois in violation of the residency policy. The OIG recommended that the teacher be terminated. Following the OIG investigation, the teacher resigned from CPS employment and has been designated ineligible to be rehired. (10078)
- An OIG investigation determined that an elementary school teacher resided in Darien, Illinois in violation of the residency policy. The OIG recommended that the teacher be terminated. The teacher has been suspended without pay pending disciplinary action. (11-00396)
- An elementary school principal resided in Oak Lawn, Illinois. The OIG recommended that the principal be terminated. Following the OIG investigation, the principal resigned from CPS employment and was designated ineligible to be rehired. (12-00857)
- An assistant principal at the same elementary school was also found to be residing in Oak Lawn, Illinois. The OIG recommended that the assistant principal be terminated. Following the OIG investigation, the assistant principal also resigned from CPS employment and was designated ineligible to be rehired. (12-01066)
- The OIG conducted an investigation of an elementary school clerk who violated the CPS residency policy by living with her family in Blue Island, Illinois. The school clerk also failed to update her address-of-record with CPS when she moved to Blue Island, constituting a willful falsification. The school clerk resigned two days after being interviewed by the OIG and was then designated ineligible to be rehired. The clerk was also investigated for being in possession of stolen CPS iPads. That matter is reported above. (12-01039)
- The OIG determined that a prep school teacher lived in Homewood, Illinois in violation of the residency policy. The OIG investigation also revealed that the teacher, on numerous occasions, swiped-in for work at unauthorized locations and was often late for work. Following the OIG investigation, the teacher was laid off from CPS employment. (13-00146)

TUITION FRAUD

The School Code of Illinois mandates that students attend the public school within the district in which they reside. The OIG has been charged with the responsibility of investigating allegations of students residing outside Chicago but attending CPS.

- The OIG conducted an investigation which revealed that for three school years, three siblings attended CPS schools while residing in Riverdale, Illinois. The investigation revealed that the parents of the students owe CPS \$92,465 in non-resident tuition. The OIG recommended CPS recover the tuition owed and disenroll the three suburban children from CPS schools. Based on the evidence uncovered in the OIG investigation, the Board issued a finding of non-residency for the three students and held their parents responsible for the payment of \$92,465.44 in non-resident tuition. CPS is seeking to recover the non-resident tuition. (12-00813)

CRIMINAL BACKGROUND

- The OIG conducted an investigation which determined that after being employed by CPS, a high school teacher was found guilty of 12 counts of forgery, a Class 3 felony. The crime was committed prior to the teacher's employment with CPS, however, the teacher failed to notify the Chief Executive Officer of his conviction within five days, as required by Board Rule 4-4(c). Under Board Rule 4-4(c), failure to report a felony conviction in writing within five days of the conviction shall constitute cause for dismissal from employment. The OIG investigation also revealed that, on numerous occasions, the teacher was improperly absent from school in order to attend court during the pendency of the criminal case. The OIG recommended that the teacher be terminated in accordance with Rule 4-4(c). The teacher has since been laid-off from CPS. (11-00669)
- An OIG investigation of a children's welfare attendant at a special education school revealed that, in 1974, the children's welfare attendant was convicted for selling heroin and was sentenced to one year and one day in federal prison. Pursuant to the School Code, this conviction precluded the attendant's employment with CPS and the OIG recommended CPS immediately discharge the attendant. Following the investigation, the attendant was terminated from CPS employment and designated ineligible to be rehired. (12-00819)

CRIMINAL CONDUCT

During FY 13, the OIG conducted investigations of employees who had engaged in criminal conduct. The following are investigations that resulted in recommendations for disciplinary action.

- The OIG completed an investigation which revealed that a high school assistant principal aided her boyfriend and another man by concealing them in her home after she knew that they had been involved in a shooting and an armed vehicular hijacking. When the principal's boyfriend and other man were arrested, the police found the stolen car and two guns at the assistant principal's home. The two men have been charged with numerous crimes, including murder and aggravated vehicular hijacking. The OIG determined that, among other things, the assistant principal knew (1) her boyfriend was on parole for similar crimes; (2) her boyfriend and the other man had been carrying guns in her home; (3) the men were storing illegal drugs in her freezer;

(4) her boyfriend and the other man suddenly parked a car in her garage in the middle of the night; and (5) her boyfriend told her a woman had been shot. Additionally, the OIG determined the assistant principal lied to the OIG during an interview.

The assistant principal was subsequently arrested and indicted on two felony counts of aiding and concealing a fugitive and one felony count of obstructing justice. Those charges are pending in the Circuit Court of Cook County. Following the OIG investigation, the assistant principal resigned and was designated ineligible to be rehired. (11-01311)

- An elementary school associate lunchroom manager was arrested and charged with numerous counts of armed robbery after Chicago police determined that she and her husband were responsible for a string of armed robberies of women. The associate lunchroom manager admitted to police that she and her husband had been robbing women at gunpoint and she subsequently plead guilty to the charge of armed robbery. She was sentenced to serve a term of 10 years in the Illinois Department of Corrections. The associate lunchroom manager was terminated from CPS employment and, based on the OIG's recommendation, she was designated ineligible to be rehired (12-00988)
- An elementary school security officer was arrested after he was identified as the person who sold cocaine to an undercover police officer. When he was arrested, the security officer possessed one-half kilogram of cocaine in his vehicle and another one-half kilogram in his residence. Since he was incarcerated after his arrest, CPS designated the security officer as AWOL. CPS subsequently terminated the security officer from employment and designated him ineligible to be rehired. (12-01329)
- A privatized custodian was arrested after CPS personnel observed him take a printer from an elementary school and place it in his vehicle. The custodian was charged with theft, plead guilty to the charge and was sentenced to serve a term of one year of court supervision. The custodian was terminated from employment by the vendor. (12-00805)
- A day-to-day child welfare attendant was charged in federal court with the offense of distributing 50 grams of cocaine after a joint FBI/DEA investigation. The attendant plead guilty to the charge and was sentenced to 36 months in federal prison. During the course of the investigation, the attendant resigned from CPS employment and, based on an OIG recommendation, CPS designated the attendant ineligible to be rehired. (12-00654)
- An elementary school security officer, while on a leave of absence, was arrested and charged with the offenses of unlawful use of a weapon and impersonating a police officer after a traffic stop in which the security officer flashed a badge and stated he was a CPS youth officer. The security officer was also found in possession of a loaded 9 mm handgun, a handheld radio, two knives and handcuffs. The security officer plead guilty

to the charge of impersonating a peace officer and was sentenced to serve a term of one year of probation. The security officer is now an inactive employee. (12-01028)

- An elementary school special education teacher was indicted in federal court and charged with conspiracy to possess and distribute five kilograms of cocaine. The teacher plead guilty to the drug conspiracy charge and was sentenced to 24 months in federal prison. Before he was sentenced, the teacher resigned from CPS employment and was designated ineligible to be rehired. (11-01350)
- An elementary school teacher was arrested and charged with aggravated criminal animal abuse after allegedly killing his dog after a night of drinking. After the OIG investigation, the teacher resigned and has been designated ineligible to be rehired. The criminal charges against the teacher are still pending. (12-00993)
- An OIG investigation revealed that an elementary school porter debited \$460.95 from a co-worker's checking account to pay his car loan. Disciplinary action against the porter is pending. (12-01354)
- A city-wide porter was arrested and charged with unlawful use of weapon and possessing a firearm without a valid firearm owner's identification card. The porter plead guilty to the charge of unlawful use of a weapon and was sentenced to serve a one year term in the Illinois Department of Corrections. The porter was terminated from CPS employment for failure to return from a leave of absence and, based on the OIG's recommendation, the porter was designated ineligible to be rehired. (13-00041)
- An elementary school security officer was arrested after he struck a woman with his fist while they were driving in the security officer's car. The security officer then drove off with their daughter, an eight year old female. The security officer was subsequently charged with domestic battery. He plead guilty to the charge and was sentenced to serve a term of one year of probation. Following the OIG investigation, the security officer was issued a non-disciplinary memorandum. (12-01341)
- A bus driver was arrested and charged with aggravated driving under the influence after he was arrested for driving a school bus while intoxicated. The bus driver was fired by the bus company. (12-01362)
- An elementary school special education classroom assistant was arrested and charged with obstructing justice after she furnished false information to a suburban police officer concerning the whereabouts of a man wanted for numerous crimes including battery to police officer and fleeing and eluding arrest. The classroom assistant plead guilty to the charge of obstructing justice and was sentenced to serve a term of two days in the Cook County Department of Corrections. In an interview with the OIG, the assistant admitted to lying to the police concerning the man's whereabouts. In addition, she used a sick day to attend criminal court. The classroom assistant has since been laid-off from CPS. (12-01084)

- An elementary school bus aide was arrested after she threw a bottle at a Chicago police officer, striking the officer in the chest. When police attempted to arrest the aide, she struck the officer in the face with her fist. The aide was charged with the offenses of resisting arrest and aggravated battery to a police officer, a felony. The aide plead guilty to the charge of resisting arrest and was sentenced to serve a term of 12 months of probation. The felony charge of aggravated battery to a police officer was dismissed. The investigation further revealed that on three court dates when the aide appeared in criminal court during the pendency of her case, she used sick days to account for her time. Following the OIG investigation, the bus aide was issued a non-disciplinary memorandum. (12-01301)
- An elementary school special education classroom assistant was arrested after he was observed urinating in a public alley. Police officers then found the classroom assistant in possession of cannabis and a fully loaded .38 caliber Smith and Wesson handgun. The assistant was charged with six counts of aggravated unlawful use of a weapon, a felony. Following the OIG investigation, the assistant was terminated from CPS employment and designated ineligible to be rehired. The assistant was subsequently convicted and sentenced to serve a term of 30 months of probation. (13-00068)
- An OIG investigation revealed that a high school security officer was arrested after police executed a search warrant at his residence and found him in possession of a loaded 9 mm handgun, 30 grams of cannabis and \$6,000 in cash. The security officer was then charged with the felony offense of possession of cannabis and the misdemeanor offense of possession of a firearm without a firearm owner's identification card. During the course of the investigation, the security officer lied to the OIG concerning his criminal background. The OIG investigation further revealed that after a prior arrest for aggravated battery, the security officer appeared in criminal court 17 times and on 10 of those occasions used sick days to account for time away from his scheduled assignment in violation of the CPS Sick Leave Policy. Following the OIG investigation, the security officer was terminated from CPS employment and designated ineligible to be rehired. The criminal charges against the security officer are still pending in criminal court. (13-00138)
- A miscellaneous employee assigned to a city-wide department was arrested after he admitted to Chicago police officers that he slashed a woman's throat and then beat her mother to death. The employee also admitted that after killing the two women, he set fire to their apartment. Following the OIG investigation, the employee was terminated from CPS employment and designated ineligible to be rehired. (13-00251)
- After learning that an elementary school lunchroom attendant was arrested, the OIG conducted an investigation which revealed that the lunchroom attendant battered and assaulted the school principal and assistant principal. The attendant retired from CPS during the course of the investigation and was subsequently designated ineligible to be

rehired. She also plead guilty to the criminal charges and was sentenced to one year of supervision. (13-00324)

- After learning that DCFS was conducting an investigation of a child welfare attendant, the OIG conducted an investigation which revealed that the attendant was arrested and charged with two counts of predatory criminal sexual assault related to conduct involving his seven and nine year old granddaughters. Criminal charges against the attendant are pending and he remains in the custody of the Cook County Department of Corrections without a bond. The attendant was terminated from CPS employment and designated ineligible to be rehired. (13-00476)