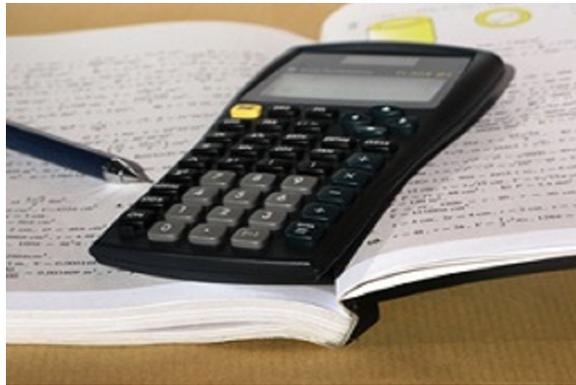




# Annual Report

## FY 2015



January 1, 2016

January 1, 2016

To the citizens of Chicago and Illinois, the Illinois General Assembly and the Chicago Board of Education:

The following Annual Report of the Office of Inspector General for the Chicago Board of Education includes a summary of reports and investigations made by the OIG for Fiscal Year 2015 (July 1, 2014 to June 30, 2015), and is filed pursuant to 105 ILCS 5/34-13.1(e).

The past fiscal year — my first as the head of the office — was a particularly eventful one, during which the OIG demonstrated its value as the independent oversight agency for the Chicago Public Schools. As has been widely reported, an OIG investigation that developed into a joint investigation with federal authorities uncovered a criminal contract-steering and kickback scheme involving then-CPS CEO Barbara Byrd-Bennett and companies owned by Gary Solomon and Tom Vranas. Byrd-Bennett already pleaded guilty in federal court and awaits sentencing. The criminal cases against Solomon, Vranas and their companies are pending.

OIG investigations also determined that numerous suburban families used false Chicago addresses to fraudulently enroll their children in CPS's elite selective-enrollment high schools. Pursuant to Board policy, the OIG recommended disenrollment for those students.

On top of the individual instances of suburban-residency fraud, the OIG also identified policy deficiencies concerning selective-enrollment admissions frauds, generally. First, it is far too easy for a student who was disenrolled for admissions fraud at a selective-enrollment school to either re-enroll at the very same school after a short period of time or simply transfer to another highly desirable selective-enrollment school. Second, the Board has, in the past, allowed certain students to remain in school and graduate, despite clear-cut evidence that enrollment or admissions fraud had occurred. These disenrollment loopholes stem from the lack of a clear and robust Board policy that establishes lasting and meaningful penalties for selective-enrollment fraud. The OIG explains these troubling conclusions in further detail in this report and also recommends potential courses of action that are intended to decrease enrollment fraud at selective-enrollment schools.

Other matters detailed in this year's report include:

- A criminal shakedown of a CPS vendor by a CPS engineer;
- A highly alarming records-falsification scheme by a high school principal, which was designed to keep children with special-education needs out of a CPS high school;
- Numerous instances of CPS employees abusing CPS's tax-exempt status to purchase personal items at a big-box retailer;
- Improper political activity cases;
- Multiple theft, fiscal-impropriety and mismanagement cases, including the misappropriation of donated museum passes; and
- Numerous violations of ethics, purchasing and employee-residency rules.

Additionally, I am pleased to report that the OIG migrated its Internet and email presence to its own independent Internet domain. Consequently, citizens can trust that information shared with this office is accessible only by the OIG. This move is a significant step toward ensuring that this office continues to operate independently of the Board, per its statutory mandate. We are available on the web at [cpsoig.org](http://cpsoig.org) and via email at [inspectorgeneral@cpsoig.org](mailto:inspectorgeneral@cpsoig.org).

As always, it is a deep honor to serve the students and families of CPS. Know that this office remains dedicated to independent investigation and analysis to further its mission of rooting out waste and corruption within our school district. Please feel free to contact us with any concerns.

Sincerely,

Nicholas Schuler  
Inspector General

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# Office of Inspector General Chicago Board of Education

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## F Y 2 0 1 5 A N N U A L R E P O R T

### SECTION 1 — OFFICE OVERVIEW

#### A. MISSION AND BUDGET

The mission of the Office of Inspector General is to ensure integrity in the operations of Chicago Public Schools by conducting meaningful, accurate and thorough investigations into allegations of waste, fraud, financial mismanagement and employee misconduct. The OIG also reviews CPS systems, practices and procedures to determine their effectiveness in preventing waste, fraud and financial mismanagement. In FY 2015, the OIG was budgeted for 17 full-time staff members and had an approximate budget of \$1.77 million.

#### B. COMPLAINTS RECEIVED IN FY 2015

In FY 2015, the OIG received 1,373 complaints alleging misconduct, waste, fraud and financial mismanagement at Chicago Public Schools, including allegations of misconduct by CPS employees or vendors and allegations of students residing outside the City of Chicago and attending CPS.

The OIG received 341 anonymous complaints, 24.84% of the total complaints received during the reporting year. Although the OIG responds to anonymous complaints, it is far more challenging to begin an investigation without the ability to question the complainant and evaluate the credibility of the information received. Of the 1,373 total complaints received, the OIG opened investigations into a total of 322 cases (23.45%).

Several factors restrict the number of cases the OIG can open and investigate, including (1) a continuing focus on significant and complex issues; (2) a particularly small staff size in relation to the OIG's total oversight responsibility (CPS has approximately 38,000 employees and an annual budget of approximately \$5.7 billion), and (3) time consumed by post-investigation activities (e.g., preparation and testimony for hearings, trials and labor arbitrations).

The table below reflects the types of complaints received by the OIG in FY 2015.

<b>Type of Complaint Received FY 2015</b>		
Residency	190	13.84%
Mismanagement	286	20.83%
Inattention to Duty	48	3.50%
Misappropriation of Funds	36	2.62%
Criminal Background	85	6.19%
Conduct Unbecoming	20	1.46%
Falsification of Attendance Records	27	1.97%
Falsification of Employment Records	4	0.29%
Falsification of School Records	33	2.40%
Test Cheating	2	0.15%
Tuition Fraud (including SEHS cases)	61	4.44%
Grade Changing	2	0.15%
Violation of Acceptable Use Policy (computer/email)	2	0.15%
Violation of Magnet and Selective-Enrollment Policy	1	0.07%
Sexual Harassment	1	0.07%
Contractor Violations	47	3.42%
Ethics	33	2.40%
Discourteous Treatment	89	6.48%
Losing One's Professional License	5	0.36%
Preferential Treatment	43	3.13%
Fraudulent Leave of Absence	12	0.87%
Retaliation	10	0.73%
Unauthorized Use of Board Property	15	1.09%

**Type of Complaint Received  
FY 2015**

Off-Duty Criminal Conduct	57	4.15%
On-Duty Criminal Conduct	96	6.99%
Discrimination	24	1.75%
Other	144	10.49%
	<b>1,373</b>	<b>100%</b>

**Table 1**

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

**C. OIG REMAINS UNDERSIZED IN RELATION TO ITS MISSION**

One of the reasons why the OIG investigated only 23.45% of the complaints that it received is that the office, as currently structured, lacks sufficient resources to achieve fully its statutorily mandated mission. The OIG has been publicly reporting for years that the office is severely understaffed and underfunded in comparison to its oversight responsibility. The following table compares staffing information for the OIG to other local offices of inspector general.

<b>Office of Inspector General</b>	<b>Approximate Agency Budget</b>	<b>Approximate Agency Full-Time Employees</b>	<b>IG Staff</b>	<b>Agency Employee to IG Staff Ratio</b>
CPS	\$5.70B	38,000	18	2,111:1
Cook County	\$3.56B	23,000	20	1,150:1
City of Chicago	\$8.20B	32,000	67	478:1
City Colleges	\$0.66B	6,800	9	756:1

Notes: a) In FY 2016, the CPS OIG eliminated its former deputy inspector general position and created two lower-paid assistant inspector general positions, which increased staffing from 17 to 18.  
b) Full-time employees for City Colleges includes part-time employees.

**Table 2**

Despite its small size — and as recounted in further detail in this report — the OIG continues to lead increasingly complex investigations of fraud and corruption. Although such cases are vital to the health of the public schools, and show the citizens of Chicago that there is accountability for how their education tax dollars are spent, they consume vast amounts of time and resources. Indeed, nothing less than delving and exhaustive probes will ensure that root causes are identified and corrected, and that culpable parties are prosecuted when appropriate.

As the OIG continues to investigate cases that have systemic implications, the office is unable to open investigations concerning other potentially viable complaints. There also is a growing risk that the progress of the investigations that the OIG opens might be unduly delayed for lack of resources. The result is that there is a significant danger that numerous instances of waste, fraud and mismanagement are not being identified or corrected in a timely manner.

#### **D. INVESTIGATION STANDARDS AND TRAINING**

The OIG conducts its investigations in accordance with the national Association of Inspectors General'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 inspector general. In addition, the OIG, at all times, exercises due professional care and independent, impartial judgment when conducting its investigations and issuing its reports and recommendations.

Many employees of the OIG are members of the AIG, which offers training seminars and certification institutes for members. In FY 2015, six OIG employees held the designation of Certified Inspector General or Certified Inspector General Investigator. Participation in the AIG also offers employees continuing training in best practices related to the performance of the inspector general mission. Locally, the OIG collaborates with inspector general offices from other state and local agencies to train staff members in a variety of areas related to investigations and audits.

#### **E. INDEPENDENT INTERNET DOMAIN AND EMAIL SYSTEM**

The OIG recently migrated its Internet and email presence to its own independent Internet domain. Accordingly, the OIG's webpage and email system is entirely independent from the Board of Education and CPS, and citizens can submit complaints via email or the OIG's website with the complete assurance that information shared with this office is accessible only by the OIG. The move is a significant step toward ensuring that this office continues to operate independently

of the Board, per its statutory mandate. The OIG is available on the web at [cpsoig.org](http://cpsoig.org) and via email at [inspectorgeneral@cpsoig.org](mailto:inspectorgeneral@cpsoig.org).

## SECTION 2 — THE BARBARA BYRD-BENNETT INVESTIGATION

As has been widely reported throughout 2015, an OIG investigation that began in 2013, regarding the relationship between then-CPS CEO Barbara Byrd-Bennett and three companies owned by Gary Solomon and Tom Vranas (SUPES Academy, Synesi Associates, and Proact), developed into a joint investigation by the OIG, the Federal Bureau of Investigation and the Office of the United States Attorney for the Northern District of Illinois. On October 8, 2015, the United States Attorney, the FBI and the OIG announced that a federal grand jury had indicted Byrd-Bennett on 5 counts of wire fraud and 15 counts of mail fraud. The indictment detailed a scheme, whereby Byrd-Bennett steered CPS contracts that were worth more than \$23 million to former employers SUPES Academy and Synesi Associates in expectation of hundreds of thousands of dollars in kickback payments. The indictment also alleged that the companies provided Byrd-Bennett with benefits, including meals, an airplane ticket, and seats at basketball and baseball games.

Pursuant to that illegal scheme, Byrd-Bennett ensured that SUPES Academy received approximately \$20 million in no-bid contracts to oversee, among other things, the Chicago Executive Leadership Academy — a leadership program for CPS network chiefs, principals and assistant principals. According to Bennett's arrangement with Solomon and SUPES, some of the kickback payments would be disguised as a "signing bonus", which would be paid to Byrd-Bennett when she returned to work at SUPES after eventually leaving CPS.

On October 14, 2015, Byrd-Bennett pleaded guilty to one count of wire fraud, for which she is likely facing a lengthy prison sentence.

Solomon, Vranas, SUPES Academy and Synesi Associates also were indicted on October 8, 2015, on counts of wire and mail fraud, as well as bribery of a public official and conspiracy to defraud the United States. Neither Solomon nor Vranas have pleaded guilty, and their respective cases are ongoing.

When announcing Byrd-Bennett's indictment, United States Attorney Zachary Fardon made clear that the investigation of the kickback scheme is ongoing. Similarly, the OIG's investigation is ongoing, and the office cannot comment further on this matter at this time.

### SECTION 3A — SUBURBANITES AT SELECTIVE-ENROLLMENT HIGH SCHOOLS

The following is the first of two related sections that address enrollment fraud at Chicago's public selective-enrollment high schools. This section includes a summary of investigations and findings regarding suburban students improperly attending selective-enrollment high schools that the OIG reported to the Board of Education between July 1, 2014 and June 30, 2015. These summaries also include the OIG's recommendations and the Board's responses to those recommendations. The second section (3b) discusses a policy deficiency that permits students who were enrolled through their parents' frauds to remain in or re-enroll at a selective-enrollment high school and makes recommendations to correct the problem.

The following are the suburban-residency fraud cases the OIG reported to the Board in FY 2015:<sup>1</sup>

- *Des Plaines Resident at Walter Payton College Prep (14-00756)*

An OIG investigation determined that a Walter Payton College Prep senior actually lived in Des Plaines, Illinois, during his four years of enrollment (2011 to 2015). On numerous occasions, the student's father intentionally misrepresented to the school that the family lived in Chicago. The father's deception included submitting a phony lease for a Chicago condominium unit.

In addition to recovering \$44,786 in non-resident tuition from the family, the OIG recommended that — despite the fact that he was in his senior year — the student be disenrolled from Payton, as in the OIG's view tuition recovery alone would fail to adequately redress the significant fraud involved here. The Board, however, did not disenroll the student, citing that he only had "weeks" until graduation. The Board told the OIG that it exercised its discretion and allowed the student to graduate. (The OIG notes that it issued its report at the end of February 2015, but the ultimate administrative finding of non-residency did not occur until the end of the academic year.) The Board has advised the OIG that tuition recovery is pending.

- *Elmwood Park Resident at Whitney Young College Prep (15-00126)*

An investigation determined a freshman at Whitney Young College Prep actually lived in Elmwood Park, Illinois, with his parents. The student's mother submitted signed enrollment documents that falsely claimed that her family lived in Chicago.

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<sup>1</sup> These are merely the known cases. The full extent of the problem is not known and, due to a lack of resources, the OIG has as of yet been unable to quantify the full scope of the selective-enrollment admissions-fraud problem.

The family transferred their son to Elmwood Park High School shortly after their interviews with the OIG.

The OIG recommended that CPS pursue tuition reimbursement from the family in the amount of \$11,453.21. The family subsequently settled the non-resident tuition matter for \$8,500.

Additionally, the OIG recently learned that the family claims to have moved into Chicago and, on that basis, re-enrolled their son at Whitney Young.

- *Lane Tech Freshman Living in Burbank, Illinois (14-01294)*

An OIG investigation determined that a Lane Tech High School freshman lived in Burbank, Illinois. The student's mother acknowledged to the OIG that she moved with her family from Chicago to Burbank in 2014. She did not enroll the student in school in Burbank because, she claimed, he liked being a student at Lane Tech.

The OIG recommended disenrollment of the student and pursuit of \$5,726.61 in non-resident tuition. The Board disenrolled the student. The Board, however, advised the OIG that no tuition reimbursement would be sought since the student and family moved during the school year, per the Enrollment and Transfer Policy and Board Rule 5-12.

- *Mundelein Resident was a Freshman at Lane Tech (15-00160)*

An investigation determined that a Lane Tech High School freshman resided in Mundelein, Illinois. The student's father acknowledged to the OIG that he and his daughter live in Mundelein.

The OIG recommended disenrollment and recovery of applicable non-resident tuition from the family. The Board disenrolled the student, and efforts to recover \$12,878 in tuition are pending.

- *Jones College Prep Sophomore Living in South Holland, Illinois (15-00379)*

An investigation determined that a Jones College Prep sophomore lived with her parents in South Holland, Illinois. The parents admitted their suburban residency to the OIG during an interview. A few days later, the mother attempted to retract her admission and claimed that the student lived with her grandmother in Chicago. The OIG found that the mother's claim regarding the grandmother was implausible and against the clear weight of the evidence in the investigation.

The OIG recommended disenrollment and recovery of two years of non-resident tuition. The student was disenrolled and the Board has advised that actions to recover \$25,755 in non-resident tuition are pending.

- *Lincolnwood Residents at Northside College Prep (15-00033)*

An investigation determined that a Northside College Prep sophomore lived in Lincolnwood, Illinois, with his family. Additionally, the OIG further determined that another child in the family — who also lived in Lincolnwood with the family — was admitted to Northside using the same false Chicago address the family was claiming for the sophomore. The OIG determined that the family created a phony Chicago address by purchasing a relatively low-value front property in the City and registering a vehicle there, but surveillance and other evidence established the family actually lived at the home they owned in Lincolnwood.

The OIG recommended that the sophomore be disenrolled and that the incoming freshman be denied admission. The OIG further recommended recovery for two years of non-resident tuition. The Board moved to disenroll the sophomore, who at the time was nearing the beginning of his junior year, and not allow the incoming freshman to be enrolled. The family appealed the administrative judgment, but the Circuit Court of Cook County ruled in the Board's favor in November 2015. The Board has advised the OIG that the children are scheduled to be disenrolled when the semester concludes on February 4, 2016. The Board has further advised that recovery of \$25,755 in non-resident tuition is pending. Additionally, the Board has advised that the children and their mother are attempting to establish residency in Chicago and that the family might attempt to continue their children's enrollment at Northside.

- *Calumet City Resident was a Freshman at Lane Tech (15-00161)*

An investigation determined that a freshman at Lane Tech lived in Calumet City, Illinois. The student's mother admitted that she lived in Calumet City. She denied, however, that her son (the student) lived with her. She made implausible statements about her son's residency, including that he lived with a relative at an unknown address in the suburb of Chicago Heights.

The OIG recommended disenrollment and tuition recovery. The Board is pursuing disenrollment of the student and seeking \$12,878 in non-resident tuition. As of the date of this report, however, that student has not yet been disenrolled from Lane Tech.

○ *South Holland Residents at Brooks College Prep (15-00166 and 15-00367)*

Two investigations determined that three Brooks College Prep students lived with their respective two families in South Holland, Illinois.

A Brooks College Prep freshman and her sister, a senior at Brooks, lived with their parents in South Holland (Family A). The OIG recommended that the freshman be disenrolled from Brooks and that CPS pursue the recovery of non-resident tuition from Family A for the freshman's one year of enrollment at Brooks. The senior graduated at the same time the OIG issued its report to the Board, so the OIG recommended that CPS pursue four years of non-resident tuition from Family A for the senior's four years of attendance at Brooks. (15-00166.)

During surveillances of Family A, the OIG observed that, in addition to driving her own children to Brooks, the mother of Family A picked up another Brooks freshman who lived in South Holland with his family (Family B) and drove him to school. The mother of Family A admitted to the OIG that the freshman student of Family B lived with his mother and father in South Holland. The father of Family B admitted to the OIG that he lived in South Holland, but gave conflicting and implausible statements that suggested his son lived with his mother in Chicago (although he claimed not to know the address). Family B's father's statements were not credible and conflicted with the surveillances and other evidence that the investigation revealed.

The OIG recommended that the freshman from Family B be disenrolled from Brooks College Prep and that CPS pursue the recovery of non-resident tuition from Family B for the son's one year of enrollment at Brooks College Prep in violation of the residency requirement. (15-00367.)

The Board disenrolled the then-rising sophomore from Family A, and it has advised the OIG that it is seeking a total of \$60,494 in non-resident tuition from Family A.

The Board is pursuing disenrollment of the student from Family B and seeking \$12,878 in non-resident tuition from Family B. As of the date of this report, however, that student has not yet been disenrolled from Brooks.

○ *Berwyn Residents at Lane Tech and Payton (15-00448 and 15-00449)*

Two investigations determined that one freshman at Payton College Prep and two juniors at Lane Tech lived with their respective families in Berwyn, Illinois, in violation of the requirement that CPS students live in Chicago.

A Payton freshman and her sister, a junior at Lane Tech, lived at their family (Family C) residence in Berwyn, Illinois. The mother of Family C admitted to living in Berwyn

with her daughters. The OIG recommended that the freshman be disenrolled from Payton and that CPS pursue a year of non-resident tuition from Family C for the freshman's enrollment at Payton. The OIG also recommended that the Lane Tech junior be disenrolled and that CPS pursue a minimum of three years' worth of non-resident tuition from Family C for the Lane Tech enrollment. (15-00448.)

During surveillances in the Family C investigation, the OIG observed that a Lane Tech junior from another family (Family D) was being driven from her Berwyn home and dropped off at the home of Family C. From there, the Family D student was driven to school by the mother of Family C. The mother of Family D admitted that she and her daughter lived in Berwyn, but she offered conflicting accounts about the length of time that her daughter lived there. The OIG recommended that the Family D student be disenrolled from Lane Tech and that CPS pursue three years' worth of non-resident tuition for her enrollment there. (15-00449.)

The Board disenrolled the two students from Family C, and the OIG has been advised that the Board is seeking \$50,086 in non-resident tuition from Family C.

A hearing officer made a finding of non-residency with regard to the student of Family D, but the Board has advised the OIG that, due to extraordinary circumstances, the Cook County State's Attorney's Office had requested that the student not be disenrolled. Pursuant to that request, the student of Family D was not disenrolled, and non-resident tuition recovery is not being pursued.

- *Elmwood Park Resident at Northside College Prep (15-00124)*

An investigation determined that a Northside College Prep freshman lived in Elmwood Park, Illinois. The OIG recommended disenrollment and recovery of one year's worth of non-resident tuition. The Board has disenrolled the student and is pursuing recovery of non-resident tuition in the amount of \$12,878.

- *Melrose Park Resident at Walter Payton College Prep (12-00858)*

An OIG investigation determined that a Walter Payton College Prep junior was actually a resident of Melrose Park, Illinois, during his three years of enrollment at Payton (2012 to 2015). On numerous occasions, the student's parents intentionally misrepresented to the school that the student and his father lived in Chicago with the student's aunt.

The OIG determined that the family owed \$34,360 in non-resident tuition. The OIG recommended disenrollment for the student and tuition recovery. However, at a subsequent residency hearing, the administrative hearing officer found that the evidence presented was not sufficient, by a preponderance of the evidence, to show

that the student was not a resident of Chicago. At the hearing, the Board strongly objected on hearsay grounds to the admission of affidavits that the family brought to the hearing, but the affidavits were nonetheless admitted. Based on the hearing officer's finding, which was made after the affidavits were admitted, the Board did not pursue disenrollment or tuition recovery.

### **SECTION 3B — NEED FOR TOUGHER SELECTIVE-ENROLLMENT ANTI-FRAUD POLICY**

*On top of the individual instances of suburban-residency fraud, the OIG also identified policy deficiencies concerning selective-enrollment admissions frauds, generally. First, it is far too easy for a student who was disenrolled for admissions fraud at a selective-enrollment school to either re-enroll at the very same school after a short period of time or simply transfer to another highly desirable selective-enrollment school. Second, the Board of Education has, in the past, allowed certain students to remain in school and graduate, despite clear-cut evidence that enrollment or admissions fraud had occurred. These disenrollment loopholes stem from the lack of a robust Board policy that establishes lasting and meaningful penalties for selective-enrollment fraud. The policy deficiencies mean that students whose families have lied about where they live to improperly land a seat in a selective-enrollment school may have little to fear in terms of disenrollment and monetary fines. And many families, therefore, assume there is little to be lost by committing fraud to get into these highly competitive schools.*

*To remedy these deficiencies, the OIG recommends Board action that clearly puts families and students on notice that selective-enrollment admissions fraud will be enforced by immediately disenrolling fraudulently enrolled students; banning those students from attending any CPS selective-enrollment school; and imposing a significant monetary penalty. Until such a policy is adopted, there will be little to no effective deterrence against families cheating their way into selective-enrollment schools, and thereby pushing the rightful and truly deserving students out.*

#### **A. TIER FRAUD AND SUBURBAN-RESIDENCY FRAUD DISTINGUISHED**

A key part of the OIG's work in FY 2014 included a group of cases that focused on instances of selective-enrollment high school "tier fraud" — that is, families who lied on eighth grade selective-enrollment high school entrance applications by falsely claiming that they lived in a lower socio-economic area of the City, or "tier", than they actually did to cheat the system and improperly land a seat at a selective-enrollment high school.<sup>2</sup> Similarly (and as was discussed further in Section 3a of this

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<sup>2</sup> The selective-enrollment admissions process considers socio-economic factors that relate to the census tract in which an applicant resides at the time of application. The policy is intended to increase selective-enrollment opportunities for students from lower socio-economic areas. The census tracts are broken down into four tiers. Under the current policy, a total of 30% of the available seats are filled in rank order using only testing/academic criteria. The remaining available seats (subject to very limited exceptions) are filled from four rank-order lists that further categorize students by their respective socio-economic tiers (i.e., census tracts), with each tier contributing 25% of the students to the remaining available seats. Students from the higher tiers usually must have better scores than those in the lower tiers. Thus, lying about a

report), in FY 2015 the OIG made a focused effort on another kind of selective-enrollment high school admissions fraud — suburban-residency fraud — which involved students who were ineligible to attend a CPS school by virtue of their suburban residency. Suburban residents, of course, are generally not eligible to attend any CPS school, let alone the fiercely competitive selective-enrollment schools. Not only are suburban students subject to disenrollment, their families are also liable to CPS for the Illinois statutory tuition costs incurred by their children’s improper CPS enrollment.

**B. CURRENT POLICIES PROVIDE INADEQUATE DETERRENCE**

At the outset, the OIG notes that, with the exception of students who are seniors, both past and current CPS administrations have regularly taken action to disenroll students who were enrolled in selective-enrollment high schools through fraudulent means. Additionally, the current administration is aware of the general policy deficiencies that allow students who were disenrolled for application or enrollment fraud to transfer back into selective-enrollment schools. And as discussed further below, the OIG has been informed of the previous Board’s reasons for why senior students were not disenrolled — reasons with which the OIG disagrees. In addition, the OIG has been in active talks with CPS administrators about these issues, and the OIG understands that the administration is considering a range of corrective action that it might adopt. Thus, the OIG wants to make clear it takes no issue here with any particular Board or administration inaction regarding selective-enrollment admissions fraud. To the contrary, the OIG addresses the matter of selective-enrollment admissions fraud to ensure that all interested parties are aware of the OIG’s view of the issues, their causes and the necessary corrective steps.

*1. Some Violating Students Stay Enrolled or Transfer Back after Disenrollment*

An examination of the outcomes in a subset of recent OIG tier fraud and suburban-residency fraud cases shows that many students who clearly committed tier or residency fraud were either allowed to stay in school or were allowed to simply transfer back into a selective-enrollment high school — sometimes the very same one from which they were disenrolled — after a period ranging from a day to a semester.

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student’s address is one way to cheat the system and obtain a seat at a selective-enrollment high school.

The existing Board policy governing selective-enrollment schools provides that:

In the event that the District discovers that an applicant submitted false information including, but not necessarily limited to, information regarding the applicant's residence or sibling status, the applicant shall be *subject to immediate removal* from the magnet or selective enrollment school or program to which admission was gained based on false information. (Board Report 14-0827-PO1 § VII(3) (emphasis added).)

The Board policy governing selective-enrollment schools provides that selective-enrollment schools are limited to Chicago residents only. (Board Report 14-0827-PO1 § VII(4).) Moreover, the policy explicitly states that violations of the policy are prohibited and that:

Students who are enrolled in violation of [the] policy will be subject to removal from that magnet or selective school or program. (Board Report 14-0827-PO1 § XIV.)

As demonstrated by the cases discussed below in this subsection, the Board generally enforces the existing policy by disenrolling students who have been fraudulently enrolled at selective-enrollment high schools. The main problem, therefore, is not disenrollment, per se, but the lack of a policy preventing re-enrollment at a selective-enrollment high school, thereby creating a loophole through which disenrolled students come back to selective-enrollment high schools.

The second problem is that the OIG disagrees with the former Board's practice of not disenrolling fraudulently enrolled students who are in their senior year.

The following is a summary of the cases that illustrate the problems.

a. Near-Term Re-Enrollments and SEHS Transfers

The OIG reviewed the outcomes of selective-enrollment fraud cases reported by the OIG in FY 2014 and FY 2015. It identified the following instances in which students who were fraudulently enrolled at a selective-enrollment high school, through either tier or suburban-residency fraud were (1) disenrolled by the Board pursuant to an OIG recommendation, but (2) quickly re-enrolled at the same school or transferred into another selective-enrollment high school.

Student A

In June 2014, the OIG issued a report to the Board that concluded that Student A was admitted to Walter Payton College Prep based on a fraudulent eighth grade selective-enrollment high school application, which misrepresented that she lived at an Englewood address (a Tier 1 address) when, in fact, she lived at a Beverly address

(a Tier 4 address). The student's rank order application score was too low to win admission to Payton using her true Tier 4 address, but she landed a seat with the false Tier 1 address. The OIG recommended disenrollment for Student A. (See 2014 Annual Report, Case 13-00928.)

The Board subsequently determined that the student's enrollment was fraudulent, and she was disenrolled from Payton at the beginning of the second semester of her sophomore year. The *very next day* she was accepted as a transfer student at Northside College Prep. Significantly, the score on Student A's eighth grade application was also not high enough to have won her a freshman seat at Northside using her true address. She nonetheless was accepted as a sophomore transfer student. The OIG notes that the process by which sophomores, juniors and seniors can transfer into selective-enrollment high schools is much less defined and lacks any sort of clear cutoff criteria, as the process is subject to wide principal discretion.

When the OIG inquired about the transfer, CPS informed the OIG that such transfers are not prohibited and that the student was legally eligible for enrollment in CPS schools, so there was nothing to prevent the transfer.

#### Student B

In the same June 2014 report, the OIG concluded that Student B was improperly admitted to Whitney Young College Prep based on a fraudulent eighth grade selective-enrollment high school application, which misrepresented that she lived at a Bronzeville address (a Tier 3 address) when, in fact, she lived at a North Center address (a Tier 4 address). Student B's application score was too low to win admission to Whitney Young using her true Tier 4 address, but she landed a seat with the false Tier 3 address. The OIG recommended disenrollment for Student B. (See 2014 Annual Report, Case 13-00928.)

The Board agreed that Student B's enrollment was fraudulent. She subsequently was disenrolled from Whitney Young in August 2014, immediately before her sophomore year. Student B then attended another school for one semester, before then re-enrolling at Whitney Young at the start of the second semester of her sophomore year. Thus, Student B was able to return to *the exact same selective-enrollment school* she had been disenrolled from due to a fraudulent application.

The OIG was never notified about the transfer and was not consulted. CPS administrators and the Board's Law Department subsequently informed the OIG that such transfers are not prohibited and that the student was legally eligible for enrollment in CPS schools, so there was nothing to prevent the transfer.

### Students C and D

In a case issued in June 2015, the OIG determined that (1) Student C, a then-sophomore at Northside College Prep, was actually a Lincolnwood resident enrolled under a false Chicago address; and (2) the same false Chicago address was used on the eighth grade selective-enrollment high school application of Student D, Student C's younger sister and a then-Lincolnwood public school elementary student. The OIG recommended that Student C be disenrolled from Northside and that Student D — a rising freshman at the time — be denied admission. (See above, Case 15-00033.)

In August 2015, the Board agreed that Students C and D were ineligible for enrollment at Northside and acted to disenroll them. The family, however, appealed to the Cook County Circuit Court, and Students C and D were allowed to stay at Northside during the pendency of the appeal. In November 2015, the Circuit Court affirmed the Board's decision. The OIG understands that CPS plans to disenroll Students C and D at the end of the first semester (February 4, 2016). The OIG further understands that CPS asked the family to sign a statement affirming that Students C and D will be disenrolled at the end of the semester. The family has apparently refused to sign such a statement, which raises the possibility that, despite a court ruling to the contrary, they might attempt to stay at Northside. Furthermore, the OIG has learned that the family is purportedly attempting to establish Chicago residency in the hope that Students C and D can remain at Northside. The OIG has been further advised that, in the meantime, the Board will begin the process of seeking the recovery of non-resident tuition.

Once again, CPS administrators have told the OIG that without a policy to the contrary, they do not believe the current rules and regulations allow CPS to bar Chicago residents from applying to or being accepted at a selective-enrollment high school — even in the wake of a proven past fraudulent admission. Thus, the matter of Students C and D again raises the specter of no real penalty attaching to suburban-residency fraud at a selective-enrollment high school if and when Students C and D establish Chicago residency.

### Student E

In 2015, the OIG investigated whether Student E, a Whitney Young College Prep freshman, lived in Elmwood Park. The parents of Student E, however, disenrolled him after the OIG interviewed them and they became aware of the extent of the investigation. In June 2015, the OIG issued a report to the Board that concluded that Student E had been fraudulently enrolled at Whitney Young because he, in fact, lived in Elmwood Park. The OIG would have recommended disenrollment for Student E, but since Student E had already withdrawn from Whitney Young and enrolled at

Elmwood Park High School, the OIG recommended only that the Board pursue the recovery of \$11,453 in non-resident tuition. (See above, Case 15-00126.)

Because of the voluntary withdrawal, the matter did not proceed to a hearing and the Board did not make a specific residency finding. The Board, however, negotiated a settlement with Student E's parents and recovered \$8,500 in non-resident tuition. In the meantime, Student E quietly re-enrolled at Whitney Young in August 2015 using a new Chicago address. Regardless of whether the new Chicago address is the family's bona fide residence,<sup>3</sup> the case of Student E shows that no real penalty attached to the previous violation, as that student was simply allowed to re-enroll after a claimed move to Chicago.

b. Historic Unwillingness to Disenroll Seniors

During the tenure of the former Board president, the OIG was informed that students who were seniors when the OIG concluded that they were fraudulently enrolled at selective-enrollment high schools would not be disenrolled. The given rationale for that decision was concern for the students' academic standing and record. It was explained to the OIG that as seniors in their last year of high school, disenrollment would penalize the students too much because they would have to find a school that would accept them and graduate them on time, as well as obvious concerns about the college application and acceptance processes. The new Board has not yet had the opportunity to consider any OIG enrollment-fraud case involving a seniors.

The following are cases from the last two fiscal years involving enrollment fraud identified during or shortly before a student's senior year.

Student F

In February 2015, the OIG issued a report to the Board that concluded Student F, a Payton College Prep senior, had been fraudulently enrolled at Payton since his freshman year when he and his family actually lived in Des Plaines the entire time. The OIG recommended that Student F be disenrolled from Payton and that the Board pursue the recovery of \$44,768 in non-resident tuition from Student F's parents. (See above, Case 14-00756.)

The Board agreed with the OIG that Student F had been improperly enrolled at Payton, and it pursued recovery of non-resident tuition in the amount of \$44,768.

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<sup>3</sup> The OIG notes that it has not independently verified the new address through surveillance, and that it does not believe that the Board has done so either. Without a rigorous investigation to verify residency, the new Chicago address should not be taken at face value, as the family is known to have already lied once to CPS about their residency.

The Board, however, allowed Student F to finish the school year and graduate from Payton. The OIG understands that the student was not disenrolled because of concerns about the educational impact on the student.

#### Student G

In June 2014, the OIG issued a report to the Board that concluded Student G, a Payton College Prep junior, was improperly admitted to Payton as a freshman based on a fraudulent eighth grade selective-enrollment high school application, which misrepresented that she lived at a West Garfield Park address (a Tier 1 address) when, in fact, she lived at a Kenwood address (a Tier 4 address). Student G's application score was too low to win admission to Payton using her true Tier 4 address, but she landed a seat with the false Tier 1 address. The OIG recommended disenrollment for Student G. (See 2014 Annual Report, Case 13-00995.)

The Board subsequently determined that Student G's enrollment at Payton was fraudulent, but she was not disenrolled. The OIG understands that the student was not disenrolled because of the Board's concerns about the educational impact to her.

#### Student H

In August 2013, the OIG issued a report to the Board that concluded Student H, a Payton College Prep rising senior, was improperly admitted to Payton as a freshman based on a fraudulent eighth grade selective-enrollment high school application that misrepresented that she lived at a Tier 2 address when, in fact, she lived at a Tier 4 address. Student H's application score was too low to win admission to Payton using her true Tier 4 address, but she landed a seat with the false Tier 2 address. The OIG recommended disenrollment for Student H. (See 2014 Annual Report, Case 13-00569.)

The OIG understands that the Board subsequently determined that Student H's enrollment at Payton was fraudulent, but she was nevertheless allowed to graduate. The OIG again understands that student was not disenrolled because of the above-referenced concerns about the educational impact.

### *2. The Lack of a Monetary Penalty*

In addition to the fact that nothing currently prevents a disenrolled student from simply re-enrolling later, the lack of any meaningful monetary penalty compounds the risk of selective-enrollment fraud occurring. For families contemplating whether to chance committing selective-enrollment fraud, there is simply too little downside to the perceived risk. As discussed above, even if one is caught, there is a good likelihood of remaining enrolled in the long term and eventually graduating from a selective-enrollment school.

On top of that, there is no financial disincentive to committing selective-enrollment fraud, as no fine of any kind is currently imposed for such fraud. This is critical because many families who choose selective-enrollment schools are families with the financial means to seriously consider comparable educations at expensive private schools. Thus, the risk involved in fraudulently enrolling at the free public selective-enrollment school appears slight in comparison to the cost of private school. If, however, parents knew upfront that if they were caught in their lie, not only would their children be disenrolled but they also would have to pay a significant fine that would effectively push their educational costs well above private school options, they would be forced to reconsider, and all but the most heedless would avoid the risk.

The OIG notes that the Board currently pursues non-resident tuition recovery in suburban-residency fraud cases, but that hardly constitutes a meaningful deterrent. For starters, it only applies to suburban-residency fraud, and not to tier fraud by Chicago residents. And even when it applies, the non-resident tuition reimbursement rate (which is \$12,878 for the 2015-16 school year) represents the statutorily determined cost of a generic CPS education and *not* the premium value most would place on a selective-enrollment education. The OIG further notes that the Board often settles with families for less than the statutory non-resident tuition rate. Thus, the statutory rate functions as the ceiling of what could be paid by suburban families who enroll their children in CPS selective-enrollment schools.

**Present Worst-Case Monetary Scenario if Caught in Suburban-Residency Fraud**

	<b>Statutory Non-Resident Tuition Rate</b> (2015-16 School Year)	<b>4-Year Projected Cost</b> (Based on 2015-16 tuition)
Any CPS School (including SEHS)	\$12,878	\$51,512

**Table 3**

Moreover, even if the entire statutory non-resident tuition rate is recovered, the non-resident tuition rate represents a mere fraction of the cost of comparable private educations, as illustrated by the following chart.

**Comparable Private High School Tuition Rates**

	<b>Current 1-Year Base Tuition</b>	<b>4-Year Projected Base Tuition</b>
Francis W. Parker School	\$32,830	\$131,320
Latin School of Chicago	\$31,735	\$126,940
Univ. of Chicago Laboratory Schools	\$30,618	\$122,472
The French International School	\$18,200	\$72,800
St. Ignatius College Prep	\$17,200	\$68,800

**Table 4**

At any rate, non-resident tuition is not a penalty, as families are only asked to pay for the value of CPS education, as determined by the State of Illinois. To provide sufficient deterrence, the Board will need to establish a substantial fine above and beyond any non-resident tuition that might be owed. A meaningful deterrent effect would be achieved if parents knew that defrauding CPS could result in a financial burden significantly greater than the cost of tuition at comparable private schools in the Chicago area.

**C. THE LACK OF A STRONG DISENROLLMENT POLICY FAVORS THE WRONG STUDENTS**

The OIG maintains that the current system of enforcement gives too much deference to the improperly enrolled students — and their families who orchestrated the lies to get them into the school in the first place — and does not embody the appropriate care and concern for the real victims of the fraud: *the truly deserving Chicago students (and their families) who were deprived of the enrollment slots they merited.*

The OIG has heard some CPS administrators state that high school students should not be punished by disenrollment because their parents decided “to do whatever it takes” to get them a good education. And the OIG speculates that this very rationale is why some principals at selective-enrollment high schools are willing to accept students back as transfers. The OIG flatly disagrees with this view. First, it suggests a tolerance for, or even an acceptance of, dishonesty. CPS cannot genuinely promote honesty, personal responsibility and academic integrity to its student bodies if any amount of fraud is tolerated in the fierce competition for admission to CPS’s most highly prized schools.

Second, and more important, this view completely ignores the honest Chicago families and deserving children who are pushed out of schools like Payton and Northside as a result of enrollment fraud. It is widely known that the selective-enrollment application process is highly stressful for students and families, and that

it causes no small amount of tears, anxiety and lost sleep. Indeed, some families decide to remain in Chicago, rather than move to the suburbs, because of the chance their children might be accepted at a selective-enrollment high school. Those upstanding and hard-working families who follow the rules bear the brunt of the damage caused by enrollment fraud. Those children should not lose their seats in selective-enrollment schools because CPS administrators are sympathetic to fraudulently enrolled students — regardless of however bright and talented the fraudulently enrolled students otherwise are.

The current system is simply unfair. Therefore, to protect the pushed-aside children of earnest and honorable Chicago families, a significant penalty must attach to proven tier and suburban-residency fraud.

#### **D. THE OIG’S RECOMMENDATION FOR A MORE ROBUST POLICY**

To adequately deter enrollment fraud, give meaningful effect to existing Illinois law and Board policy, and appropriately safeguard very scarce CPS resources, the OIG recommends that the Board formally adopt a policy that clearly establishes the following:

- Selective-enrollment admissions fraud will be punished by immediate disenrollment, including disenrollment of seniors.
- Students found to have been fraudulently enrolled at (1) a selective-enrollment high school will be permanently banned from attending any CPS selective-enrollment school, and (2) a selective-enrollment grammar school or academic center will be banned from attending any CPS selective-enrollment school for four years (the year the fraud was determined plus three years).<sup>4</sup>
- A significant monetary penalty shall be imposed on parents or custodians who willfully falsify any address materially related to any selective-enrollment school acceptance or enrollment decision or process. To provide the necessary amount of deterrence, the monetary penalty should range from \$10,000 to \$25,000 per enrollment year per student. (Note: Such monetary

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<sup>4</sup> To be clear, the OIG is *not* saying that students who have been disenrolled for selective-enrollment school admissions or enrollment fraud are to be banned *from all CPS schools*. The OIG’s recommendation is only for selective-enrollment schools. Thus, to the extent that violators are otherwise eligible for enrollment at non-selective-enrollment schools, the bar would not apply. For example, if a suburban-residency violator subsequently established Chicago residency, that student would be free to attend his or her neighborhood school or a lottery-enrollment magnet school.

penalty would be in addition to any non-resident tuition applicable and owed to the district because of improper suburban residency while attending a CPS school.)

- As a condition of selective-enrollment school application or enrollment, the custodial parents or other custodians of all selective-enrollment school applicants and students must certify an attestation that they understand the new policy and agree to be held legally bound to it.

The OIG further recommends that if the Board determines that a Board policy is not the best platform for enacting these recommendations and that an Illinois statutory solution would be better, the Board should advocate for new legislation codifying these recommendations in Illinois law.

## **SECTION 4 — OTHER INVESTIGATIONS REPORTED TO THE BOARD IN FY 2015**

This section includes a summary of investigations and findings that the OIG reported to the Board of Education during the period from July 1, 2014 to June 30, 2015 (other than the suburban-residency fraud cases discussed above in Section 3a). These summaries also include the OIG's recommendations and the Board's responses to those recommendations. As described below, last year's investigations identified, among other things, a criminal shakedown of a CPS vendor by a CPS engineer; a highly alarming records-falsification scheme by a high school principal, which was designed to keep children with special-education needs out of a CPS high school; improper student fee waivers; improper political activity; and numerous violations of ethics, purchasing and employee residency rules.

### **A. CRIMINAL SHAKEDOWN AND KICKBACK SCHEME BY ENGINEER (14-00928)**

An OIG investigation determined that a high school engineer attempted to enlist a vendor in a kickback scheme, by which the engineer would prepare fraudulent purchase orders that inflated the actual cost of the vendor's work, creating a surplus of money that the two men could share. After the vendor reported the engineer's overtures to CPS, the OIG worked in conjunction with the Office of the Cook County State's Attorney on a joint investigation.

After a joint operation with the State's Attorney's Office, the engineer was arrested. A Grand Jury of the Circuit Court of Cook County indicted the engineer on two counts of Bribery (a Class 2 felony); two counts of Official Misconduct (a Class 3 felony); and one count of Attempted Theft of Governmental Property exceeding \$500 in value and not exceeding \$10,000 in value (a Class 2 felony). As of the date of this report, those charges are still pending.

In the wake of his arrest, the engineer's employment was terminated, and he was listed as a Do Not Hire.

The vendor was not charged. The OIG did not make any recommendations against him because he was the complainant and fully cooperated with the investigation.

### **B. PLAN TO KEEP SPECIAL-NEEDS CHILDREN OUT OF A HIGH SCHOOL (15-00377)**

An OIG investigation determined that a high school principal, a coordinator and special-education case manager conspired to improperly keep 15 eligible students with special-education needs from enrolling in the high school's fine-arts program.

In February 2015, the principal met with the coordinator and case manager and reviewed a list of students who were determined eligible for admission in the

program. Using information about the special-education needs of certain students that the case manager had researched on a CPS database (using someone else's access credentials), the principal identified 15 students with special needs whom she did not want to be offered enrollment. She instructed the coordinator to lower the audition scores of the 15 students so that it would appear they were not eligible for admission. The coordinator did what the principal instructed, and the 15 students were denied admission.

Shortly thereafter, a few parents who believed that their children had scored well enough to gain admission began asking why their children were denied. In an apparent attempt to placate those parents — and probably to minimize the fallout — the coordinator admitted 4 of the 15 students.

Throughout the investigation, the principal repeatedly tried to get the coordinator, the case manager and other witnesses to tell her what they had said to the OIG. Several people told the OIG that the principal was trying to intimidate them so as to prevent anyone from implicating her.

The OIG recommended appropriate discipline for the principal, the coordinator and the case manager. The principal resigned in lieu of discharge, and the Board has advised the OIG that it has chosen (1) to issue a notification memo, and (2) to give additional training to the coordinator and case manager.

Additionally, the OIG worked with the Office of Access and Enrollment to have enrollment offers sent to the students affected by the misconduct.

### **C. IMPROPER FEE WAIVERS FOR CHILDREN OF CPS EMPLOYEES**

#### *o Improper Waiver of College Application Fees (15-00016)*

An investigation determined that in 2014, a high school counselor improperly granted a general college application fee waiver to a student whose father was a teacher at the same high school. As a result, the student did not pay approximately \$780 in application fees that she would have otherwise been required to pay. The evidence further shows that the counselor granted the fee waiver after all counselors at the high school had been advised via email to stop granting waivers outside of the formal process.

The OIG also determined that the counselor accessed the student's "Common Application" (an electronic general college application) after it had been completed by another counselor — who was actually assigned to the student — and changed the student's ratings in several key areas from "Well Above Average" or "Top 10%" to "Top 1%".

The OIG investigation showed that the subject counselor granted the fee waiver after the student's mother (who is not a CPS employee) made general claims of financial hardship but never actually submitted a formal fee waiver request. The counselor also admitted that she accessed the student's college application and changed the ratings to help the student win admission to the highly selective schools on her application list. It appears, however, that the improper changes were caught in time and not contained in the applications that were actually sent to colleges.

There was not enough evidence to support a conclusion that the father of the student (the CPS teacher) sought or was aware of the preferential treatment the counselor gave to his daughter.

The OIG recommended appropriate discipline for the subject counselor. The Board has advised the OIG that discipline is pending.

- *Security Guard Improperly Waived his Children's Student Fees (14-00491)*

An OIG investigation determined that a security officer at a high school improperly accessed an internal database using the computer logon and password information of another employee and waived \$440 of student fees for his two children who were enrolled at the high school where he worked. The security officer did not have permission to make those waivers and he did not inform anyone of what he did until after it was discovered. The OIG recommended appropriate discipline. The Board has advised that the matter is pending.

#### **D. MULTIPLE CASES OF ABUSE OF TAX-EXEMPT STATUS AT A BIG-BOX RETAILER**

The OIG conducted 13 investigations that determined that CPS employees individually made thousands of dollars in tax-free purchases of personal items at a big-box retailer through the improper use of CPS's tax-exempt status. Each of the subjects gave the retailer a copy of CPS's "Tax-Exempt Letter" to obtain a tax-exempt purchasing card. The cards (which are valid for five years) allowed the employees to make tax-free purchases at the store. The subjects admitted they did not have permission to use CPS's tax-exempt status to purchase personal items. Moreover, sales-tax fraud is a crime in Illinois under 35 ILCS 120/13(b).

The 13 subjects of this investigation were identified from a list of 600 names of people who had created tax-free customer accounts at the big-box retailer by using the CPS Tax-Exempt Letter. From that list, the OIG investigated those employees whose customer accounts showed purchases of \$3,000 or more.

A review of the purchase histories for the subjects revealed that they had used CPS's tax-exempt status to purchase personal items such as large-screen televisions,

home-theater systems, tablets, cell phones, and appliances like washers, dryers and refrigerators. Nearly all of the employees admitted that most (if not all) of the purchases were for personal use.

Other employees, however, attempted to minimize their misconduct. For example, one employee defended using the tax-exempt card to avoid paying sales tax on a GPS unit. She stated that, because she used the GPS unit to get to school every day, she felt authorized to use the tax-exempt card for the purchase. Another employee defended using CPS's tax-exempt status to purchase an electric razor because shaving made him look presentable in class. Other employees claimed they let friends and family members use their tax-exempt cards and, therefore, they were not responsible for some of the purchases made with the cards.

The OIG recommended appropriate discipline for these employees. The OIG further recommended that CPS: (1) direct the retailer to invalidate all tax-exempt cards associated with CPS's tax-exempt status unless they were affirmatively known and authorized as essential to CPS operations, and (2) train personnel on ensuring that CPS's tax-exempt status is not abused by employees. CPS has not advised the OIG about a response to these recommendations. The 13 individual cases are summarized in the table below.

<b>Case Number</b> <b>Employee</b> <b>Position</b>	<b>Tax-Free</b> <b>Purchases</b>	<b>Key Information</b>
14-01145 School-Based Computer Tech	\$22,900	<ul style="list-style-type: none"> <li>○ The computer tech admitted to having purchased several items for personal use, including a Kindle Fire, a wireless router, an iPad mini, an iPad cover, an iMac and a Nintendo DS gaming system.</li> <li>○ He also claimed that he had allowed a friend to use the card to buy personal items. He accounted for many purchases by claiming that he had posted the purchasing card in the school so that other employees could use it.</li> <li>○ Some of the total purchases appeared to be legitimate school-related expenses.</li> <li>○ Resigned in lieu of discharge and was classified as a Do Not Hire.</li> </ul>

Case Number Employee Position	Tax-Free Purchases	Key Information
14-01146 Teacher	\$16,200	<ul style="list-style-type: none"> <li>○ Improper purchases included: a \$2,600 refrigerator, a \$2,250 refrigerator, a \$1,060 washer/dryer combo, a \$590 stove, two \$500 Xbox systems, a \$450 washer, a \$450 television and a \$400 television.</li> <li>○ The teacher admitted to having bought some of the appliances, including at least one refrigerator and a television. He also stated that he had bought other items for personal use, including an iPad mini, a laptop computer and other computer-related equipment.</li> <li>○ The teacher said he had suspected that his son, who worked at the retail location where the purchases had occurred, might have used his purchasing card without his knowledge to make the other purchases.</li> <li>○ Dismissal charges are pending.</li> </ul>
14-01147 Teacher	\$9,700	<ul style="list-style-type: none"> <li>○ She admitted to having bought a 70-inch television for \$1,908 and a \$649 iPad Air with the tax-exempt card. She also stated that she had purchased two educational computer tablets for her children.</li> <li>○ Some purchases were school related.</li> <li>○ Dismissal charges are pending.</li> </ul>
14-01148 Special-Ed. Teacher	\$7,400	<ul style="list-style-type: none"> <li>○ She admitted to having purchased a <i>The Three Stooges</i> DVD collection, an Apple TV and a pair of Beats Solo headphones.</li> <li>○ A significant number of purchased items were apparently classroom related.</li> <li>○ Dismissal charges are pending.</li> </ul>
14-01150 Teacher	\$6,400	<ul style="list-style-type: none"> <li>○ Improper purchases included: a \$550 vacuum, a \$170 vacuum, an \$890 steam washer, a \$971 steam dryer, two \$220 laundry pedestals, a \$585 washer, a \$675 dryer, a \$500 computer tablet and a \$500 iPad Air.</li> <li>○ She admitted to having purchased two washer and dryer sets, and a vacuum cleaner. She said one of the washer sets had been purchased for her mother. She further told the OIG that she had bought an iPad and another tablet for her personal use.</li> <li>○ Dismissal charges are pending.</li> </ul>

Case Number Employee Position	Tax-Free Purchases	Key Information
14-01151 Teacher	\$6,100	<ul style="list-style-type: none"> <li>○ Improper purchases included a \$1,500 70-inch television, a \$1,480 70-inch television, a \$180 GPS console, a \$120 car stereo, a \$60 car stereo, a \$400 television, a \$200 Sony PlayStation 3, a \$200 Xbox system and hundreds of dollars in video games and electronics accessories.</li> <li>○ She told the OIG that she had made some of the purchases, but thought that her boyfriend actually made most of the purchases using her card.</li> <li>○ Dismissal charges are pending.</li> </ul>
14-01153 Teacher	\$6,200	<ul style="list-style-type: none"> <li>○ The list of clearly improper purchases included a \$1,500 television, a \$900 television, a \$585 dryer, a \$495 washer and a \$350 home theater.</li> <li>○ He told the OIG that he had used the card to buy the televisions and the washer and dryer. One of the televisions was for his aunt.</li> <li>○ Dismissal charges are pending.</li> </ul>
14-01154 Teacher	\$5,100	<ul style="list-style-type: none"> <li>○ Improper purchases included a \$1,100 MacBook Air, an \$800 television, several DVD collector’s sets and a \$300 iPhone 5s.</li> <li>○ He admitted that he had bought these and other items for personal use. In other cases, he claimed that the purchased items might have had classroom uses as well. For example, he thought there might be beneficial parts of the <i>Breaking Bad</i> TV series that he could show to his class. He also said that he used other DVDs, like <i>Star Wars</i>, for “student self-improvement”.</li> <li>○ Terminated for an unrelated CPS matter and designated as a Do Not Hire.</li> </ul>
14-01155 Bilingual Teacher	\$4,800	<ul style="list-style-type: none"> <li>○ Improper purchases included a \$2,000 55-inch television, a \$580 home theater and two \$430 iPad Airs.</li> <li>○ She admitted to having bought the television for her home and did not consider the purchase of the iPad Airs to be a “big deal” because, she said, she also used them in the classroom.</li> <li>○ Dismissal charges are pending.</li> </ul>

Case Number Employee Position	Tax-Free Purchases	Key Information
14-01156 School Nurse	\$4,800	<ul style="list-style-type: none"> <li>○ Improper purchases included a \$1,100 iMac computer, a \$400 Playstation 4, a \$180 television, a \$60 TurboTax package and a \$20 <i>The Hunger Games</i> DVD.</li> <li>○ She admitted that all of the questionable purchases had been for personal use.</li> <li>○ Dismissal charges are pending.</li> </ul>
14-01157 Teacher	\$4,300	<ul style="list-style-type: none"> <li>○ Improper purchases included a \$1,100 television, a \$500 television, a \$330 television, a \$778 iPad and a \$79 blood-pressure monitor.</li> <li>○ She denied having made the questionable purchases, but said that she had given her tax-exempt card to her husband and son to use, and that it was possible that they had purchased the televisions and other items.</li> <li>○ Dismissal charges are pending.</li> </ul>
14-01158 Special-Ed. Teacher	\$3,800	<ul style="list-style-type: none"> <li>○ Improper purchases included a \$1,250 MacBook Pro, a \$730 laptop, a \$135 cell phone, a \$230 digital camera, a \$251 laptop, a \$130 mini refrigerator, a \$20 <i>Grand Theft Auto V</i> video game and a \$50 pre-paid phone card.</li> <li>○ She admitted that all of the items purchased had been for her personal use or had been purchased for her sister.</li> <li>○ Dismissal charges are pending.</li> </ul>
14-01159 Teacher	\$3,800	<ul style="list-style-type: none"> <li>○ Improper purchases included an \$880 computer, a \$750 laptop, a \$432 notebook computer, a \$130 Kindle Fire, an \$80 satellite radio receiver, an \$80 electric razor and a \$20 <i>The Wizard of Oz</i> DVD.</li> <li>○ He admitted to having made the personal purchases, but said that he had planned to use the satellite radio to listen to Christmas music in his class. He stated that he ultimately returned the razor, but if he had kept it, he would have used it to make himself presentable for class.</li> <li>○ Dismissal charges are pending.</li> </ul>

Table 5

#### **E. INSUFFICIENT MANAGEMENT OF DONATED SCHOLARSHIP FUNDS (14-00958)**

An investigation determined that former administrators at an elementary school failed to properly oversee scholarship funds that resided in its internal account. The scholarship was established by donations from an international consulting firm. Although CPS policy stated that the school was responsible for managing the donated funds, the evidence showed that the firm, in fact, controlled the spending and worked directly with the scholarship recipients.

The investigation dispelled initial concerns that funds were intentionally misspent. The background of the partnership between the consulting firm and the school showed that the firm's donations were initially intended to support extracurricular educational programming for the school's students. In following years, as the students in the programs grew older, the consulting firm shifted its focus to awarding educational scholarships for summer programs and pursuing undergraduate degrees.

With the change in focus, former students of the elementary school (and some students who never attended the school) became the beneficiaries of the consulting firm's donations — and not actual current students of the elementary school. The consulting firm, however, continued making contributions directly to the school because of the tax advantages involved. Eventually, due to employee turnover at the consulting firm and the CPS elementary school, as well as a lack of policy to explain the scholarship program, the management and direction of the consulting firm's scholarship fund was overlooked until a new administration at the elementary school took over at the start of the 2014-15 school year.

Ultimately, the investigation determined that the scholarship fund and the expenditures from it may have been well-intentioned, but lacked sufficient oversight and management. After discussions with the consulting firm about their intent for the scholarship funds, the OIG recommended that CPS transfer the remaining funds in the account (approximately \$98,000) to the Children's First Fund to establish better management. The OIG has been advised that the transfer of funds to the Children's First Fund has been completed.

#### **F. ADDITIONAL FRAUD, THEFT, FISCAL-IMPROPRIETY AND MISMANAGEMENT CASES**

##### *o Theft of Donated Museum Passes (14-00232)*

An OIG investigation determined that, in two separate instances, admissions passes donated by a local museum for use by children who had attended the first day of school were stolen by school-based personnel and then sold online.

In the first instance, a clerk at a charter school misappropriated approximately 55 donated passes, which were potentially worth \$2,970 (up to \$54 each). The clerk subsequently posted an advertisement online in which she offered the passes for sale for \$5 each. The clerk netted \$25 in sales before the museum contacted her and asked her to stop selling the passes.

The OIG also determined that a CPS teacher misappropriated a large stack of passes. Although the exact number of passes she took is unknown, each of the passes she took was also potentially worth \$54. The teacher subsequently posted an advertisement online, in which she offered the passes for sale for \$20 each. The teacher claimed that she did not actually sell any passes, and had since misplaced them. The OIG, however, could not eliminate the possibility that the teacher actually sold some of the numerous passes that she took.

The charter school clerk resigned under investigation, and CPS has since notified the charter school that the former clerk is barred from CPS property. The CPS teacher resigned and a Do Not Hire designation was placed on her file.

The OIG also recommended the implementation of a standardized policy regarding the distribution and accounting for any future passes donated by the museum. The Board has advised the OIG that implementation of the policy recommendation is pending.

- *Falsified Timesheets and Nepotism at a High School (14-00045)*

The OIG completed an investigation that determined (1) a privatized custodian submitted false timesheets; and (2) a CPS engineer improperly advocated for his son to get overtime hours at a CPS high school, and then improperly supervised him on one day.

Regarding the first finding, a privatized custodian employed by a Board vendor submitted false timesheets for 47.5 hours of work at a CPS high school. As a result, the CPS vendor was paid \$1,330 by CPS for hours never worked. The custodian, in turn, was paid \$1,133 by the vendor. The OIG found no evidence that the vendor company was complicit in, or aware of, the custodian's scheme. The OIG recommended an appropriate debarment for the custodian, and it recommended that CPS request reimbursement from the vendor for the money it paid for work that was never performed. The Board subsequently sent a letter to the vendor barring the custodian from CPS property, and the vendor paid back the money.

Regarding the second finding, the OIG found that a CPS engineer improperly advocated for his son — who was an engineer at another CPS school — to get overtime work at a CPS high school. As a result, the son obtained overtime hours

approximately twice a month from August 2013 through January 2014. The OIG further found that the father improperly supervised his son on one day. The OIG recommended appropriate discipline. CPS issued a notification letter to the supervisor of the father, but issued no discipline to the father. The Board said that it did not issue discipline since the father was not routinely responsible for supervising his son, the principal fully supported the engineer and when the ethical issue arose his son was removed from school.

- *Theft of Money Paid by Students and Staff for Athletic Clothing (14-00485)*

An investigation determined that a high school security officer who also worked as a basketball and football coach misappropriated cash totaling between approximately \$790 and \$2,500, which he collected from students and staff at the high school where he worked. The security officer/coach told the students and staff that he was collecting money for athletic uniforms and other athletic wear items, but he simply kept the money and never placed any orders. The security guard/coach told the OIG that he spent the money on medical bills for his son. The security guard/coach was terminated for being absent without leave when he failed to report for work after he was confronted about the missing money. The OIG recommended a permanent Do Not Hire designation for the security guard/coach, and the Board followed the recommendation.

- *Theft of Student Payments for Cheerleading and Spirit Apparel (14-00511)*

An investigation determined that an administrative assistant at a high school stole between \$650 and \$740 in cash that students at the high school paid for cheerleading and school spirit apparel. The administrative assistant told the OIG that she stole the money and used it to pay for her children's daycare. She also said that she had initially lied to school administrators and the OIG about what had happened to the money by stating that she lost it. During the course of the OIG investigation, the administrative assistant was laid off. She also paid \$650 back to CPS. The OIG recommended a Do Not Hire designation, and the Board followed that recommendation.

- *Theft of Furniture by a School Security Officer (14-00122)*

An investigation determined that a school security officer improperly took office furniture from a storage room at an elementary school, sold it as scrap for \$30 and kept the proceeds. The security officer admitted to taking the furniture but claimed that he received permission from a school engineer to do so. The school engineer, however, denied granting any permission and stated that he did not supervise the security officer or even have the authority to grant such permission.

The OIG recommended appropriate discipline. The Board has advised that discipline is pending.

- *Improper Pay to a Security Officer via Fraudulent Edits by a Clerk (14-00734)*

An investigation determined that over 45 days during the 2013-14 school year, a school security officer was paid approximately \$1,567 for 72 hours of time that he did not work. The OIG also found that a school clerk deliberately and improperly edited the security officer's time for those 45 days to reflect that the security officer had worked a full day when he knew that the security officer had, in fact, left early for medical treatment. The security officer told the OIG that he actually noticed that his paycheck was not docked for the hours he missed on days when he did not punch out and that he intentionally punched out less frequently on days he left early for treatment because of the additional pay.

Over six other days, the security officer was paid \$1,047 for 48 hours of work that are not supported by time clock records or other documentation. Nevertheless, the school clerk again edited the security officer's time to reflect full eight-hour days. Although the investigation was not able to determine exactly how many hours the security officer worked on those six days, if he worked none of the 48 unsupported hours he was paid for, the total amount of unearned time and pay for all 51 days (45 + 6) could be as high as 120 hours and \$2,617.

The OIG recommended appropriate discipline for the security officer and the clerk. The clerk subsequently resigned and the Board placed a Do Not Hire designation on his file. The security officer was discharged and was designated as a Do Not Hire.

- *Executive Assistant's Fraudulent Overtime Payments to Herself (14-01046)*

An investigation determined that an executive assistant assigned to a network office stole at least \$33,948 from CPS through fraudulent overtime payments she made to herself. She resigned during the OIG's investigation, and the OIG recommended that CPS (1) designate her as a Do Not Hire, (2) pursue cost-recovery options against her, and (3) implement effective controls that make it impossible for an employee to edit his or her own time. The Board designated her as a Do Not Hire. The Board, however, has not advised the OIG on the status of the cost recovery and control feature recommendations.

- *Improper Reimbursement Practices by a Principal (14-01004)*

An OIG investigation determined that an elementary school principal (1) regularly submitted reimbursement requests without proper supporting documentation for the period between July 1, 2013 and July 26, 2014; (2) kept inadequate

reimbursement records, (3) split reimbursement requests to circumvent controls for payments greater than \$500; and (4) on three occasions, claimed reimbursements for cash that he purportedly gave a parent volunteer for purchases that she made with a Link card, when Link card values are not lawfully redeemable for cash. The investigation, however, did not establish that the principal falsely claimed reimbursement for expenses that he did not incur, or for purchases that were not legitimately school-related.

The OIG recommended appropriate discipline. The Board has advised the OIG that minor discipline is pending.

- *Theft and Attempted Re-Sale of High School Athletic Apparel (14-00952)*

An investigation determined that a custodial worker at a CPS high school stole athletic apparel belonging to the high school and posted it for sale online. The custodial worker was arrested and convicted of theft in the Circuit Court of Cook County after entering a guilty plea. He was sentenced to one year of supervision and ordered to pay \$200 in restitution.

The custodial worker told the OIG that before the start of the 2014-15 school year, he found about 15 high school t-shirts and took them home. He admitted no one gave him permission to take the shirts, but claimed that he only wanted to help the school sell the merchandise because he is a graduate of the school.

The OIG recommended appropriate discipline. The Board dismissed the custodial worker and designated him as a Do Not Hire.

- *Falsification of Homebound-Student Records (13-00567)*

An investigation determined that an elementary school teacher intentionally falsified official CPS time records and submitted them for payment. The teacher was assigned to perform homebound teaching for a student with cancer. The student's mother complained that the teacher had her approve time sheets that falsely represented that the teacher had taught her son on dates when she never showed. When the mother expressed that she was uncomfortable with signing the time sheets because the information was incorrect, the teacher stated that her son might be dropped from the homebound program unless records showed that he was receiving a certain number of instructional hours per week.

The teacher initially denied to the OIG that she gave the student's mother false time sheets to sign but eventually admitted to doing so. Time and attendance records showed that, on several occasions, she claimed to be at the student's home (1) when

she was still at school, (2) on dates when the student was at school, and (3) on a date when the teacher took a personal business day.

The OIG recommended appropriate discipline for the teacher. The Board filed dismissal charges, but the teacher resigned in lieu of discharge and was designated as a Do Not Hire.

- *Improper Gift Offer of Computer Tablets to CPS Families (14-01303)*

An investigation determined that an assistant principal at an elementary school violated Board rules when she distributed a letter to school parents on school letterhead without notifying or receiving permission from the school's principal. The letter caused the mistaken belief that the school was giving away computer tablets to students who achieved perfect attendance in the first semester of 2014. When parents visited the school to claim the tablets for their children, they were greeted by representatives from a cellular phone company who were offering free tablets but only in exchange for a two-year contract for data service. The OIG further determined that the assistant principal sent the letters and arranged the presentations at the request of a third-party insurance agent who often visited the school and solicited CPS personnel for business. The investigation did not show that that assistant principal profited from sending the letters or arranging the cellular phone company's presentations to school parents.

Several parents felt deceived by the letters. In the wake of the parents' resentment, arrangements were made so that those who signed contracts were given the opportunity to terminate them at no cost. Further, CPS eventually purchased discounted tablets for the students who believed they were receiving a prize for perfect attendance. Before the OIG issued its report to the Board, the school's principal dismissed the assistant principal from the school and she was temporarily assigned to a network office to await another permanent assignment. She was subsequently assigned as a substitute teacher.

The OIG recommended appropriate discipline for the assistant principal. The Board has informed the OIG that the assistant principal has been disqualified from the principal eligibility process.

- *Improper Computer Possession and Inappropriate Website Access (14-00980)*

An investigation determined that a special-education teacher took a classroom CPS Google Chromebook home without permission over the summer of 2014. The cumulative evidence strongly supported the conclusion that someone in the household of the special-education teacher accessed a pornographic website on multiple occasions over the summer of 2014. The special-education teacher

admitted she had used the computer for personal business during the same period of time and stated that her son probably had accessed the pornography on the computer. The special-education teacher's actions constituted an unauthorized use of Board Property and violated the Acceptable Use of the CPS Network and Computer Resources Policy.

The OIG recommended appropriate discipline. The Board has advised that the supervising principal issued a non-disciplinary memo.

- *Theft of Computer by Employee of CPS Vendor (15-00022)*

An OIG investigation determined that an employee of a CPS vendor stole a laptop computer from an elementary school and returned it only after the Chicago Police Department contacted him and asked him to return it. Specifically, after a computer monitoring and tracking company — retained by CPS to recover stolen computers and identify the persons using them — determined a school computer was regularly being used off of the CPS network, the firm notified CPS about a possible theft. The computer tracking firm identified the subject as the one using the computer. The Chicago Police Department contacted him and asked him to return the computer, which he did. He subsequently told the OIG that he would not have returned the laptop if he had not been instructed to do so, and said that he intended to keep the device until someone noticed.

The OIG recommended debarment of the employee. The Board has advised the OIG that the matter is under review.

- *Improper Computer Usage (15-00313)*

The OIG investigated whether a CPS property coordinator was watching pornography on his CPS-issued computer. The investigation determined that he had been seen watching television cartoons and game shows at work on his computer. One witness opined that the property coordinator was watching television to such an extent that he believed the coordinator was actually an unpaid intern. An examination of the CPS computer assigned to the property coordinator showed that his Internet history registered heavy use, especially streaming media. The examination was unable to determine the exact content he had accessed and did not specifically identify any pornography. The property coordinator, however, admitted that he had opened images containing some nudity, although he claimed that he did not know what the images were until he opened them on the CPS computer.

The OIG recommended appropriate discipline, and the Board issued a written reprimand.

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

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

### *o Stringing for Video Surveillance Contracts (13-01380)*

An investigation determined that two vendor companies that deal in video surveillance systems for schools (Company A and Company B) were both controlled and/or owned by a husband and wife (Individual A and Individual B). And although Companies A and B were held out as separate entities, they effectively were one company. Individual A used the two companies to avoid the \$10,000 annual per vendor, per school limit on non-competitive purchases by “stringing” single purchases between the two companies.

In 2012, Individual A “strung” a \$16,830 purchase at an elementary school. In 2013, Individual A “strung” a \$19,895 purchase at a second elementary school. In 2014, Individual A “strung” a \$19,964 purchase at a third elementary school.

The OIG recommended debarments for both vendor companies, as well as for Individuals A and B. The Board is currently in the process of debaring the companies and the individuals.

### *o Vendors Previously Debarred by the City of Chicago (12-00422)*

In August 2012, the City of Chicago permanently debarred a City vendor company (Company A) and four individuals (Individual A, Individual B, Individual C and Individual D). The City took that action based on an investigation by the Chicago Inspector General’s Office (City IGO), which determined that Individuals A and B, both Caucasian, used Individual E, a Hispanic male, as a minority “front” for Company B in order to obtain Minority-Owned and Disadvantaged Business Enterprise (M/DBE) certification from the City. Although Company B was ostensibly owned by Individual E, the City IGO’s investigation determined that Individuals A and B actually controlled the company during the approximately ten years that Company B was certified as a City M/DBE.

In addition, the City IGO’s investigation determined that (1) Individuals C and D, who are the spouses of Individuals A and B and who were listed as the owners of Company A, submitted a false No Change Affidavit as part of Company A’s 2004

Women-Owned and Disadvantaged Business Enterprise recertification application; and (2) Individual C made material misrepresentations to the City in a February 2005 letter responding to the City's proposed decertification of Company A. The submissions were false because Individual D had withdrawn from any involvement in Company A years before, and Individual C did not control the daily business operations of the company.

The City also debarred Individual E as a result of the City IGO's investigation.

The OIG determined that records reflected that Company A was still owned and/or controlled by Individuals C and D. Records also reflected that a third company, Company C was controlled by Individuals A and B. (In fact, Company C appeared to be a continuation of Company B under a new name. According to the City IGO, in February 2005, less than three months after Individuals A and B purchased Company B from Individual E under highly suspicious circumstances, Individuals A and B formed Company C. Individuals A and B each own a 50% share of Company C, and its office is located at the same address as Company B's former office.)

Since being debarred by the City of Chicago in August 2012, the OIG determined that Individuals C and D have done over \$3.7 million in business with CPS through Company A, and Individuals A and B have done over \$25,000 in business with CPS through Company C.

The OIG determined that Individual E was not a current CPS vendor, and the OIG did not have any indication that he is doing or has done any work for CPS since being debarred by the City.

In light of the City IGO's investigation and the City's permanent debarments, the OIG recommended debarments for Company A, Company C, and Individuals A through E. The OIG cited the Board's Debarment Policy (Board Report 08-1217-PO1), which states that the Board may debar parties on the basis of a debarment imposed by any governmental entity or agency.

The Board permanently debarred all of the parties.

#### **H. IMPROPER POLITICAL ACTIVITY**

##### *o Improper Political Activity by a Principal (15-00060)*

An investigation determined that an elementary school principal violated the CPS Code of Ethics regarding improper political activity. The principal supported a mayoral campaign that repeatedly identified him as a "CPS principal" in videos on the campaign's website, and in social media. The principal told the OIG he knew

CPS's rules and was even alerted by members of his school's local school council about potential violations of those rules. But he claimed not to notice that the campaign was using his title in political materials. The OIG concluded that the principal was at least negligent for engaging in political activity without actively monitoring that such activity complied with the Code of Ethics.

The OIG recommended appropriate discipline. The Board issued a written reprimand.

- o *Improper Political Activity by an Assistant Principal and Others (15-00212)*

An OIG investigation determined that (1) a grammar school clerk improperly used \$229.25 of teacher "supply money" to reimburse the assistant principal for banners he had purchased to thank politicians, including an alderman, for their support of a new field that was installed at the school; (2) in violation of the CPS Code of Ethics, the assistant principal improperly helped to arrange a political campaign photoshoot at the school for the alderman; (3) in violation of the CPS Code of Ethics, a special-education assistant improperly posted a political advertisement for the alderman on the school website in the weeks before the February 22, 2015 election; (4) after the school's principal was advised in writing that "false, deliberately inaccurate or deliberately incomplete statements" by her could result in disciplinary action up to and including termination, she deliberately withheld significant and relevant information about the photoshoot from the OIG during an interview in this matter; and (5) in violation of the Board's paid time-off policy, a school employee improperly used three sick days and an "emergency" personal business day to take an impromptu Hawaiian vacation in the middle of the school year.

The Banner Purchases: In 2014, a new athletic field was installed at the school, and a portion of the money for the field was contributed by the local alderman. A ribbon cutting ceremony was planned to recognize the alderman, the mayor, and a state representative who were all expected to attend the ceremony. The assistant principal ordered six "thank you" banners, totaling \$276.16. The official ribbon cutting ceremony never happened, but the banners were displayed outside the school nonetheless. When the assistant principal was reimbursed for the banners, a clerk improperly used \$229.25 of teacher "supply money" (\$250 per teacher set aside for school supply purchases pursuant to the Chicago Teacher's Union contract) and \$37.91 of general internal account funds.

The use of school supply money was improper for two reasons: (1) the banners did not qualify as "school supplies"; and (2) the assistant principal was not entitled to the "school supplies" reimbursement pot of money in the first place because assistant principals are not governed by the CTU contract. The clerk told the OIG

that she mistakenly reimbursed the assistant principal with “supply money” funds because his name still appeared on an outdated “supply money” list from his days as a teacher.

**The Campaign Photo Shoot:** The campaign manager for the alderman — whom the OIG found to be credible — told the OIG that shortly before the February 22, 2015 election, she phoned the school, spoke to the assistant principal, identified herself as the campaign manager and asked to arrange a photoshoot with school staffers who were supportive of the alderman. The campaign manager told the OIG that she made it clear that the photoshoot was in connection with the alderman’s reelection campaign. The OIG determined that the assistant principal contacted staffers (four teachers and a school employee) and asked them to participate. In the days before the photoshoot, which took place in early February 2015, the assistant principal was in contact with the campaign manager multiple times to finalize details about the event, and even had discussions about the type of clothing the school staffers should wear. The evidence also showed that the assistant principal was acting at the specific request of the campaign manager when he selected an ethnically diverse group of staffers for the photoshoot.

The OIG determined that, despite his denials to the contrary, the assistant principal knew or certainly should have known that the alderman’s campaign manager was working with him to organize a campaign photoshoot, and that the assistant principal actively participated in organizing and structuring it. His actions violated the prohibition against using Board resources to perform a political activity.

There is also some evidence that the school principal and the five employees who participated in the photoshoot should have been aware that the event taking place at the school was a political activity, but without more evidence the OIG did not make any findings regarding the principal or the five employees as to their specific knowledge of the political nature of the photoshoot at the time it occurred.

**Political Advertisement on Website:** In the weeks before the election, a special-education classroom assistant, who was also the school website administrator, posted a political advertisement for the alderman on the school website. The special-education classroom assistant told the OIG she did that because she saw a school student she liked pictured in a campaign mailer for the alderman, and she simply decided to put a portion of the mailer on the website in order to feature the student she liked. She denied that her action was politically motivated or that anyone asked her to post the advertisement. The principal and the assistant principal both told the OIG that they had no knowledge that the advertisement had been posted but ordered it to be taken down once they learned of it.

**Deliberately Incomplete Statement by the Principal:** The OIG interviewed the principal three times during the course of this investigation. The first interview occurred before the OIG was aware of the photoshoot, and was just beginning to look into the issues surrounding the website and the banners. Despite a long line of questions about the alderman's history with the school and the school's political involvement with the alderman, the principal deliberately withheld her knowledge and actions related to the photoshoot from the OIG.

During her second interview, the OIG asked about the photoshoot. The principal stated that she saw the alderman at the school on the day of the photoshoot, and the alderman told her she was there to speak to school teachers and that the assistant principal had approved it but did not mention a photoshoot. The principal later said that the assistant principal had actually informed her several days before that the alderman would be at the school to talk to teachers.

When shown a copy of the campaign flyer that contained images of the school staff, the principal stated she never saw it before it was shown to her by OIG investigators but later changed her account, saying that she had spoken individually with every teacher pictured in the flyer except one. The principal told the OIG that the teachers all claimed that they were not aware of the nature of the photoshoot and were blindsided by the campaign mailer. The principal further told the OIG that she did not contact the Board's Law Department or the OIG when she learned about the campaign flyer but advised the teachers to investigate the issue on their own by calling the alderman's office. The principal also said she was told by the teachers that they were contacted by CTU regarding the flyer, and that she had encouraged the teachers to resolve the issue between themselves and CTU. The principal said she felt her school was used by the alderman.

When the OIG asked why she did not disclose her knowledge of the photoshoot during her first interview, the principal stated that she did not think it was relevant, and that she was not specifically asked about it by the investigators. She further stated that she decided the matter was not worth mentioning because she read through the Code of Ethics in advance of her interview and determined that there was no misconduct on the part of her teachers and staff. She subsequently acknowledged that she should have called the Board's Law Department or some other Central Office department to determine whether the alderman's presence at that school in connection with the alderman's speaking to teachers or taking photos with them was permissible.

**Improper Use of Sick Time:** During the course of the investigation, the OIG learned that one of the five school employees who had participated in the photoshoot

improperly used three sick days and an “emergency” personal business day to take an impromptu Hawaiian vacation in the middle of the school year.

\* \* \*

The OIG recommended appropriate discipline for the principal, the assistant principal, the clerk, the special-education teacher and the school employee. The Board has advised that minor discipline is pending for the principal, the assistant principal, the clerk and the special-education teacher. The school employee was issued a level 1 performance improvement plan.

#### **I. SECONDARY-EMPLOYMENT CASES**

- *No Approval for Secondary Employment and Abuse of Sick Time (14-00331)*

An investigation determined that an elementary school teacher was working a part-time job at the Chicago City Colleges but failed to obtain the requisite approval for secondary employment. The teacher also violated the CPS sick-leave policy on two days by improperly using sick time to attend conferences at the City Colleges in connection with his secondary employment. The OIG recommended appropriate discipline, and the Board issued a Level 2 Performance Improvement Plan.

- *Conducting a Side Business on School Time (13-00777)*

An OIG investigation determined that, by selling jewelry to subordinates in connection with her private side business, an elementary school assistant principal violated CPS policies. Her sales efforts — which were partly conducted during school hours and via CPS email — conflicted with her duties as a supervisor by creating the impression that employees were expected to purchase the jewelry she was selling. Per the CPS Code of Ethics, CPS employees are prohibited from engaging in secondary employment that conflicts with Board employment. CPS employees are also prohibited from using the CPS email system or other computer resources for private business and financial gain.

The OIG recommended appropriate discipline. The Board advised that the subject was laid off for other reasons.

- *Teacher Working as a Chicago Police Officer (15-00064)*

The OIG investigated allegations concerning a CPS teacher who was simultaneously employed by the Chicago Police Department. A review of recent CPS and CPD time records did not show that the teacher cheated time from CPS. Accordingly, the OIG did not recommend disciplinary action. Because of the inherent conflict of interest posed by a full-time teacher working secondary employment as a full-time Chicago

police officer, the OIG renewed its recommendation from last fiscal year that CPS prohibit teachers, assistant principals and principals from outside employment as police officers. (See OIG 13-01259 and 13-00706 from the 2014 Annual Report.)

The teacher at issue here was hired by CPS in 1996. He told the OIG that starting in 2000, he took an 18-month leave of absence to go to the police academy and complete his CPD probationary period. His police shift started at 3:30 p.m. The teacher said he actually passed the detective exam but refused the promotion because it would conflict with his CPS teaching position.

The officer said that he did not go to court on his arrests and usually asked his partner to appear in court, saying that he “avoids court like the plague”. Nonetheless, the teacher told the OIG that he did not see any conflict between his CPS and CPD duties, despite his own admission that his CPS job prevented him from (1) going to court as a police officer, and (2) accepting a police promotion to detective.

The teacher also told the OIG that he gets six hours of sleep per night, which squarely raises the question of whether he was adequately rested for two demanding and draining public-service jobs a day. Indeed, CPS records show that between August 27, 2014 and January 23, 2015, the teacher was tardy 47 times and absent 7 times. CPS records further showed that the teacher missed 9 of 11 monthly professional development sessions that occurred from 3:15 to 4:15 p.m.

The Board has advised the OIG that the matter is under review.

#### **J. EMPLOYEE-RESIDENCY FRAUD AND NON-SEHS TUITION FRAUD**

The cases in this subsection involve instances of (1) employee violations of the Board’s residency policy (residency fraud) and (2) parents who owe CPS non-resident tuition because their children did not live in the City of Chicago but nonetheless improperly attended CPS schools by using a false City address (tuition fraud).<sup>5</sup> Some cases involve both kinds of violations, i.e., CPS employees who lived in the suburbs and sent their children to CPS schools.

The families of students who live outside of Chicago but improperly attend CPS schools are normally responsible for non-resident tuition. In school year 2014-15 the statutory non-resident tuition rate was \$12,878 per student. Accordingly, the OIG recommends that CPS recover non-resident tuition when appropriate.

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<sup>5</sup> The selective-enrollment suburban-residency fraud cases previously discussed in Section 3a are not repeated here.

The OIG recommends “immediate termination” when employee residency violators also lie about their addresses. This is because, per the Board’s residency policy (see Board Report 08-0227-PO1), an employee who lies about his or her address in conjunction with a residency violation is deemed to have engaged in irremediable conduct, which means that termination is mandatory.

- *Residency Violation by an Elementary School Assistant Principal (14-00419)*

An investigation determined that an elementary school assistant principal lived in Plainfield, Illinois, with his family in violation of the CPS residency policy. The investigation further determined that the assistant principal twice gave CPS a false Chicago address-of-record. In addition, the assistant principal lied on his 2012, 2013 and 2014 Statements of Business and Financial Interests when he swore or affirmed that he was living in the City of Chicago. The OIG recommended immediate termination. The assistant principal resigned and the Board designated him as a Do Not Hire.

- *Residency Violation by a Principal (14-00572)*

An investigation determined that a high school principal violated the CPS residency policy by living in two separate suburban locations from approximately 2005 to 2014. He also lied about his address in that he never informed CPS that he was living in the suburbs. He further lied on his 2012, 2013 and 2014 Statements of Business and Financial Interests when he swore or affirmed that he was living in the City of Chicago.

The OIG recommended immediate termination in November 2014. The Board allowed him to complete the 2014-15 school year. He subsequently resigned in lieu of discharge and was designated as a Do Not Hire.

- *Residency Violation by a Teacher (14-00959)*

An investigation determined that a teacher lived in Oak Park, Illinois, in violation of the residency policy. She also lied to CPS about her residence. In 2014, a CPS residency audit flagged her as an employee violating the residency requirement. In response to a warning resolution, she submitted a signed residency affidavit, in which she stated that she had moved to a specific Chicago address. In connection with the residency affidavit, she further told the OIG that a vehicle she owned and registered in Oak Park was so badly damaged that it could not be driven and was parked at her parents’ home in another suburb. She stated that because of the situation with the vehicle, she was taking public transportation to work. The OIG later observed the teacher repeatedly driving the vehicle from her Oak Park residence to work. Also, in the wake of the residency audit, she updated her CPS

personnel record to reflect a false Chicago address-of-record and a false effective date for that address.

The OIG recommended immediate termination. She subsequently resigned, and the Board designated her as a Do Not Hire.

- *Residency Violation by a Central Office Facilities Manager (14-00452)*

An investigation determined that a central office facilities manager violated the CPS residency policy. From the start of his CPS employment in June 2012 to 2014, the facilities manager lived in Huntley, Illinois. He intentionally submitted false information on official CPS personnel records, in which he claimed to have established residency in Chicago.

The OIG recommended immediate termination. The facilities manager resigned in the wake of the investigation, and the Board designated him as a Do Not Hire.

- *Residency Violations by Husband and Wife Teachers (14-00484)*

An investigation determined that husband and wife teachers had been violating the CPS residency policy. Since approximately September 2009, the teachers had been living in LaGrange, Illinois. Each teacher intentionally misrepresented his or her residency in official CPS records.

The OIG recommended immediate termination for both teachers. They both resigned in the wake of the investigation, and the Board designated each of them as Do Not Hires.

- *Residency Violation, Tuition Fraud and Rent-Assistance Fraud (13-00594)*

An investigation determined that a teacher lived in Calumet City, Illinois, in violation of CPS's residency policy. The investigation also determined that she fraudulently collected rent assistance from Cook County to live in her Calumet City residence and provided false information to CPS to enroll her daughter at a CPS magnet school.

The OIG recommended (1) immediate termination for the teacher, (2) disenrollment of her daughter from the magnet school, and (3) collection of \$65,280 of non-resident tuition. The Board terminated the teacher and she has been designated as a Do Not Hire. The daughter has been disenrolled, and the Board has authorized action to collect the non-resident tuition. Collection is pending.

- *Residency Violation by an Assistant Principal (14-01183)*

An investigation determined that since being hired in 2004, an assistant principal lived in Forest Park, Illinois, in violation of the residency policy. She also lied about

her residency when she updated her CPS address-of-record to reflect that she had moved to a City of Chicago address. She lied again on her 2015 Statement of Business and Financial Interests when she affirmed that she was “a resident of the City of Chicago.”

The OIG recommended immediate termination. The Board has advised the OIG that a settlement was reached that will allow the assistant principal to return to a teaching position and apply for a residency waiver. Specifically, when the assistant principal was hired by CPS as a special-education teacher, she would have qualified for a waiver — even though she never applied for one. The Board is allowing her to revert to her teaching position, which qualifies for a residency waiver. Other discipline is pending.

- *Residency Violation by a Teacher (14-00310)*

An investigation determined that since at least 2006, a teacher lived in Addison, Illinois, in violation of the CPS residency policy. The teacher also lied about her address by falsely representing that she lived in Chicago. The OIG recommended immediate termination. The teacher resigned in lieu of discharge, and a Do Not Hire designation was placed on her file.

#### **K. CASES INVOLVING POLICE ARRESTS OR CRIMINAL-BACKGROUND QUESTIONS**

- *Classroom Assistant in Possession of 18 Pounds of Cannabis (14-00645)*

An investigation determined that the Chicago Police Department executed a search warrant at the home of an elementary school special-education classroom assistant and recovered approximately 18 pounds of cut cannabis, several live cannabis plants, and substantial cannabis growing paraphernalia. The Illinois State Police Crime Lab confirmed that the plant material recovered was cannabis. The special-education classroom assistant was charged with manufacture or delivery of 2,000 to 5,000 grams of cannabis (720 ILCS 550/5-F — a Class 1 felony), and production of 5 to 20 cannabis plants (720 ILCS 550/8-B — a Class 4 felony).

The special-education classroom assistant refused to answer questions during the OIG’s investigation, which constituted a failure to meet his obligation to cooperate with the OIG. Based on that refusal to cooperate, the OIG recommended appropriate discipline. The special-education classroom assistant was subsequently terminated and designated as a Do Not Hire. The criminal case is pending.

- *Improper Solicitation of a Sex Act (14-00720)*

In 2014, the police responded to the home of a CPS high school student regarding an alleged criminal sexual assault. The high school student told the police that she had previously been sexually assaulted by a high school security after school hours, when she met the guard to pick up a gift that he had promised her. The Chicago Police Department investigated, but criminal charges were not approved by the Cook County State's Attorney's Office.

Although the State's Attorney's Office determined the evidence did not support a criminal charge (which must be proven beyond a reasonable doubt), the OIG found that a preponderance of the evidence (the lower standard of proof by which administrative cases must be proven) supported the conclusion that the security officer had actually offered something of value in exchange for sex. Accordingly, the OIG made an administrative finding that the offer constituted a violation of the statute prohibiting solicitation of a sexual act (720 ILCS 5/11-14.1). The OIG also could not exclude the possibility that the security officer sexually assaulted the student.

During the course of the investigation, the security officer was laid off. The OIG recommended that he be designated as a Do Not Hire, and the Board followed the OIG's recommendation.

- *Disposition in a Firearms Case Involving a Lunchroom Porter (14-00041)*

A school lunchroom porter was arrested by the Chicago Police Department in October 2013 for felony aggravated unlawful use of a firearm and misdemeanor reckless conduct. According to the police reports, the porter fled from his vehicle on foot after the police attempted to stop him. He then dropped a gun from his waistband as he led the police on a foot chase through traffic. In 2014 in the Cook County Circuit Court, the porter pleaded guilty to and was found guilty of one count of aggravated unlawful use of a weapon (720 ILCS 5/24-1.6(a)(1)), which is a Class 4 felony. He was sentenced to 174 days in jail and fined \$539. The porter is no longer a CPS employee, as he had been terminated before the final resolution of his court case.

- *Allegations of Criminal Sexual Assault Against a Teacher (13-00707)*

An investigation determined that a teacher was charged with two felony counts of criminal sexual assault by use or threat of force. Specifically, he had been arrested and charged after a CPS employee who worked at another school told the police that the teacher had sexually assaulted her. The CPS employee later told the OIG the same. In his OIG interview, the teacher claimed the sex was consensual. The teacher

subsequently pleaded guilty to and was found guilty of an amended felony count of aggravated battery. The OIG determined that a preponderance of the evidence did not support a finding of sexual assault.

The OIG recommended appropriate discipline, as the crime of aggravated battery is not an enumerated offense (convictions for enumerated offenses mean automatic ineligibility for public school employment). The Board subsequently issued the teacher a warning resolution and he has since returned to work.

- *Possession of Cannabis and Criminal Trespass by a Teacher (14-00521)*

The police arrested a CPS teacher after they found the teacher and a 17-year-old CPS student parked in the teacher's car. The teacher was subsequently charged with (1) possession of cannabis, (2) contributing to the delinquency of a minor, and (3) criminal trespass to property. The teacher pleaded guilty to misdemeanor criminal trespass and the other two charges were dropped. He was sentenced to court supervision and ordered to have no contact with the student for one year.

The OIG found by a preponderance of the evidence that the teacher was in possession of 1.4 grams of cannabis at the time of the arrest and was guilty of criminal trespass. The teacher was not convicted of an enumerated offense, and the OIG recommended appropriate discipline. The teacher resigned in the wake of the investigation, and the Board designated him as a Do Not Hire.

- *Criminal Background Case Involving an LSC Member (13-01331)*

An investigation determined that a member of a local school council had been convicted of the criminal offense of public indecency on three occasions. Those convictions occurred in 2003, 2013 and 2014. The 2003 and 2013 convictions were misdemeanors. The 2014 conviction was a felony. Public indecency is an enumerated offense under the Illinois School Code.

The OIG further determined that that the LSC member failed to disclose the 2003 and 2013 convictions, as required, on Local School Council Candidate Criminal Conviction Forms that he had completed in 2012 and 2014. The LSC member also refused to cooperate in the OIG's investigation by failing to appear for an OIG interview.

The OIG recommended that the LSC member be removed from the council. The Board has advised the OIG that the LSC member resigned from the council in the wake of the investigation.

- *Disposition in Court Watch Murder Case (13-00264)*

In early 2013, a custodian employed by a Board maintenance vendor was arrested for a murder that allegedly occurred in an off-duty incident in the parking lot of a liquor store. At the time of the murder, the custodian was also being investigated by the Law Department because a student and a teacher complained that the custodian had been looking at them in sexually inappropriate ways. The custodian was subsequently barred from CPS property as a result.

In 2015, the murder case against the former custodian concluded when he was found guilty of first degree murder and subsequently sentenced to 55 years in the Illinois Department of Corrections. The OIG made no recommendation in this matter, as the subject was already barred from CPS property and further action was not required.

- *Criminal Background Inquiry from CPS (15-00380)*

In 2015, CPS asked the OIG to investigate the details of a retail-theft charge that came to light during the hiring background check for a teacher's assistant, who had been conditionally cleared by the background committee and was working at a school.

The OIG determined that the teacher's assistant had been arrested in 2008 outside of Chicago for shoplifting multiple items. Police reports reflected that the subject had concealed two pairs of pants in her purse and left the store without paying. Court records reflected that the subject pled guilty to a Class A misdemeanor charge of retail theft in 2008 and was subsequently sentenced to 18 months supervision and ordered to pay a fine and court costs.

As the offense in question was not an enumerated offense, the OIG did not make a recommendation, and the information was provided for consideration of the background committee. The subject is currently working for CPS.

- *Disposition in an Aggravated Criminal Sexual Abuse Case (14-00787)*

A bus driver employed by a Board transportation vendor was arrested in 2014 and charged with aggravated criminal sexual abuse. Police reports reflected that a nine-year-old girl was playing on the street with other children when the off-duty bus driver grabbed the nine-year-old girl, rubbed her hips and buttocks, and kissed her on the mouth. According to police reports, the bus driver then tried to remove the girl's shorts and panties.

In 2015, the bus driver pled guilty to one count of aggravated criminal sexual abuse of a victim under the age of thirteen, which is a Class 2 felony. He was given credit for 240 days of time served and further sentenced to two years of probation. Because the bus driver was convicted for an enumerated offense, the Board has notified all bus companies that the bus driver is prohibited from being involved in the transportation of CPS students.

- *Lunchroom Porter Convicted of Battery (14-01191)*

An investigation determined that a lunchroom porter was convicted of misdemeanor battery in connection with a 2014 incident at an elementary school. The subject was a full-time porter at an elementary school, but he was working secondary employment as a substitute privatized custodian at a second school when he called a fellow custodian a “snitch” and punched him in the face, making his nose bleed. The subject subsequently pled guilty to Class A misdemeanor battery and was sentenced to six months court supervision.

The subject porter also improperly used sick time on at least three days so that he could attend court on the battery charge. He further failed to submit a secondary employment form in connection with his privatized custodian work and a second part-time position, as required by CPS policy.

The OIG recommended appropriate discipline and that he be debarred for an appropriate term from working for CPS vendors and/or otherwise working on CPS vendor contracts. He was discharged from CPS employment and designated as a Do Not Hire. The Board has not yet advised the OIG on the status of the debarment recommendation.

## SECTION 5 — UPDATES TO PREVIOUSLY REPORTED CASES

### A. CRIMINAL CHARGES IN MAJOR PURCHASING AND REIMBURSEMENT SCAMS

In its 2014 Annual Report, the OIG reported its findings in four investigations that concerned major purchasing and reimbursement schemes that a school operations employee (Employee A) had coordinated across two high schools. The schemes included CPS employees and vendors, and resulted in the theft of \$827,427. The OIG worked with the Office of the Cook County State’s Attorney during the investigations.

Since last year’s report, the State’s Attorney’s Office brought criminal charges against a number of individuals involved in the schemes. Specifically, the May 2015 Grand Jury of the Circuit Court of Cook County returned a 35-count indictment against five individuals involved in the schemes. Subsequent charges against two additional individuals brought the total number of criminal defendants to seven. The following table reflects the individuals who were charged, the charges that they are facing and the most recent developments in their respective cases:

Subject	Charges and Case Status
<b>Employee A</b> OIG Cases 13-01153 14-00525 14-00595 14-00596	<b>Charges (case pending)</b> <ul style="list-style-type: none"> <li>○ 1 Class X felony count of organizing a financial criminal enterprise;</li> <li>○ 9 Class X felony counts of theft of over \$100,000 from a government entity;</li> <li>○ 2 Class 1 felony counts of conspiring to commit a financial crime that resulted in the theft of an amount between \$500,000 and \$1,000,000, which is non-probationable;</li> <li>○ 3 Class 1 felony counts of engaging in a financial transaction involving an unlawful activity that deprived another of at least \$500,000, which is non-probationable;</li> <li>○ 1 Class 1 felony count of money laundering involving more than \$500,000, which is non-probationable;</li> <li>○ 1 Class 2 felony count of conspiring to commit a financial crime that resulted in the theft of an amount between \$10,000 and \$100,000;</li> <li>○ 2 Class 2 felony counts of engaging in a financial transaction involving an unlawful activity that deprived another of an amount between \$10,000 and \$100,000;</li> <li>○ 1 Class 2 felony count of accepting a bribe;</li> <li>○ 4 Class 3 felony counts of wire fraud;</li> <li>○ 2 Class 3 felony counts of official misconduct;</li> </ul>

<b>Subject</b>	<b>Charges and Case Status</b>
<b>Employee A</b> (continued)	<ul style="list-style-type: none"> <li>○ 1 Class 3 felony count of accepting a kickback; and</li> <li>○ 1 Class 3 felony count of forgery.</li> </ul>
<b>Employee C</b> OIG Case 14-00595	<p><b>Guilty Plea</b></p> <ul style="list-style-type: none"> <li>○ Pleaded guilty to 1 Class A misdemeanor count of theft. Sentenced to conditional discharge, fined court costs, and ordered to pay \$10,000 in restitution.</li> </ul>
<b>Employee D</b> OIG Case 14-00525	<p><b>Charges (case pending)</b></p> <ul style="list-style-type: none"> <li>○ 2 Class X felony counts of theft of over \$100,000 from a government entity;</li> <li>○ 1 Class 2 felony count of conspiring to commit a financial crime that resulted in the theft of an amount between \$10,000 and \$100,000;</li> <li>○ 2 Class 2 felony counts of engaging in a financial transaction involving an unlawful activity that deprived another of an amount between \$10,000 and \$100,000;</li> <li>○ 1 Class 3 felony count of wire fraud; and</li> <li>○ 2 Class 3 felony counts of official misconduct.</li> </ul>
<b>Employee E</b> OIG Case 14-00596	<p><b>Guilty Plea</b></p> <ul style="list-style-type: none"> <li>○ Pleaded guilty to 1 Class A misdemeanor count of theft. Sentenced to conditional discharge, fined court costs, and ordered to pay \$5,000 in restitution, which has already been paid to CPS.</li> </ul>
<b>Business Owner 2</b> OIG Case 13-01153	<p><b>Charges (case pending)</b></p> <ul style="list-style-type: none"> <li>○ 2 Class X felony counts of theft of over \$100,000 from a government entity;</li> <li>○ 1 Class 1 felony count of conspiring to commit a financial crime that resulted in the theft of an amount between \$500,000 and \$1,000,000, which is non-probationable;</li> <li>○ 1 Class 2 felony count of bribery;</li> <li>○ 1 Class 3 felony count of wire fraud;</li> <li>○ 1 Class 3 felony count of providing a kickback; and</li> <li>○ 1 Class 3 felony count of seeking compensation, as a public contractor, from a school district for goods that he did not deliver pursuant to the terms of a contract.</li> </ul>

Subject	Charges and Case Status
<b>Business Owner 3</b> OIG Case 13-00153	<b>Charges (case pending)</b> <ul style="list-style-type: none"> <li>○ 2 Class X felony counts of theft of over \$100,000 from a government entity;</li> <li>○ 1 Class 1 felony count of conspiring to commit a financial crime that resulted in the theft of an amount between \$500,000 and \$1,000,000, which is non-probationable;</li> <li>○ 3 Class 1 felony counts of engaging in a financial transaction involving an unlawful activity that deprived another of at least \$500,000, which is non-probationable;</li> <li>○ 1 Class 1 felony count of money laundering involving more than \$500,000, which is non-probationable;</li> <li>○ 2 Class 3 felony counts of wire fraud; and</li> <li>○ 1 Class 3 felony count of seeking compensation, as a public contractor, from a school district for goods that he did not deliver pursuant to the terms of a contract.</li> </ul>
<b>Business Owner 4</b> OIG Case 13-00153	<b>Charges (case pending)</b> <ul style="list-style-type: none"> <li>○ 2 Class X felony counts of theft of over \$100,000 from a government entity;</li> <li>○ 1 Class 1 felony count of conspiring to commit a financial crime that resulted in the theft of an amount between \$500,000 and \$1,000,000, which is non-probationable;</li> <li>○ 3 Class 1 felony counts of engaging in a financial transaction involving an unlawful activity that deprived another of at least \$500,000, which is non-probationable;</li> <li>○ 1 Class 1 felony count of money laundering involving more than \$500,000, which is non-probationable;</li> <li>○ 2 Class 3 felony counts of wire fraud;</li> <li>○ 1 Class 3 felony count of making false statements on a school-vendor application; and</li> <li>○ 1 Class 3 felony count of seeking compensation, as a public contractor, from a school district for goods that he did not deliver pursuant to the terms of a contract.</li> </ul>

Table 6

**B. FINAL DISPOSITIONS IN CRIMINAL CASES REGARDING A SECURITY OFFICER**

- *Final Disposition in Felony Cannabis Case (13-00138)*

In FY 2013, the OIG reported an investigation involving a high school security officer. The security officer was arrested after the Chicago Police executed a search warrant

at his home and found him possessing a loaded 9mm handgun, 30 grams of cannabis and \$6,000 in cash. As also reported in FY 2013, the security officer was terminated and designated as a Do Not Hire after the OIG determined that he (1) lied to the OIG during the investigation, and (2) improperly used sick days to attend court in his criminal case. At the time of the FY 2013 OIG Annual Report, the criminal charges against the security officer were still pending.

New Information: In FY 2015, the OIG reported to the Board that the former security officer eventually pleaded guilty to and was found guilty of one count of the Class 3 felony of manufacture or delivery of cannabis between 30 and 500 grams. In addition to being a felony, that charge is also an enumerated offense in the Illinois School Code. The former security office was sentenced to 7 days in the Sheriff's Work Alternative Program and 30 months of probation. He also was fined \$454.

- *Final Disposition in Batteries to Emergency Medical Technicians (11-00822)*

In another arrest situation that the OIG was monitoring, the same security officer was charged with multiple counts of aggravated battery after, according to police reports, he started a fight with Chicago Fire Department paramedics shortly after he was found drunk and passed out in his car. The security officer eventually pleaded guilty to and was found guilty of two counts of the Class 3 felony of aggravated battery to an emergency medical technician (720 ILCS 5/12-3.05(d)(5)). He was sentenced to 7 days in jail, 7 days in the Sheriff's Work Alternative Program and 30 months of probation. He also was fined \$704.