Office of
Inspector General
Chicago Board of Education
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For Immediate Release: Thursday, January 3, 2019

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CPS Inspector General Releases Annual Report:

Wide-ranging employee misconduct from the school level, to Central Office, to two prior CEOs

Chicago — The Office of Inspector General for the Chicago Board of Education investigated a wide range of employee misconduct last school year — from the school level, to Central Office to the dealings of two prior CEOs.

Major recoveries or savings included a $1 million penalty to be paid by an alternative-school operator and $50,000 in restitution received from an education-technology company in which a Board member held an interest.

In addition, community hearings are now in progress on alternatives to what IG Nicholas Schuler views as an unjustifiable free pre-K perk in the district's wealthiest attendance area that is costing taxpayers more than $700,000 a year in salaries and benefits. And, as in past years, the district is pursuing the recovery of non-resident tuition from suburbanites who the OIG found had fraudulently sent their children to CPS's elite selective-enrollment schools.

New cases of note include OIG investigations of:

- A high school principal who improperly hired a dance teacher through a vendor and allowed him to teach at the school for two years despite being unlicensed and never having undergone a background check. Moreover, after that teacher left the school, the principal continued to offer the dance class, even though the school no longer had a dance teacher to lead the class. Without an assigned teacher, the class had no curriculum and students received no dance instruction. Instead, they were assigned grades simply for showing up. The Board is seeking the dismissal of the principal and initiated debarment proceedings against the vendor. In addition, students attending the class in the fall of 2017 were stripped of credit for it but offered alternatives to make up the credit.

- The director of a high school choir club who mismanaged more than $13,000 raised during and after the choir's run on a televised competition. Of that amount, $8,000 was raised through a GoFundMe campaign and $5,000 was received for the group's local performances.

  The evidence showed that the director willfully violated CPS's fundraising guidelines by depositing those funds in his personal checking account and ignoring the school principal's repeated demands for him to turn the money over to the school and submit an accounting. It was not until the OIG interviewed him during its investigation that he turned over some money to the school. By that time, most of the money had been spent, and he admitted he had withheld funds from the school. However, the director claimed that the money went towards the students' expenses and that he never used any of the funds raised by the group on himself. The director subsequently resigned from CPS and the Board has placed a Do Not Hire designation in his file. While the OIG did not find that he stole money from the group, the OIG could not exclude that possibility given his poor accounting and the fact that he purposely withheld money from the school.

- Two managers and an engineer in the CPS Department of Facilities who closed their eyes to $1.1 million in improper CPS construction business. The OIG found that a husband and wife improperly circumvented the Board's competitive procurement process by dividing work between two construction companies they operated. Both managers and the engineer have since retired. CPS placed Do Not Hire flags in the files of the two managers. In addition, the Board debarred the husband and wife and their two companies.

- A CPS analyst and a school counselor who used phony addresses to win their children admission to selective-enrollment CPS high schools. The Board has since disenrolled both students and permanently banned them from any selective-enrollment schools or programs. The employees have either resigned or are the subject of dismissal proceedings. In addition, the OIG found that three Central Office employees, a principal, an assistant principal and more than a dozen teachers improperly resided in the suburbs.

Several noteworthy cases in the 2018 Annual Report may be familiar to the public as they were already publicly reported due to their import. The Annual Report, however, contains new updates on those cases, including the Board's responses to the OIG's policy recommendations.

One particularly noteworthy case involved an ethics violation by then-General Counsel Ronald Marmer and the subsequent cover-up by then-CEO Forrest Claypool, who took steps to alter documents and then lied to the IG. Both men have resigned. The district has since made changes to its Ethics Committee after the OIG raised concerns that Marmer may have changed the makeup of the committee to achieve more deference to the administration.

Another OIG investigation determined that an alternative-school operator used SUPES Academy owners Gary Solomon and Thomas Vranas as undisclosed lobbyists to gain improper access to Claypool's predecessor, then-CEO Barbara Byrd-Bennett (since imprisoned for a CPS contract kickback scheme), and to win contracts to operate CPS schools. As part of that case, the OIG recommended that the lobbyist disclosure forms of CPS vendors be placed on the CPS website in a manner easily accessed by the public. In response, the Board advised that it is developing an online portal where the vendors' disclosures will be made available to the public.

The OIG also recommended that the lobbyists themselves be required to disclose their involvement in CPS contracts and that CPS maintain a lobbyist registry on the CPS website that is publicly accessible. The Board advised that it is researching practices among other government agencies to determine the best process for tracking the activity of lobbyists associated with CPS contracts.

In another case, a former Board member violated the CPS Code of Ethics by advocating for CPS schools to purchase the products of at least four companies in which she was an investor and while she was a Board member. The OIG recommended that the Board strengthen the ethics policy by prohibiting Board members from having any significant personal stake in the business of CPS at any level — a prohibition that already applies to CPS employees and applies to LSC members with respect to the school where those members serve. The CPS Law Department is considering the OIG's proposal to strengthen the ethics policy and has discussed the matter with ISBE, but that legal review is still pending.

The OIG's Performance Review Unit detailed a widespread pattern of improper admissions in CPS elementary schools, particularly among neighborhood schools, that has led to stepped-up training for principals and plans to amend Board policy.

The Performance Review Unit also disclosed that residents of the most affluent attendance area in CPS were receiving special access to two years of free, Montessori pre-K — a perk worth more than $30,000 in the private market. In response, CPS held one community meeting to discuss alternatives to the free pre-K at Oscar Mayer Magnet and two more are scheduled — tentatively for January 24 and February 27.

A copy of the Fiscal Year 2018 Annual Report can be found online at the OIG's website: cpsoig.org.

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